

Report of the Deputy Chief Executive

MEMBER ALLOWANCES1. Purpose of report

To seek the Panel's recommendation on the level of allowances payable to members.

2. Background

Following the Council elections in May 2015 a new administration was established. The new administration stated an intention to review the governance structure of the Council, to include consideration of the option of establishing a committee system, rather than the previous Leader and Cabinet model.

At the Council meeting of 11 May 2016 a new governance structure was approved. Allowances for the chairs and vice chairs of the new committees were also approved at the meeting based on the recommendations made by the Independent Remuneration Panel at its meeting of 25 January 2016.

To support the review comparable information was obtained from Councils in Nottinghamshire. The findings of the exercise are included in appendix 1.

To further support last year's review, members who were engaged in specific roles were invited to the meeting to outline the work that they undertake. This was to enable comparisons between member roles within Broxtowe and, to allow the Panel to gauge whether the current allowance is commensurate with each role. Evidence from the meeting is also included in the appendix.

3. Further considerations

At the Council meeting held on 1 March 2017 members formed two new committees, namely the Ad Hoc Committee and the Investigating and Disciplinary Committee. Further information on these committees will be provided at the meeting.

4. Financial implications

Options for consideration are presented in the appendix in addition to financial implications of each option.

Recommendation

The Panel is asked to CONSIDER whether, and to what extent, any of the current allowances need to be adjusted and RECOMMEND accordingly.

APPENDIX 1**1. Comparative data on members allowances**

- 1.1. Comparative information was gathered from all councils in Nottinghamshire and from Nottinghamshire Fire and Rescue Authority.
- 1.2. The exercise highlighted that there is a wide range of governance arrangements in place and consequently significant variation in Members' roles. This makes direct comparison difficult as in some cases roles that exist in Broxtowe do not exist at other authorities and, secondly, that where there are similar roles at one or more authority they may have different components and different workloads according to, for example, the number of meetings that each Member is expected to attend, the level of engagement that the participants are expected to achieve and the degree of complexity of the subject matter addressed.
- 1.3. Some of the roles are broadly similar, at least across the district councils. In particular the civic offices of Mayor and Deputy Mayor, the leader of the Council and the Leader of the opposition are comparable across all sites where these functions exist. For Newark and Sherwood there is no mayor: all civic duties are performed by the Chairman of the Council.
- 1.4. The work of the quasi-judicial panels is also broadly similar across district councils but this can vary according to the scale and scope of the terms of reference of each committee and also to the extent to which the work of the relevant committee overlaps with other roles. For example, there are a wide range of overlapping functions in respect of Governance, Audit and Standards which are incorporated into one group in Broxtowe but separated into different functions elsewhere.
- 1.5. The comparative data can only be used as a guide, therefore. Accordingly data is presented only where there is a reasonable level of comparison between Broxtowe's functions and offices and those at other District Councils. The allowance for each function across all the councils has been averaged and Broxtowe's allowances compared with the mean average position. Overall Broxtowe's costs are 20% below that of the average of the seven districts but this reflects not only the allowances given but the number of members in total and the number of posts for which an allowance is made. In some instances allowances are made for posts that are currently vacant. Where this is the case, the allowance has been taken into account for averaging purposes. There are no posts in Broxtowe at present which are not filled.
- 1.6. A summary of the comparative position is provided in the table at Annex A. The table in Annex A highlights some obvious differences which are summarised in the following paragraphs.

1.7. Broxtowe has the lowest overall cost, which is 20% less than the average across all the Council but is joint second highest in terms of the number of members

1.8. Broxtowe has a number of functions for which allowances are made which are not replicated (or, if so, are not remunerated elsewhere). These are:

- Vice chairs of committees, which are only remunerated in one other Council
- The absence of an overview and scrutiny committee (the allowances provided by other councils are shown only for information regarding the role of chairs of committees and working groups in general)
- Chair of the Housing Payments Committee
- Chair of Health Panel
- Health Lead on Outside Bodies
- Allowance of members of the Alcohol and Entertainments Licencing Committee (Bassetlaw have an allowance of £24 per meeting)
- Carer's allowance (although a similar allowance of £6.70 is provided by Nottingham City Council).

2. Further evidence

2.1. To support the review, five Council Members were invited to the meeting to outline their roles and explain as necessary any differences in these roles and their work under the previous governance structure. These were:

Councillor Milan Radulovic MBE: Leader of the Opposition

Councillor Tony Harper: Chair of the Jobs and Economy Committee and member of the Police and Crime Panel

Councillor Lydia Ball: Vice Chair of the Planning Committee

Councillor Halimah Khaled MBE: Chair of the Health Panel

Councillor Janet Patrick: Active member of the Opposition Group on several committees and formerly Lead Member of the Member Development working Group.

2.2. The results of the exercise showed that:

- Members are fully aware of their responsibilities and duties and undertake these diligently
- The level of work involved varies considerably from function to function. For instance, the leader of the Opposition has an ex officio place on all of the new committees and must therefore review business at all of them, whereas committee leads can focus on their own portfolio areas, albeit in more detail
- The role of the Vice Chair varies according to the availability of the Chair
- Activities on external bodies vary according to the type and nature of that group but are in addition to any Council post as well as work on behalf of constituents

2.3. The work of Broxtowe Borough Council Members is, therefore, broadly similar in scope to that of similar authorities in Nottinghamshire and each individual role needs to be considered in accordance with its own functions rather than through comparison with other roles. Since the introduction of the new structure, the scope and the workload of the various member roles has begun to become clearer. However no definition of the scope or expected standards that might apply to the role has yet been established.

2.4. Options for consideration

Option 1: move all posts to the average for Nottinghamshire Districts immediately

2.5. On the basis that the only benchmarks that are available are broad comparisons across district councils, this option would enable a degree of consistency. It is an arbitrary measurement, however, and does not take into account the detailed differences between roles across different organisations. The financial implications are that, in general, the proposal would result in an overall increase of £92,490. This is calculated by taking into account the average difference between the amounts paid at those districts other than Broxtowe, where allowances are provided, and remuneration levels at Broxtowe multiplied by the number of Council posts. However there will be significant changes for individuals, with both substantial increases and substantial decreases for some posts.

Option 2: move the remuneration levels to the average benchmark over time

2.6. This has the same considerations as option 1 but, if scheduled over the lifetime of the current administration, this would allow for financial planning within the Council's Medium Term Financial Strategy. The financial implications are as follows:

2018/19 £	2019/20 £	Total £
30,830	30,830	92,490

Option 3: Undertake a detailed role definition exercise and set rates in accordance with agreed role components and standards.

2.7. This option would enable the Panel to consider each role on its individual merits and would not require consideration of how the role was shaped at other organisations. The exercise could be undertaken during 2018 with a view to informing the 2019/20 budget. There would, therefore, be no financial impact in 2018/19. A further report to the Panel would determine the financial implications of any proposed changes that would have an implication for future budget setting.

Option 4 to propose no changes to the existing remuneration policy or remuneration levels.

2.8. Option 4 is in line with the commitment the leading group not to allow increases in Member remuneration. This commitment was for the lifetime of the current administration. If Option 4 is accepted there will be no financial impact on the 2018/19 or Medium Term Financial Strategy.

Members allowances as at May 2016 for district councils in Nottinghamshire

	Broxtowe			Ashfield	Bassetlaw	Gedling	Mansfield	Newark & Sherwood	Rushcliffe	Average where allowance is paid (excluding Broxtowe)	Difference
No. of members	44			35	48	40	36	39	44		
	Number	Allowance	Cost	Allowance	Allowance	Allowance	Allowance	Allowance	Allowance		
		£p.a	£p.a.								
Basic allowances	44	3741	164604	6800	4628	3987	6386	4700	5188	5282	1541
Additional allowances											
Leader of the Council	1	13558	13558	18705	7500	13696	54863*	13000	14545	20385	6827
Deputy Leader	1	6101	6101	14032	3200	10956	18546*	2600	8606	9657	3556
Committees											
Portfolio Holders/Chair of Committee	6	4745	28470	11227	5600	6848	15364	5298	5670	8334	3589
Deputy portfolio Holders/Vice Chair of Committee	6	1563	9378					977		163	-1400

Other allowances											
Carer's allowance		6.50									
	Full year		2241								
Total costs			257812	419804	305509	267416	441197	236815	320310		

Notes

* Mansfield has an elected Mayor who acts as leader and a chair of Council who performs Civic duties