

Independent Remuneration Panel

**SEVENTH REPORT TO
NOTTINGHAM CITY COUNCIL
January 2009**

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CHAIR'S FOREWORD

The role of the Panel, under the Local Authorities (Members Allowances) (England) Regulations 2003, is to make recommendations to the City Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances. In doing so we are able to look at various elements of the Members' Allowances Scheme (the Scheme).

Having concluded our previous series of meetings as recently as October 2007, our review in 2008 has tended to concentrate principally, on reviewing outstanding matters from that report as well as other issues which have been brought to our attention.

Our principal work has therefore encompassed the extent to which the Council has progressed performance management and monitoring for councillors, the continuation of index linking of rises in the Scheme and whether the level of additional remuneration presently paid to Executive Assistants can properly be justified given our previous reservations about the developing nature of the role. Other matters on which we have deliberated included whether the Chair of the newly established Audit Committee should receive additional remuneration and aspects of the Scheme relating to Travel, Subsistence and Carer's Allowances.

To assist our deliberations we have continued to benefit from access to a range of written evidence and comparative information from other local authorities, submissions from members of the City Council and oral submissions from Councillor Williams as the Chair of the Audit Committee, Councillors Foster, Klein, Price and Williams as representatives of the Member Development Steering Group and from Councillors Ahmed and Smith in their role as newly appointed Executive Assistants. Councillor Bull has provided a useful insight on the difficulties which councillors with caring responsibilities may face.

We feel that where our view has diverged on some matters from the City Council current practise, particularly in relation to performance management issues over which the Panel has spent a considerable amount of time in consideration and discussions, and in Executive Assistants, where we have yet to identify the level of responsibility which justifies the higher award approved by the City Council, we have provided reasons for doing so, as a minimum and, where possible, potential constructive suggestions for courses of action which, we feel, could improve the situation further.

In conclusion, I commend the recommendations set out in this seventh report of the Panel to the City Council.

**Independent Remuneration Panel
Seventh Report Nottingham City Council**

Finally, I would also like to take this opportunity to thank those members of the Panel and the officers and councillors involved for their valuable contributions to its work.

NIGEL CULLEN

Chair

January 2009

REMIT AND PANEL

1.1 The Independent Remuneration Panel, is appointed under the Local Authorities (Members Allowances) (England) Regulations 2003 (the Regulations), to make recommendations to the City Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances.

1.2 At the outset of its work, it was noted that active Panel membership had again reduced somewhat from previous levels. For the 2008 Review, the Panel therefore comprised:-

Nigel Cullen (Chair)	-	Business Community representative
Dr Paul Greatrix	-	University of Nottingham
Ronald Martin	-	Member of the public
Afzal Sadiq	-	Racial Equality Council
Robert Searle-Barnes	-	Member of the public

1.3 The Panel also noted that former members, Ron Buchanan and Jennifer Spencer were no longer able to serve and the Panel records it's appreciation for the past work undertaken on its behalf by these individuals. The Panel notes that, in view of this further reduction in serving members, the City Council intends to review the composition of the Panel at the conclusion of the current review.

1.4 We met on the following six occasions to receive written and oral evidence to assist our deliberations:-

5 August 2008	3 September 2008
17 September 2008	1 October 2008
22 October 2008	12 November 2008

REVIEW OF SIXTH REPORT (2007)

2.1 We began our activities by reviewing the recommendations made in our previous report of 2007 against the progress made by the City Council in implementing them.

2.2 Of the twelve recommendations considered by the City Council at its meeting on 4 February 2008, eleven were accepted. However, in the case of Executive Assistants, the Council failed to accept our proposal of £2,645¹ (currently £2,710) and instead approved a Special Responsibility Allowance (SRA) at the higher level of £5,445 (currently £5,579) recommended by the Leader of the Council, Councillor Collins.

Whilst accepting our recommendations regarding performance management which have been made in a number of reports, this is still a matter under consideration by the City Council.

2.3 Five of the recommendations concerned either the indexation of increases in the levels of allowances to reflect increases in the levels of local government staff pay, or the introduction of performance management and monitoring for councillors. For consideration purposes, we have chosen to link these topics.

2.4 Our sixth report was available to the City Council from late October 2007, but we note that it was not finally considered by the City Council until between three and four months later. Whilst we appreciate that there will be many calls on the Council's time, we consider that issues on which we commented or made recommendations would have benefited from earlier consideration and that this delay will have contributed unnecessarily to a reduced ability to progress a number of outstanding matters between the last and current Panel Reviews. We return to these areas as necessary, in the succeeding sections of our current report.

2.5 RECOMMENDATION ONE

That the City Council give an indication of preferred timescales for considering a Panel report at the beginning of the IRP process, to enable the Panel to programme its work effectively and assist in bringing an informed but realistic approach to the Panel when considering timetables for possible progress on issues.

¹ Figures quoted from 2007 report. Current allowance at time of report preparation shown (in brackets, 2007/08 pay award applied)

(**Reasons:** to ensure that Panel recommendations remain relevant to City Council activities, to eliminate or reduce barriers to implementation and promote a greater likelihood of timely progress on outstanding matters).

CURRENT REVIEW (2008) – ISSUES

3.1 At the conclusion of our last review we identified a number of matters which we would wish to re-visit either, as in the case of Executive Assistants, due to the developing nature of the role or, as in the case of performance management and monitoring of councillors because, despite a willingness to agree recommendations made by the Panel in previous reports, the City Council had made little real progress in their implementation.

3.2 Having regard to our remit under the Regulations, and to our review of the 2007 report outlined in the previous section, we identified the following as matters for consideration as part of our 2008 review:-

(1) progress on the introduction of performance management and monitoring for councillors;

(2) the index linking of increases in the Members' Allowances Scheme and the inflator to be used;

(3) Executive Assistants – whether, following a period of further development of the role, the City Council's decision to remunerate the position at a level higher than our original recommendation could now be justified;

In addition, the following matter was added as a result of a submission received from an elected member:-

(4) Eligibility for Payment of an SRA for Chair of the Audit Committee – the Committee had been established by the City Council on 12 May 2008;

and the following two matters as a result of requests submitted by officers:-

(5) Travelling, Subsistence and Care Allowances; and

- (6) Payment of allowances to Co-optees and Appointed Members –
issue identified for review in mid 2009.**

PROGRESS ON THE INTRODUCTION OF PERFORMANCE MANAGEMENT AND MONITORING FOR COUNCILLORS

- 4.1** For this aspect of our review we accepted the suggestion made by Councillor Foster on behalf of colleagues from all political parties, that we should discuss progress on the introduction of performance management and monitoring with representatives of the Member Development Steering Group. We used an agreed written submission made by Councillor Foster as a basis for our discussions with Councillors Foster, Klein, Price and Williams, and considered and noted the content of two written submissions made on the topic by Councillors Dewinton and Malcolm which highlight the different ways in which councillors undertook their duties and the challenges they face in managing conflicting diary commitments.
- 4.2** In addition to this information exchange we also received further supporting information from officers on the structure of the Council and the Member Development Charter Mark award which the City Council is seeking to attain.
- 4.3** We again recalled the previous history of our attempts – always accepted by the City Council, but to date, never fully implemented - to encourage it to acknowledge the desirability of introducing some means of measuring what they do, and making this information publicly available as one means of increasing the profile of the valuable role which councillors perform and the contributions which they make to the locality.
- 4.4** We welcomed the opportunity to discuss the issue of performance management and monitoring and progress made since our last report with the Member Development Steering Group. We are encouraged by the acknowledgement in our discussion of a link between well-trained and informed elected members and an authority which is well run, and the Steering Group's desire for the City Council to achieve the East Midlands Region Member Development Charter, as an indication that development and performance issues for councillors are now, hopefully, being given greater weight amongst councillors themselves.

- 4.5** Proposals to introduce individual annual reports for all elected members from March 2009, based on a localised version of the model currently used by Kirklees Metropolitan District Council, and for the development of performance development review processes (PDRs) as a means of identifying progress made and individual training and support needs, were a welcome development.
- 4.6** If the City Council is able to subscribe to and obtain Charter Mark status this, through the associated accreditation processes, will demonstrate that the organisation has made progress in a number of areas and the efforts of the Member Development Steering Group in this matter should be endorsed and supported. We must, however, add a rider to our more optimistic assessment of the current situation.
- 4.7** That rider concerns a perception that we formed during our discussions with the Member Development Steering Group, that participation in the proposed PDR process for elected members may be inconsistently applied by the political groups and may be a voluntary process. This should be resisted.
- 4.8** Whilst we acknowledge the realities of working in a political environment and that councillors will always have the right to cite the electoral system as the ultimate measurement of their effectiveness, it seems to us that political groups should be actively highlighting the benefits of the PDR process for the both individual and the wider organisation to colleagues and allaying any reservations about new or unfamiliar practices the benefits of which, with hindsight, once operated, far outweigh the previously perceived limitations. The following extract from the Kirklees case study on the IDeA website seems to bear this out, and to us illustrates the benefits of the Charter and PDR processes:-

“ Councillor Margaret Bates, Cabinet Lead for Health and Adult Services, said:

When I was first approached to take part in the 360-degree appraisal, I agreed with reluctance: this was ‘alien territory.’ However, having had the appraisal, I would be only too happy to go through the process again in the future.

As a result of the feedback from this process, I now have more confidence in my abilities to lead from the front. I encourage others to look at different ways of working, improving life for adults and vulnerable residents in Kirklees.”

- 4.9** We feel that despite the progress now being made, the issue of performance management and monitoring for councillors should remain an active issue for this Panel, for the time being at least. We therefore propose to revisit this matter during our next review. Our recommendations regarding this issue appear at the end of the succeeding section.

CONTINUED INDEXATION OF MEMBERS' ALLOWANCES

- 5.1** Regulation 21(e) provides that the Panel may make recommendations:-

“as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;”

- 5.2** Recommendation five of our sixth report (2007) which was approved by the City Council recommended that indexation of increases to the Members' Allowances Scheme should apply for the current (ie 2007/08) financial year only and the situation should be reviewed again in mid 2008.
- 5.3** We therefore return to this issue as part of our current deliberations, having chosen, in our last report, to link indexation to progress on performance management and monitoring (discussed above).
- 5.4** As part of our deliberations in 2007, we received information on a comparative basket of indicators which could be used as the inflator in the event of indexation. We concluded that the linkage to the level of increase in local government employees' pay was appropriate and we have received no further evidence in the current review to persuade us to a different view. This outcome is therefore re-stated below for the sake of completeness.
- 5.5** After ten years we now see signs that the City Council appears more supportive of performance management and monitoring through the work of the Member Development Steering Group towards Charter Mark accreditation and the introduction of a PDR procedure for elected members which we discuss in section four above. This seems to the Panel to be long overdue, and the work of the Member Development Steering Group and its officer support structures should be endorsed,

supported and its proposals implemented by the City Council, without delay.

- 5.6 As we warned in paragraphs 4.6 and 4.7 however, the prospect of genuine progress may be compromised, and for this reason, in paragraph 4.8, we signal our intention to keep the issue under review. We therefore re-state our intention to link the issues of indexation and progress on performance management and make the following recommendations as a result.

5.7 RECOMMENDATION TWO

Performance Management and Monitoring

That proposals for the introduction and publicising of individual elected member annual reports and the introduction of performance appraisal and development review processes (PDRs) for all elected members, be endorsed, supported and implemented without delay.

(Reasons: to demonstrate support for the Member Development Steering Group and commitment to the introduction of performance management and monitoring)

5.8 RECOMMENDATION THREE

That, in the case of individual member annual reports, consideration should be given to modelling these on those used by Kirklees Metropolitan District Council (adapted to local circumstances) and include information on how the recently introduced ward member individual budgets have been spent.

(Reason: to increase the level of relevance of annual reports)

5.9 RECOMMENDATION FOUR

That the PDR process be adopted and applied uniformly to all City Councillors across all political groups.

(Reason: to demonstrate a commitment to maximising the effectiveness of the PDR process)

5.10 RECOMMENDATION FIVE

Indexation – Inflator

That the inflator to be used in any indexation of increases in the Members' Allowances Scheme should be the level of increase in local government employees' pay.

(Reason: to ensure the prudent use of financial resources)

5.11 RECOMMENDATION SIX

Indexation – Duration

That the practice of applying indexation rises to the Members' Allowances Scheme be discontinued until the provisions of recommendation two to four have been introduced.

(Reason: to ensure progress on previous Panel recommendations)

EXECUTIVE ASSISTANTS – REMUNERATION LEVEL

- 6.1** In 2007 we were asked for our views on whether the newly created position of Executive Assistant should be additionally remunerated via a Special Responsibility Allowance and, if so, at what level this should be paid. From our deliberations, we concluded that the evolutionary nature of the role and slenderness of the evidence available to us, meant that we felt unable to support the Leader of the Council's proposal to award a Special Responsibility Allowance equivalent to that of the chair of a regulatory committee (currently £5,579¹), but recommended instead, a lower allowance equivalent to that of a chair of a Licensing Panel (currently £2,710¹). At the time of our report (October 2007) we recognised that, in view of the evolutionary nature of the role, we should review our recommendation as part of our next review.
- 6.2** We began our current deliberations aware that the Leader of the Council, whilst acknowledging our view and the reasoning behind it, did not accept our recommendation and therefore chose to restate his own recommendation for remuneration at a higher level, which was subsequently endorsed by a majority of the Council at its meeting in February 2008.

- 6.3** To assist our current review, we have been provided with an extract from the current City Council Constitution on the role and remit of Executive Assistants, written submissions from all four current Assistants, outlining their duties over a period of time and the comments of the relevant Portfolio Holders on the activities of their Assistant colleagues, made in response to questions asked of them at a meeting of the City Council on 9 September 2008. We also had the benefit of a personal discussion with Councillors Ahmed and Smith, the two most recent appointments (May 2008) to the role.
- 6.4** In our last report (paragraphs 4.2 and 4.3), we, also, noted the tendency for other local authorities to appoint Executive Assistants to address capacity issues and arising from the breadth and complexity of work areas and legal restrictions on the size of the Leader/Cabinet model structures. This situation and a continuity of need has not altered and has been reinforced in comments made to us by Councillors Ahmed and Smith and from the transcript of comments made by Portfolio Holders themselves.
- 6.5** We believe that the payment of a special responsibility allowance, at whatever level, is merited by factors, including additional levels of responsibility and time spent on duties and, in respect of Executive Assistants, their additional contribution to the development and implementation of policy remains valid.
- 6.6** The greater period of elapsed time since our last report has provided an opportunity to submit more evidence on the role and duties of Assistants as they have developed. Submissions to us have indicated that, although there may be seasonal fluctuations or workload commitments, the average time per week spent on ordinary Council and Executive Assistant duties amounts to some 25 and 15 hours, respectively. The submissions have been less clear, however, in identifying and/or demonstrating explicitly, levels of additional responsibility or contributions to the development and implementation of policy for all by Executive Assistants and to which we refer in paragraph 6.5 above.
- 6.7** However, we feel there is still insufficient evidence, either of enhanced responsibilities or contributions towards policy development and/or implementation, to revise our original recommendation of 2007 on the level of SRA to be paid.

We acknowledge this difference in view between the Panel and the City Council on this matter, but we also consider below how this divergence may, at least in part, be somewhat reconciled.

6.8 The written evidence and discussions which we considered, highlighted a number of matters to the Panel:-

- (a) all Executive Assistants performed a number of common duties irrespective of their areas of specific interest such as attendance and deputising at meetings or events and briefing of colleagues;
- (b) the role provides different areas of opportunity, characterised by our discussions with Councillors Ahmed and Smith. Councillor Smith is a relatively new member of the City Council and his appointment provides an opportunity to assimilate the work of the Authority as a large and complex organisation. Councillor Ahmed who, as a recently returning Councillor, has been able to utilise previous knowledge of working arrangements, enabling him to make a greater contribution to policy development and implementation;
- (c) comments made by Councillor Chapman during the Council meeting in September 2008 and views expressed by Councillor Ahmed concerning the adoption of a work programme reinforce our view that, as they stand, the responsibilities and expectations of Executive Assistants are not sufficiently defined;
- (d) we returned to the extract from the current constitution on the generic roles and responsibilities for Executive Assistants. Whilst this document seems satisfactory as an iteration of expectations for Executive Assistants for inclusion in a formal document such as the City Council's Constitution, it seems to the Panel that if the expectations we outlined at paragraph 6.5 above were to be fulfilled, this formal document should be supplemented by a more developed set of expectations by which the progress of Executive Assistants can be measured and demonstrated.

6.9 In this respect, the position adopted between Councillors Chapman and Ahmed, where the former, as Portfolio Holder, has identified and agreed with Councillor Ahmed a series of areas of responsibility and actions to be concluded in the form of a work plan against which progress can be measured on a regular basis, seems to have merit. It also mirrors the position of staff within the Authority who have objectives set as an element of their own individual Performance and Development Review processes. The format, content and the monitoring of objectives should

be clear but not over elaborate and should assist in gathering evidence on the effectiveness of the role and its incumbents.

6.10 RECOMMENDATION SEVEN

That to clarify responsibilities and expectations and assist the development of the role, relevant Portfolio Holders and Executive Assistants should identify and agree an annual programme of activities, against which progress of Executive Assistants can be demonstrated. The outcomes should be reported to the Leader or Executive Board on an annual basis as part of the member development process.

(Reasons: to provide greater clarity for the role of an Executive Assistant and to demonstrate development and effectiveness in the role)

ELIGIBILITY FOR PAYMENT OF A SPECIAL RESPONSIBILITY ALLOWANCE FOR CHAIR OF THE AUDIT COMMITTEE

- 7.1 As a result of a submission received from Councillor Williams, we considered whether the work of the Chair of the Audit Committee, which had been newly established at the meeting of the City Council on 12 May 2008, merited the payment of a Special Responsibility Allowance, and if so at what level this should be paid.
- 7.2 We had the benefit of background reports on the role of the Audit Committee and the Annual Governance Statement for 2008/09, which provided a context for our discussion with Councillor Williams, Chair of the Audit Committee and Shail Shah, Head of Risk and Audit Services.
- 7.3 Further information was provided on the rationale for consolidating the auditing activities previously undertaken by a number of other committees across the Council and the influence of private sector and other public sector models so as to provide a measure of independent reassurance to the public and other elected members on systems of operation in councils and prudent use of public funds.
- 7.4 From our discussions with Councillor Williams and Mr Shah, the following aspects were identified:-

- (a) the role of the Committee was still evolving and therefore the time commitments for the Chair and ordinary members were difficult to predict with certainty but would vary depending on the matter(s) in hand;
- (b) a monthly cycle of meetings was likely in addition to briefing meetings and additional meetings between the Chair, Corporate Directors and other staff as required;
- (c) as an approximate indication, the work of the Committee could develop towards 60% business of a financial or pseudo-financial nature and 40% non-financial or performance framework matters.
- (d) the role of Committee Chair was not thought to demand a professional financial qualification but, in common with other members, an ability to analyse, to have an enquiring mind and ask appropriate questions and maintain elements of impartiality and objectivity from the organisation as a whole when conducting its business was greatly valued.

7.5 As a result of the discussion, we concluded that that the role of the Audit Committee and its Chair were, at present, evolutionary, that the position merited payment of a Special Responsibility Allowance and that currently, the role and responsibilities of the Chair of the Committee equated to those of the Chair of a Regulatory Committee, but that this may change at some future point, depending on the further evolution of the position. We make the following recommendations as a result.

7.6 RECOMMENDATION EIGHT

That the current Members' Allowances Scheme be amended to include the payment of a Special Responsibility Allowance to the Chair of the Audit Committee at an amount equivalent to that of the Chair of a Regulatory Committee (currently £5,579.89).

7.7 RECOMMENDATION NINE

That the level of Special Responsibility Allowance be reviewed as part of our next review and in light of any changes in responsibilities as a result the development of the role.

(Reasons: to reflect the more onerous duties of the position over and above the normal duties of a Councillor, the greater need for objectivity and impartiality in the conduct of the position and its current evolutionary nature).

TRAVELLING, SUBSISTENCE AND CARE ALLOWANCES

- 8.1** We respond, in this section, to submissions from officers of the City Council regarding two administrative aspects of the Members' Allowances Scheme. Firstly, we consider whether the current practice of separate travelling and subsistence allowances for elected members and officers should be consolidated into one scheme.
- 8.2** We received information from Mr M Evans, the Head of Payroll and Pensions on the historical background to the evolution and current application of the travel and subsistence schemes for elected members and officers. We noted that whilst there were differences between the current level of some officers' and members' payments, these were not significant and that the level of payments made to elected members for travelling and subsistence was not at a level which would significantly affect the relevant City Council budget(s).
- 8.3** We conclude that on the evidence available, the impact of harmonising travel and subsistence rates on the relevant City Council budget(s) to produce one, common scale of payments for officers and elected members, is not likely to be significant and that administrative errors, under and overpayments could be reduced as a result.
- 8.4** Secondly, we considered whether the current practice of applying an upper limit to the Carer's Allowance element of the Scheme should be discontinued.
- 8.5** We again received information from Mr Evans, on technical aspects and the practical operation of this element of the Allowances Scheme, the levels of financial benefit which derived to an employee from taking up either the Employer's Scheme or the Employee Salary Sacrifice Scheme for childcare vouchers and the operation and take up of the directly paid carer's allowance to elected members.

8.6 To gain a greater insight into the potential impact of the upper limit to the element on the work of a councillor, we invited a written submission from Councillor Bull as a potential recipient of the Allowance. This written submission formed the basis for a discussion with Councillor Bull and Mr Evans.

8.7 We noted the following matters arising from our discussions:-

- (a) from an illustration of personal circumstances the current maximum allowance of £557 and the cost of professional childcare resulted in a greater reliance on unpaid family assistance and a need, wherever possible, to arrange City Council business around the availability of childcare, which was particularly challenging as a Member with Portfolio Holder responsibilities;
- (b) that where a ward member had 'paid for' caring responsibilities in excess of one day per week but no access to other allowances (eg disability living allowance) for the person cared for, he/she was likely to be financially out of pocket as a result of the limit;
- (c) difficulties in combining the roles of carer and councillor effectively, meant that the limit could be seen as a potential barrier in recruiting to change the current demographic make-up of authorities to reflect better the local population;
- (d) the continued lack of access to the provisions of the national childcare scheme and benefits, such as maternity leave, was an unjustifiable anomaly;
- (e) the current level of payments made under this element of the allowances Scheme had not been significant in recent years.

8.8 From the evidence available to us we conclude that:-

- (a) difficulties in combining the roles of carer and councillor effectively, mean that the limit, together with the continued lack of access to the provisions of the national childcare scheme and benefits, such as maternity leave, should be seen as an unjustifiable anomaly and a potential barrier in recruiting councillors which should be rectified by central government if it was serious in its commitment to change the current demographic make-up of authorities to reflect better the local population;

- (b) there should be an adjustment to the current level of the Carer's Allowance. However, removal of the upper limit of an allowance which was available to councillors, but without the financial sacrifice experienced by staff when purchasing childcare vouchers at a discounted rate, would amount to an unjustifiable benefit for councillors;
- (c) the upper limit of the Carer's Allowance of the Scheme should be raised.

8.9 In deciding the level at which the upper limit should be set, we had regard to the difference between the maximum of the current Carer's Allowance (£557) and the current maximum level of benefit accruing to a member of staff paying the standard rate of income tax and national insurance when purchasing childcare vouchers with either scheme operated by the City Council (£904). Accordingly we make the following recommendations concerning travel and subsistence and carer's allowances.

8.10 RECOMMENDATION TEN

Travel and Subsistence Allowances

That the current schedule of payments for travel and subsistence for elected members and officers be harmonised to produce a single scale, using the current payments for officers as its basis and for future adjustments.

(Reason: to simplify internal administration procedures, reduce associated costs and staff time and the margin for errors in payments).

8.11 RECOMMENDATION ELEVEN

Carer's Allowance

That the upper limit of the Carer's Allowance be increased to, and mirror, the maximum level of benefit that can derive to an employee purchasing childcare vouchers under the Employee's Childcare Voucher Purchase Scheme (currently £904).

8.12 RECOMMENDATION TWELVE

That an elected member may receive payments under this element of the Scheme only where paid for care is necessary and the costs incurred to enable them to carry out their role as a councillor, and where either they are not in receipt of allowances or payments towards care, from the individual(s) being cared for, or where those being cared for are, themselves, ineligible for appropriate government paid allowance(s).

(Reasons: to reflect the increased costs associated with caring and to make a reasonable adjustment to assist councillors in fulfilling their duties)

PAYMENT OF ALLOWANCES TO CO-OPTees AND APPOINTED MEMBERS

- 9.1** The current practice of whether Co-optees and Appointed Members should receive an allowance has been identified for review by this Panel during mid 2009.

SUMMARY OF RECOMMENDATIONS

REVIEW OF SIXTH REPORT (2007)

CONSIDERATION OF PANEL REPORTS BY THE CITY COUNCIL

RECOMMENDATION ONE

That the City Council give an indication of preferred timescales for considering a Panel report at the beginning of the IRP process, to enable the Panel to programme its work effectively and assist in bringing an informed but realistic approach to the Panel when considering timetables for possible progress on issues.

(Reasons: to ensure that Panel recommendations remain relevant to City Council activities, to eliminate or reduce barriers to implementation and promote a greater likelihood of timely progress on outstanding matters)

CURRENT REVIEW

PROGRESS ON THE INTRODUCTION OF PERFORMANCE MANAGEMENT AND MONITORING FOR COUNCILLORS

RECOMMENDATION TWO

That, for the introduction and publicising of individual elected member annual reports and the introduction of performance appraisal and development review processes (PDRs) for all elected members, be endorsed, supported and implemented without delay.

(Reasons: to demonstrate support for the Member Development Steering Group and commitment to the introduction of performance management and monitoring)

RECOMMENDATION THREE

That in, in the case of individual member annual reports, consideration should be given to modelling these on those used by Kirklees Metropolitan District Council (adapted to local circumstances) and include information on how the recently introduced ward member individual budgets have been spent.

(Reason: to increase the level of relevance of annual reports)

RECOMMENDATION FOUR

That the PDR process be adopted and applied uniformly to all City Councillors across all political groups.

(Reason: to demonstrate a commitment to maximising the effectiveness of the PDR process)

CONTINUED INDEXATION OF MEMBERS' ALLOWANCES TO THE PAY SETTLEMENT OF LOCAL GOVERNMENT EMPLOYEES

RECOMMENDATION FIVE

That the inflator to be used in any indexation of increases in the Members' Allowances Scheme should be the level of increase in local government employees' pay.

(Reason: to ensure the prudent use of financial resources)

RECOMMENDATION SIX

That the practice of applying indexation rises to the Members' Allowances Scheme be discontinued until the provisions of recommendation two to four have been introduced.

(Reason: to ensure progress on previous Panel recommendations)

EXECUTIVE ASSISTANTS – REMUNERATION LEVEL

RECOMMENDATION SEVEN

That to clarify responsibilities and expectations and assist the development of the role, relevant Portfolio Holders and Executive Assistants should identify and agree an annual programme of activities, against which progress of Executive Assistants can be demonstrated. The outcomes should be reported to the Leader or Executive Board on an annual basis as part of the member development process.

(**Reasons:** to provide greater clarity for the role of an Executive Assistant and to demonstrate development and effectiveness in the role)

ELIGIBILITY FOR PAYMENT OF A SPECIAL RESPONSIBILITY ALLOWANCE FOR CHAIR OF THE AUDIT COMMITTEE

RECOMMENDATION EIGHT

That the current Members' Allowances Scheme be amended to include the payment of a Special Responsibility Allowance to the Chair of the Audit Committee at an amount equivalent to that of the Chair of a Regulatory Committee (currently £5,579.89).

RECOMMENDATION NINE

That the level of Special Responsibility Allowance be reviewed as part of our next review and in light of any changes in responsibilities as a result the development of the role.

(**Reasons:** to reflect the more onerous duties of the position over and above the normal duties of a Councillor, the greater need for objectivity and impartiality in the conduct of the position and its current evolutionary nature)

TRAVELLING, SUBSISTENCE AND CARE ALLOWANCES

TRAVELLING AND SUBSISTENCE

RECOMMENDATION TEN

That the current schedule of payments for travel and subsistence for elected members and officers be harmonised to produce a single scale, using the current payments for officers as its basis and for future adjustments.

(**Reason:** to simplify internal administration procedures, reduce associated costs and staff time and the margin for errors in payments)

CARE ALLOWANCE

RECOMMENDATION ELEVEN

That the upper limit of the Carer's Allowance be increased to, and mirror, the maximum level of benefit that can derive to an employee purchasing childcare vouchers under the Employee's Childcare Voucher Purchase Scheme (currently £904).

RECOMMENDATION TWELVE

That an elected member may receive payments under this element of the Scheme only where paid for care is necessary and the costs incurred to enable them to carry out their role as a councillor, and where either they are not in receipt of allowances or payments towards care, from the individual(s) being cared for, or where those being cared for are, themselves, ineligible for appropriate government paid allowance(s).

(**Reasons:** to reflect the increased costs associated with caring and to make a reasonable adjustment to assist councillors in fulfilling their duties)

PAYMENT OF ALLOWANCES TO CO-OPTES AND APPOINTED MEMBERS

No recommendation made under the current report. This issue has been identified for further consideration as part of the Panel's review in 2009.

SUMMARY OF EVIDENCE CONSIDERED

Common to all deliberations:

- Local Authorities (Members Allowances) (England) Regulations 2003
- “Guidance on Councillors’ Allowances, Tax and Social Security” issued by the Department of the Environment, Transport and the Regions, August 1997
- Previous Reports of the Independent Remuneration Panel to the City Council
- Professional expertise and personal experience of Remuneration Panel Members’

Consideration of Panel Reports by the City Council

- Minutes of the City Council meeting held on 4 February 2008

Review of Sixth Report (2007)

- Report of Deputy Chief Executive and Corporate Director of Resources
- Minutes of the Council Meeting held on 4 February 2006

Current Review:

Performance Management and Monitoring for Councillors

- Information from the Deputy Chief Executive and Corporate Director of Resources on the Member Development Charter Mark
- Minutes of the City Council meeting held on 4 February 2008
- Written submissions by Councillors Dewinton, Foster and Malcolm
- Submissions by Councillors Foster, Klein, Price and Williams as representatives of the Member Development Steering Group

- Report of Leeds Independent Remuneration Panel, dated 1999
- Index Linking of Increases in Members' Allowances Scheme**
- Information from Panel deliberations in 2007 on the comparative information on the effects of other possible inflator indices on total Members' Allowances budget and Basic Allowance
- Executive Assistants**
- Nottingham City Council's Constitution regarding the role of Executive Assistants
 - Minutes of the City Council meeting held on 8 September 2008
 - Submissions by:
 - Councillor Hassan Ahmed, Executive Assistant, Resources, Economic Development and Reputation
 - Councillor Mohammed Ibrahim, Executive Assistant, Children's Services
 - Councillor Hylton James Executive Assistant Adult Services and Health
 - Councillor David Smith, Executive Assistant, Children's Services
- Special Responsibility Allowance for Chair of the Audit Committee**
- Nottingham City Council's Constitution regarding the Terms of Reference and remit for the Audit Committee
 - Report of Deputy Chief Executive and Corporate Director of Resources on the background to the role of the Audit Committee and the Annual Governance Statement
 - Submissions by Councillor Williams, as Chair of the Audit Committee and the Head of Risk and Audit Services

Travelling and Subsistence

- The provisions of the current Members' Allowances Scheme in respect of travelling and subsistence payments

- Submissions from the Head of Payroll and Pensions regarding the historical basis and operation of the officers' and Members' schemes and the level of use of the Members' Scheme

Carer's Allowance

- Submissions from the Head of Payroll and Pensions regarding technical aspects of the allowance and its take-up by Members'
- Submission by Councillor Katrina Bull

Submissions Received from City Councillors

- Written submissions from (addressed under the relevant subject heading):
- Councillors Dewinton, Foster and Malcolm (Performance management and monitoring)
- Councillor Williams (SRA Chair of Audit Committee)
- Councillors Ahmed, Ibrahim, James and Smith (Executive Assistant Remuneration)
- Councillor Bull (Carer's Allowance)