

Independent Remuneration Panel

**Tenth report to Nottingham City Council
July 2021**

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Chair's Foreword

I am pleased to present to the City Council the tenth report of the Independent Remuneration Panel. The Panel trust that their recommendations will be well-received, as they are the outcome of three sessions giving detailed consideration to:

- the dedicated work of all councillors;
- many years' experience of the Strong Leader model the Council has implemented and the resultant enhanced role of executive councillors and assistants;
- the many different and varied levels of responsibility taken, particularly in relation to changes in roles since the last review in 2016;
- Internal Audit recommendations made since the last review in 2016;
- comparisons with other similar roles in core cities and similar sized councils.

The Panel membership was reduced by one, as Gary Smerdon-White from Ridewise has retired, but the four previous members were retained. I would like to pay tribute to how efficiently the Panel worked and actively contributed in a business-like way, providing constructive challenge and judgement throughout the process. I would also like to thank Nancy Barnard, Beth Brown and Laura Wilson from the City Council's Governance Services team for their efficient support to us in servicing our meetings and producing this report.

Nigel Cullen
Chair
July 2021

Summary of Recommendations

Recommendation One

That the City Council's Members' Allowances Scheme continues to be indexed by reference to increases in Local Government Employees' Pay, for a four-year period from 1 April 2021. Any changes to member's allowances should be backdated in the same way.

Recommendation Two

That the current structure for Allowances remain in place.

Recommendation Three

That a parental leave policy is adopted, where the Councillor would see no reduction in basic allowance, but would see any Special Responsibility Allowance reduce incrementally on par with employees.

Recommendation Four

That the position of Area Committee Chair be deleted from the Scheme.

Recommendation Five

That the Special Responsibility Allowances for the Lord Mayor and Chair of the Audit Committee be amended to reflect the change in responsibilities.

Recommendation Six

That the Audit recommendation regarding the term of office for the Lord Mayor, Sheriff and Leader be clarified in the Scheme.

Recommendation Seven

That, in line with the Audit recommendation, the civic expense budget that sits separately to the Scheme, be clarified and appended to the Scheme.

Recommendation Eight

That, in line with the Audit recommendation, the Travel Allowance be amended to include:

- the reimbursement of car parking charges outside of the City;
- the reimbursement for taxi expenses after 11pm.

1. Remit and Panel

- 1.1 The Independent Remuneration Panel (IRP) is appointed under the Local Authorities (Members Allowances) (England) Regulations 2003 (the Regulations), to consider the Council's Members' Allowances Scheme and to make recommendations to the Council on any changes to the scheme it believes are appropriate. The Council cannot make any amendments to the Scheme without having first considered any recommendations made by the Panel.
- 1.2 On this occasion, the Panel's remit was to consider indexation, changes to roles since the last review in 2016, and recommendations made by Internal Audit since the last review. We also considered the introduction of a parental leave policy for Councillors.
- 1.3 Throughout our work we sought to apply principles of fairness and transparency to our deliberations and recommendations. We considered presentations from the Conservative and Labour Group Leaders and input from the Nottingham Independents Leader, together with comparative information from other Core Cities. We also took into account information outlining how various roles, responsibilities and workloads had changed since the last review of allowances in December 2016.
- 1.4 The Panel's membership was retained (with the exception of Gary Smerdon-White who has retired) in order to maintain knowledge and experience and ensure it continued to reflect the City's diverse communities and sectors, and to maintain the independence of the Panel Members. The previous Chair of the Panel, Nigel Cullen, continued in his role in order to ensure continuity and depth of knowledge. The Panel's membership was as follows:

Nigel Cullen (Chair)	Business Community representative
Melanie Futer	Citizen representative
Michael Henry	Communities Inc.
Nick Hodgson	East Midlands Councils

- 1.5 We met on three occasions during May 2021 to receive written and oral evidence to assist our deliberations. Where this report remains silent on any matter within the Allowances Scheme this should be read as an indication that the Panel were satisfied with the current arrangements and did not recommend any change.

2. Indexation of Allowances

- 2.1 When the Panel last met it recommended to Council that Allowances should be indexed by reference to increases in Local Government Employees' Pay for a four-year period from 1 April 2017. By law, indexation cannot apply for more than four years and therefore the current indexation expired on 31 March 2021. No further increases can be made to allowances unless a new period of indexation is agreed.
- 2.2 We considered information relating to current practice at other English Core Cities in relation to indexation which highlighted that four out of the seven use Local Government Employees' Pay increases for indexation. Two of the three remaining Core Cities do not refer to indexation in their Allowances Scheme. Increases in employee pay have been minimal in recent years.
- 2.3 The Panel considered using the Retail Price Index and Consumer Price Index as inflators but discounted both as we felt that linking allowances to increases for employees better achieved our aim that the Scheme is as fair as possible across the Council.
- 2.4 **Recommendation One**
That the City Council's Members' Allowances Scheme continues to be indexed by reference to increases in Local Government Employees' Pay, for a four-year period from 1 April 2021.

3. Banding Structure of Special Responsibility Allowances

- 3.1 In light of the Council's current financial situation, the Panel considered whether the current banding structure for Special Responsibility Allowances was still appropriate, and agreed that it was in line with other Core Cities and contained appropriate levels of remuneration, so should remain.
- 3.2 **Recommendation Two**
That the current banding structure for Special Responsibility Allowances remain in place.

4. Parental Leave Policy

- 4.1 The Panel was informed that in May 2020, Nottingham City Council set out a framework for a policy where Councillors would be entitled to maternity, paternity, shared parental and adoption leave, subject to convening an Independent Remuneration Panel.
- 4.2 The objective of the Policy is to ensure that insofar as possible, Councillors are able to take appropriate leave at the time of birth or adoption, that both parents are able to take leave, and that reasonable and adequate arrangements are in place to provide cover for Portfolio Holders and others in receipt of Special Responsibility Allowances during any period of leave taken.
- 4.3 Councillors giving birth would be entitled to up to 6 months maternity leave from the due date, with the option to extend for up to a further 6 months (a total of 52 weeks), by agreement, if required. In addition, where the birth is premature, the Councillor is entitled to take leave during the period between the date of the birth and the due date in addition to the initial 6 month period. In such cases, any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial 6 months.
- 4.4 As requirements regarding attendance at meetings apply to Councillors while on maternity, paternity, shared parental leave or adoption leave, they would continue to receive their Basic Allowance in full. Councillors entitled to a Special Responsibility Allowance would continue to receive their Special Responsibility Allowance in line with the arrangements for employees.
- 4.5 The duties of the Councillor entitled to a Special Responsibility Allowance would be shared amongst relevant Councillors, such as the other Portfolio Holders, an Executive Assistant or the Vice Chair of a committee. No additional Special Responsibility Allowance will be paid for undertaking these additional duties.
- 4.6 The Councillor taking leave shall retain their position and not be required to stand at the Annual General Meeting until the Annual General Meeting following the end of their leave.
- 4.7 **Recommendation Three**
That the Members' Allowances Scheme be amended to include a Parental Leave Policy (with the clarification regarding the Basic Allowance as detailed in paragraph 4.4 above) (detailed in Appendix One).

5. Special Responsibility Allowances

- 5.1 The Panel considered the Special Responsibility Allowances for roles that had changed since the last review was held in 2016, namely the Lord Mayor, the Sheriff, Chairs of Area Committees and the Chair of Audit Committee.
- 5.2 Area Committee meetings have been abolished in order to help address some of the financial pressures the Council is facing, and, therefore, there is no longer a need for a Special Responsibility Allowance for the Chairs of Area Committees.
- 5.3 As a result of the Non-Statutory Review and the Public Interest report by the Council's External Auditor on the Council's governance of Robin Hood Energy a renewed focus has been attributed to the role of Audit within the Council and in particular, the role of the Chair of Audit Committee, which was championed in both the Public Interest Report and the Non-Statutory Review. In light of this and the significance articulated to the role independently, it would be appropriate for the Special Responsibility Allowance for the role of Chair of Audit Committee to be increased from Band G to Band F. This increase in payment will not increase the overall budget for Members' Allowances due to the role of Area Committee Chair being deleted and the reduction in the Special Responsibility Allowance for the Lord Mayor (detailed below).
- 5.4 The Council recently agreed to a restructure of its civic roles, redesigning the activity undertaken by the Lord Mayor and Sheriff of Nottingham, ensuring that the Lord Mayor role maintains the constitutional responsibilities, including chairing Full Council meetings, and focussing the role of the Sheriff of Nottingham on ceremonial activities to support tourism in the city, local business and economic activity, engaging with local organisations and acting as ceremonial host to official visitors and dignitaries to the City. This decision allowed for a reduction in transport and associated event costs and the removal of a post from the civic support team. It would therefore be appropriate to reduce the Special Responsibility Allowance for the position of Lord Mayor from Band D to Band F.
- 5.5 **Recommendation Four**
To delete the role of Area Committee Chair from the Special Responsibility Allowances.
- 5.6 **Recommendation Five**
To make the following amendments:
- (a) **to increase the Special Responsibility Allowance for the role of Chair of Audit Committee from Band G (£3,474.29) to Band F (£6,948.57);**
 - (b) **to reduce the Special Responsibility Allowance for the role of Lord Mayor from Band D (£13,897.14) to Band F (£6,948.57).**

6. Internal Audit Recommendations

- 6.1 The Panel considered the three recommendations made by Internal Audit since the last review in 2016.
- 6.2 The first related to retiring members who held the civic roles of Lord Mayor, Sheriff and Leader of the Council were paid a basic allowance beyond their term of office, and the risk this posed to the Council of overpaying Allowances to former members. Audit recommended that clarification should be given in the Members' Allowances Scheme as to when allowances should cease.

The Panel concluded that, as it is dictated in legislation that that the Lord Mayor, Sheriff and Leader are paid their basic allowance and Special Responsibility Allowance until the Annual General Meeting of Council in an election year, that it would be reasonable for this clarification to be included in the Members' Allowances Scheme.

- 6.3 The second related to the Members' Allowances Scheme not including comprehensive details of the civic allowances, risking that payments are made for unallowable expenditure. Audit recommended that the scheme be updated to include details of allowable expenditure within this category.

The Panel concluded that, as the budget for civic allowances sat outside of the Members' Allowances Scheme, it would not be appropriate to include it in the Scheme, but that it would be appropriate for allowable expenditure to be made clearer.

- 6.4 The third related to a number of claims included reimbursement of car parking expenses and taxi expenses, which are not currently included as allowable expenses in the Members' Allowances Scheme, risking that claims are not valid. Audit recommended that the Members' Allowances Scheme is amended at the next Independent Remuneration Panel to include additional allowable expenses.

The Panel concluded that car parking expenses outside of the city are a reasonable expenditure and should be included in the Scheme, and that it is also reasonable for taxi travel after 11pm to be reimbursed and included in the Scheme.

- 6.5 **Recommendation Six**
That the Members' Allowances Scheme be amended to clarify that the Lord Mayor, Sheriff and Leader are paid the applicable allowances until the Annual General Meeting of Council in an election year.

6.6 Recommendation Seven

That the criteria for claims from the civic expense budget that sits separately to the Scheme, be clarified and appended to the Scheme.

6.7 Recommendation Eight

That Travel Allowance be amended to include:

- **the reimbursement of car parking charges outside of the City;**
- **the reimbursement for taxi expenses after 11pm.**

Appendix One - Parental Leave Policy

Introduction

This Policy sets out Members' entitlement to maternity, paternity, shared parental and adoption leave and relevant allowances. The objective of the policy is to ensure that insofar as possible Members are able to take appropriate leave at the time of birth or adoption, that both parents are able to take leave, and that reasonable and adequate arrangements are in place to provide cover for portfolio holders and others in receipt of Special Responsibility Allowances (SRA) during any period of parental leave taken.

Improved provision for new parents will contribute towards increasing the diversity of experience, age and background of local authority councillors. It will also assist with retaining experienced councillors – particularly women – and making public office more accessible to individuals who might otherwise feel excluded from it.

There is at present no legal right to parental leave of any kind for people in elected public office. This applies to MPs as well as councillors, and has been the subject of lengthy debate. These policies can therefore only currently be implemented on a voluntary basis, although Labour Councils are encouraged to implement them as per the Labour Party Democracy Review which has called for Labour-controlled councils and Labour Groups to adopt a parental leave policy. Discussions are ongoing about changing the law to enable compulsory provision, but until then these policies constitute best practice which Labour Groups (and the councils they control) are strongly advised to adopt.

1. Leave Periods

- 1.1 Members giving birth are entitled to up to 6 months maternity leave from the due date, with the option to extend up to 52 weeks by agreement if required.
- 1.2 In addition, where the birth is premature, the Member is entitled to take leave during the period between the date of the birth and the due date in addition to the 6 months' period. In such cases any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial 6 months.
- 1.3 In exceptional circumstances, and only in cases of prematurity of 29 days or more, additional leave may be taken by agreement, and such exceptional leave shall not be deducted from the total 52 week entitlement.
- 1.4 Members shall be entitled to take a minimum of 2 weeks paternity leave if they are the biological father or nominated carer of their partner/spouse following the birth of their child(ren).

- 1.5 A Member who has made Shared Parental Leave arrangements through their employment is requested to advise the Council of these at the earliest possible opportunity. Every effort will be made to replicate such arrangements in terms of leave from Council.
- 1.6 Where both parents are Members leave may be shared up to a maximum of 24 weeks for the first six months and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks. Special and exceptional arrangements may be made in cases of prematurity.
- 1.7 A Member who adopts a child through an approved adoption agency shall be entitled to take up to six months adoption leave from the date of placement, with the option to extend up to 52 weeks by agreement if required.
- 1.8 Any Member who takes maternity, shared parental or adoption leave retains their legal duty under the Local Government Act 1972 to attend a meeting of the Council within a six month period unless the Council Meeting agrees to an extended leave of absence prior to the expiration of that six month period.
- 1.9 Any Member intending to take maternity, paternity, shared parental or adoption leave will be responsible for ensuring that they comply with the relevant notice requirements of the Council, both in terms of the point at which the leave starts and the point at which they return.
- 1.10 Any member taking leave should ensure that they respond to reasonable requests for information as promptly as possible, and that they keep officers and colleagues informed and updated in relation to intended dates of return and requests for extension of leave.

2. Basic Allowance

- 2.1 As requirements regarding attendance at meetings apply to Members while on maternity, paternity, shared parental leave or adoption leave, they shall continue to receive their Basic Allowance in full.

3. Special Responsibility Allowances

- 3.1 Members entitled to a Special Responsibility Allowance shall continue to receive 90% of their average weekly allowance in the case of maternity, shared parental or adoption leave for the first 6 weeks, then half the SRA for the three months after that and then an amount commensurate to statutory maternity pay for three months after that.

- 3.2 The duties of the member entitled to a Special Responsibility Allowance on leave shall be shared amongst relevant councillors such as other Portfolio Holders, an Executive Assistant or the Vice Chair of a committee. No additional Special Responsibility Allowance will be paid for undertaking these additional duties.
- 3.3 The member taking leave shall retain their position and shall not be required to stand at the Annual General Meeting until the Annual General Meeting following the end of their leave.

4. Resigning from Office and Elections

- 4.1 If a Member decides not to return at the end of their maternity, paternity, shared parental or adoption leave they must notify the Council at the earliest possible opportunity. All allowances will cease from the effective resignation date.
- 4.2 If a local election is held during the Member's maternity, paternity, shared parental or adoption leave and they are not re-elected, or decide not to stand for re-election, their basic allowance and SRA if appropriate will cease from the Monday after the election date when they would technically leave office.

Appendix Two – Proposed Special Responsibility Allowances

*changes highlighted with shading

Band	Position	Proposed SRA (£)
A	Leader	38,217.14
B	Deputy Leader	27,794.29
C	Portfolio Holders (x8)	20,845.71
D	Chair of Overview and Scrutiny Committee	13,897.14
E	Chief Whip (Majority Group)	10,422.86
F	Executive Assistants (x5)	6,948.57
	Lord Mayor	6,948.57
	Sheriff	6,948.57
	Vice Chairs of Overview and Scrutiny Committee (x2)	6,948.57
	Chair of Planning Committee	6,948.57
	Chair of Licensing Committee	6,948.57
	Chair of Audit Committee	6,948.57
	Leader of Minority Group	6,948.57
G	Chair of Appointments and Conditions of Service Committee	3,474.29
	Vice Chair of Licensing Committee	3,474.29
	Adoption Panel Members (x2)	3,474.29
N/A	Leader of smaller and smallest Minority Group	0
	Deputy Leader of each Minority Group (6+ Members)	0