

Independent Remuneration Panel

**Eleventh report to Nottingham City Council
January 2023**

Index

	Page
Chair's Foreword	3
Summary of Recommendations	4
Remit and Panel	5
Indexation of Allowances	6
Appendix One - Proposed Allowances	8

Chair's Foreword

I am pleased to present to the City Council the eleventh report of the Independent Remuneration Panel. The Panel trust that their recommendations in relation to the indexation of Members' Allowances will be well-received.

The Panel membership from the 2021 review was retained and 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 and Laura Wilson from the City Council's Governance Services team for their efficient support to us in servicing our meeting and producing this report.

Nigel Cullen
Chair
December 2022

Summary of Recommendations

Recommendation One

In light of the flat cash sum pay increase in Local Government Employees' Pay of £1,925, that the Basic Allowance in the City Council's Members' Allowances Scheme be increased by 7%, backdated to 1 April 2022. This reflects the average percentage increase for a Nottingham City Council employee on an average salary (£28,025).

Recommendation Two

That the Special Responsibility Allowances in the City Council's Members' Allowances Scheme be increased by 2%, backdated to 1 April 2022.

Recommendation Three

That, where percentage increases are implemented in the future, the Members' Allowances continue to be indexed by reference to increases in Local Government Employees' Pay, for a four-year period from 9 January 2023, and any changes to Members' Allowances should be backdated in the same way as employee pay.

Recommendation Four

To note that if a flat cash sum is offered in subsequent years that the Independent Remuneration Panel will meet again to consider how this should be applied to Members' Allowances.

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 only.
- 1.3 Throughout our work we sought to apply principles of fairness and transparency to our deliberations and recommendations. We considered input from the political Leaders as submitted, and also took into account how the £1,925 pay increase will be prorated for employees and that those on the lowest pay would receive the most significant percentage increase.
- 1.4 The Panel's membership was retained 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 one occasion in December 2022 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 2021. By law, indexation cannot apply for more than four years and no further increases can be made to allowances unless a new period of indexation is agreed.
- 2.2 Even though the indexation period previously recommended has not expired, the Panel was convened again as the increase to Local Government Employees' Pay for 2022/23 is a flat cash sum of £1,925, so does not follow the usual percentage increase format.
- 2.3 The Panel felt that applying the equivalent percentage increase for an employee (7%) on the average Nottingham City Council salary (£28,025) to the Basic Allowance and increasing Special Responsibility Allowances by 2% reflected the impact for employees (that those receiving the lowest pay received the greatest increase) and achieved our aim that the Scheme is as fair as possible.
- 2.4 The Panel considered and discounted three other options:
- (a) that the £1,925 is apportioned to each band of the Special Responsibility Allowance and the Basic Allowance, based on what percentage of the Leader's Allowance is currently received
 - (b) that the flat £1,925 is applied to the Allowances
 - (d) that a 4.04% increase be applied to the Allowances as this percentage is being applied to other (non-salary) employee allowances.
- 2.5 In light of the Council's current financial situation, the Panel considered current Special Responsibility Allowances and agreed that a 2% increase was appropriate on top of the increase to Basic Allowance.
- 2.6 The Panel agreed to recommend the backdating of the increases to both basic and Special Responsibility Allowances to April 2022 in line with the backdating of employee pay.
- 2.7 **Recommendation One**
That the Basic Allowance in the City Council's Members' Allowances Scheme be increased by 7%, backdated to 1 April 2022.

2.8 Recommendation Two

That the Special Responsibility Allowances in the City Council's Members' Allowances Scheme be increased by 2%, backdated to 1 April 2022.

2.9 Recommendation Three

That, where percentage increases are implemented in the future, the Members' Allowances continue to be indexed by reference to increases in Local Government Employees' Pay, for a four-year period from 9 January 2023, and any changes to Members' Allowances should be backdated in the same way.

2.10 Recommendation Four

That if a flat cash sum is offered in subsequent years that the Independent Remuneration Panel meet again to consider how this should be applied to Members' Allowances.

Appendix One – Proposed Allowances

Allowance	Current £	With 7% increase £	With 2% increase £	Total increased allowance (Basic + SRA) £	Total % increase
Basic Allowance	13,052.62	13,966.30	N/A	13,966.30	7.00
Special Responsibility Allowances					
Leader	38,885.94	N/A	39,663.66	53,629.96	3.26
Deputy Leader	28,280.69	N/A	28,846.30	42,812.61	3.58
Portfolio Holders	21,210.51	N/A	21,634.72	35,601.02	3.90
Chair of Overview and Scrutiny Committee	14,140.34	N/A	14,423.15	28,389.45	4.40
Chief Whip (Majority Group)	10,606.26	N/A	10,818.39	24,784.69	4.76
Executive Assistants	7,070.17	N/A	7,211.57	21,177.88	5.24
Lord Mayor	7,070.17	N/A	7,211.57	21,177.88	5.24
Sheriff	7,070.17	N/A	7,211.57	21,177.88	5.24
Vice-Chairs of Overview and Scrutiny Committees	7,070.17	N/A	7,211.57	21,177.88	5.24
Chair of Planning Committee	7,070.17	N/A	7,211.57	21,177.88	5.24
Chair of Licensing Committee	7,070.17	N/A	7,211.57	21,177.88	5.24
Chair of Audit Committee	7,070.17	N/A	7,211.57	21,177.88	5.24
Leader of Minority Group	7,070.17	N/A	7,211.57	21,177.88	5.24
Chair of Appointments and Conditions of Service Committee	3,535.09	N/A	3,605.79	17,572.10	5.93
Vice-Chair of Licensing Committee	3,535.09	N/A	3,605.79	17,572.10	5.93
Adoption Panel Members	3,535.09	N/A	3,605.79	17,572.10	5.93
Leader of smaller and smallest minority group	0	0	0	0	N/A
Deputy Leader of each minority group (6+ members)	0	0	0	0	N/A