

CITY COUNCIL – 14 DECEMBER 2009

REPORT OF THE LEADER

PROPOSED CHANGES TO THE CONSTITUTION

1 SUMMARY

This report recommends two amendments to the Constitution: an amendment to the terms of reference of the Appointments and Conditions of Service Committee ('ACOS'), and a reduction to the current financial limits for officer delegated decisions in relation to executive matters contained in Appendix 6(d) of the Constitution.

2 RECOMMENDATIONS

IT IS RECOMMENDED that Council:-

- (1) approves the revised terms of reference for the Appointments and Conditions of Service Committee, detailed in Appendix B;
- (2) approves, with immediate effect, changes to the current financial limits for officer delegated decisions in relation to executive matters, as set out in Appendix C to the report and Section III of Appendix 6(d) of the Constitution be amended accordingly.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 The recommended changes to the terms of reference for ACOS should ensure any discretionary payments to officers are at an appropriate level and are the best use of the Council's financial resources.
- 3.2 The recommended changes to financial limits for officer delegated decisions should ensure that a full and proper record is kept of decisions of a value over £50,000 and will increase the scope for portfolio holders in executive decision making, whilst having safeguards for ensuring professional decisions remain to be taken by officers.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 The recommendations for officer delegations are being made in the light of experience and analysis of the current approach to delegations and are considered a sensible development from them.

5 BACKGROUND

Appointments and Conditions of Service Committee

- 5.1 At its meeting on 6 October 2009, ACOS agreed to submit a recommendation to Council to amend its terms of reference. A copy of minute 27 is included at Appendix A.
- 5.2 ACOS has requested that any discretionary compensation payments considered for Corporate Directors, Directors and all members of the Strategic Leadership Management Group (SLMG) are approved via ACOS, and that it formally approves any discretionary compensation payments for employees considered in the efficient exercise of the Council's functions that are in excess of £30,000.
- 5.3 Currently it is only payments for Corporate Directors and Directors that receive ACOS approval so this would extend the discretionary powers of ACOS to include Heads of Service and any efficiency payment in excess of £30,000.
- 5.4 The detailed constitutional changes necessary to give effect to the ACOS recommendations are set out in Appendix B

Financial Limits for Officer Delegations

- 5.5 During this year a monitoring exercise over the use of officer delegated powers, to establish the frequency and value of such decisions, was carried out to enable a review of the current financial value limits separating officer delegated decisions from portfolio decisions on executive business. Currently all portfolio holder decisions, and officer delegated decisions over £50,000 in value, should be recorded, and are held on the Council's intranet and internet sites. The exercise demonstrated that recording of officer decisions may not be comprehensive and greater rigour was applied to the portfolio decision-making process.

- 5.6 From the review of those records, it seems clear that there is scope to reduce the general financial limits on officer delegated decisions, for executive business, to £50,000, for both revenue and capital, thereby engaging portfolio holders in more executive decision making, as the records also demonstrate that since the inception of executive governance arrangements the total of portfolio holder decisions shows additional capacity to expand their role.
- 5.7 The new financial limits will not extend to expenditure arising from professional decisions affecting individuals (eg care packages, etc) and, also, where a programme of initiatives (eg the local transport plan) is submitted for approval, it will be open to corporate directors to recommend that they be granted delegated authority above the new limits for identified items within the programme, where it is in the interests of efficient delivery of services. These qualifications to the new proposal arise from discussions with corporate directors and are in the interests of effective and professional service delivery.
- 5.8 The proposed change to Section III of Appendix 6(d) to the Constitution is set out in Appendix C to this report.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

- 7.1 The enhancements to the role of ACOS, as proposed in Appendix B, are considered to be reasonable and lawful.
- 7.2 The recommendations regarding Corporate Director delegations fall within the ambit of executive governance arrangements within the Local Government Act 2000 and are in line with national guidance on such arrangements, given the qualifications suggested.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

None

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 Minutes of Appointments and Conditions of Service Committee, 6 October 2009

9.2 Internet records of portfolio holder and officer delegated decisions.

9.3 Nottingham City Council Constitution

**COUNCILLOR JON COLLINS
LEADER**

27 DISCRETIONARY COMPENSATION REGULATIONS – REVIEW OF POLICY

Consideration was given to a report of the Director of Human Resources, copies of which had been circulated.

RESOLVED

- (1) that option (f), as set out in appendix B, which applied only in respect of redundancy payments, be taken forward for consultation;**
- (2) that the proposal in respect of efficiency dismissals be amended as agreed;**
- (3) that a further public report be submitted to the November meeting of this Committee, following consultations with trade unions, with a view to Councillors agreeing the proposed changes to the Discretionary Compensation Regulations Policy;**
- (4) that a report be submitted to the City Council recommending the proposed changes to the terms of reference for this Committee in relation to extending the responsibility for determining discretionary decisions in respect of Corporate Directors, Directors and for the whole of the Strategic Leadership Management Group.**

APPENDIX B

<p>TITLE</p>	<p>Appointments and Conditions of Service Committee</p>
<p>POWERS / REMIT</p>	<p>The terms of reference of the Committee are:-</p> <ul style="list-style-type: none"> (a) to undertake the appointment process in respect of the Chief Executive, Deputy Chief Executive and Corporate Directors (long listing, short listing and formal interview) and, subject to having ascertained the views of the Executive Board in accordance with Standing Orders, to make recommendations to Council; (b) to determine the terms and conditions of City Council employees and procedures for disciplinary action and dismissal; (c) to designate proper officers; (d) to designate officers as Head of Paid Service, Section 151 Officer and as Monitoring Officer and to ensure the provision of sufficient staff and other resources; (e) to exercise any other personnel functions which cannot be the responsibility of the Executive; (f) to receive reports on action taken in respect of terms agreed for the Chief Executive, Deputy Chief Executive, Corporate Directors and Services Directors

the **Senior Leadership Management Group (SLMG)**

leaving the employment of the Council where those terms included compensation;

- (g) determines redundancies, terminations of employment (retirement) on the grounds of business efficiency, terminations of employment under the 85 year rule, ill-health retirements and flexible retirements, the exercise of discretions relating to redundancy and in the interests of the efficient exercise of the Council's functions (under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (the 'DCR') and any exercise of discretions to increase total LGPS membership and award additional LGPS membership for the Deputy Chief Executive, Corporate Directors, and Directors the SLMG. The Committee also determines terminations of employment (retirement) on the grounds of business efficiency, terminations of employment under the 85 year rule, ill-health retirements and flexible retirements, the exercise of discretions relating to redundancy and in the interests of the efficient exercise of the Council's functions under the DCR Local Government (Early Termination of Employment) (Discretionary Compensation)(England and Wales) Regulations 2006 and any exercise of discretions to increase total LGPS membership and award additional

	<p>LGPS membership for the Chief Executive. The Committee also determines terminations of employment on the grounds of business efficiency under the DCR for employees where any proposed compensation payment is in excess of £30,000.</p> <p>(h) to appoint an independent person to investigate matters of misconduct and capability involving the Head of Paid Service, Section 151 Officer and Monitoring Officer;</p> <p>(i) to approve any proposals for significant restructuring of the Council's management structure;</p> <p>(j) to approve any proposals from the Chief Executive for changes to salary levels (including ranges of salaries) for Corporate Directors and the Deputy Chief Executive.</p> <p>NB - "Significant restructuring"</p> <p>(a) the transfer of a significant function between Council departments, or to an external body, or</p> <p>(b) the addition or deletion of a Corporate Director or Director post to or from a department.</p>
<p>ACCOUNTABLE TO</p>	<p>Council</p>
<p>MEETINGS</p>	<p>Normally 5 per annum</p>

<p>ELIGIBILITY FOR MEMBERSHIP</p>	<p>10 Members; politically balanced (one place is reserved for the relevant portfolio holder (or their substitute) in relation to matters in respect of the appointment process for the Chief Executive and Corporate Directors and the dismissal process for the Chief Executive).</p>
<p>CURRENT MEMBERSHIP</p>	<p>Labour Group Councillor Ahmed (Chair) Councillor Arnold Councillor Campbell Councillor Chapman Councillor Collins Councillor Cresswell Councillor Mellen Councillor Trimble</p> <p>Substitutes: Councillors Urquhart, Liversidge, and Parbutt</p> <p>Conservative Group Councillor Price</p> <p>Substitutes: Councillors Benson, Clarke-Smith, Culley, Morley and Spencer</p> <p>Liberal Democrat Group Councillor Sutton</p> <p>Substitutes: Councillors Akhtar, Foster, Long, Marshall and Oldham</p>
<p>ESTABLISHED SUB COMMITTEES</p>	<p>None</p>

III. EXECUTIVE FUNCTIONS

The following table sets out the financial limits of delegation

	Revenue	Capital
Executive Board	Any sum for £0.5m + is a key decision	Any sum but £1m + is a key decision
Executive Portfolio Holder	£499,999 (provided the spend is on services/good within the current policy framework of the Council)	£999,999 (provided that the scheme is within a capital programme approved by Executive Board)
Corporate Director	£50,000 (provided the spend is on services/goods within the current policy framework of the Council)	£50,000 (provided that the scheme is within a capital programme approved by Executive Board)

Any financial decision taken under this delegation should be in compliance with Financial Regulations. In any case, the exercise of the delegation must be on the basis that an uncommitted budget is available to cover the expenditure and that in the case of a revenue spend, there will be no increase in spending in a future year as a result of the decision.