

REPORT OF THE COUNCIL BUSINESS MANAGEMENT COMMITTEE

ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL – SUPPLEMENTARY REPORT

2015-16

A. INTRODUCTION

1. The Supplementary Report to the 2015-16 Annual Report is attached as an Appendix to this Report.
2. The Panel has worked consistently within the requirements of the Local Government Act 2000 and the accompanying Statutory Guidance and Regulations on Councillors' allowances.
3. The City Council must have regard to the recommendations of an Independent Remuneration Panel before it can set up or amend its Members' Allowances Scheme. The Council is, of course, free to accept the Panel's recommendations in full, in part, or not at all.

B. PANEL'S RECOMMENDATIONS

4. In the Annual Report of the Independent Remuneration Panel, submitted to City Council in April 2016, the Panel undertook to return to those Special Responsibility Allowances affected by changes to the Constitution agreed by the City Council in May 2016.
5. Following fresh evidence taken in May, the Panel recommends:
 1. The Special Responsibility Allowance for Assistant Leaders should be 20% of the Leader's Special Responsibility Allowance for the 12 month period to the AGM in May 2017;
 2. The Special Responsibility Allowance for District Committee Chairs remain in band 3 and at 15% of the Leader's Special Responsibility Allowance for the 12 month period to the AGM in May 2017;
 3. The allowances rates to be applied with effect from 24th May 2016;
 4. That the Leader gives further consideration to the defined responsibilities of the Assistant Leaders over the coming year.

MOTION

The recommendations made by the Independent Remuneration Panel on Page 3 of its Supplementary Report be accepted and implemented with effect from 24 May 2016.

**ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL –
SUPPLEMENTARY REPORT**

2015-2016

BIRMINGHAM CITY COUNCIL

FOREWORD

On 5th April 2016, the Independent Remuneration Panel presented its Annual Report to City Council. This report made a recommendation on the Basic Allowance, which was accepted by City Council.

As last year, forthcoming changes to the Constitution meant that the Panel was not able to present a full report in April. In particular, the Leader had stated his intention to create new roles of Assistant Leaders. Whilst the Leader did meet with the Panel to outline his plans, at that time there was insufficient detail to determine whether or not a Special Responsibility Allowance should be paid.

The Panel therefore undertook to return to those SRAs after changes to the Constitution were agreed in May, and report back to City Council.

In May 2016 the Panel met again and was presented with more detailed information on the roles and responsibilities of Assistant Leaders. This report sets out the resulting recommendations, which are conditional on the constitutional changes outlined to the Panel being approved by City Council.

Sandra Cooper,
Chairman
May 2016

SPECIAL RESPONSIBILITY ALLOWANCES

In April 2015, the Panel recommended a new approach for calculating Special Responsibility Allowances and this was agreed by City Council. The Panel recognised that the Leader's role takes the most responsibility assessed at 100% and all the other roles are then taken as a relative percentage of the Leader's role.

Table 1

Bands	Level Of Responsibility	Title/Description
1	75% to 100%	Strategic Leadership with overall responsibility for decision making for the direction and running of Council Services
2	50% to 74%	Strategic responsibility within Cabinet and also individual responsibility as delegated by the Constitution
3	15% to 49%	Responsibility for Chairing key Regulatory and Overview and Scrutiny Committees in order to meet regulatory requirements and where required hold the Executive to account
4	5% to 14%	Other roles with Special Responsibilities

Assistant Leaders

At a meeting of the Panel on 12th May, the Panel were given details of the prospective roles and responsibilities of the Assistant Leader role. Following that discussion, further information was provided to the Panel. A summary of that information is contained in Appendix 2.

In the short timescales available, the Panel reviewed the roles and responsibilities as outlined in Appendix 2 and recognised that it would be appropriate for a Special Responsibility Allowance to be paid.

In assessing the level of that SRA, the Panel considered the level of responsibility attributed to the role. Assistant Leaders will have a strategic role in influencing the Cabinet and there is a clear emphasis on leadership. The panel accepts that the Assistant leaders will have a wider role than that of District Chairs. However, there is a lack of defined responsibilities within the role description and we have asked the leader to consider this during the course of the year.

It was recognised that this is still very much work in progress, and that the role is to evolve. We also note that the Leader will be developing clear success criteria and outcome targets for the Assistant Leaders' role, and we await further information on these.

The Panel therefore recommends a Special Responsibility Allowance for the Assistant Leaders at 20% of the Leader's Special Responsibility Allowance, within band 3.

This recommendation is conditional on the constitutional changes outlined to the Panel being approved by City Council.

As stated in the April 2016 Annual Report, the Panel expects that any changes to Special Responsibility Allowances will be applicable from the date of the Constitution change.

The rate can be reviewed at a suitable time during the year and if personal responsibility is demonstrated to a significant level, any increase recommended can be backdated.

Otherwise, this SRA is awarded for the 12 month period to the AGM in May 2017. At that point, the Panel would expect to see evidence of how the role has worked in practice and will use that evidence to determine the level of remuneration for the following year.

District Committee Chairs

In April 2016, the Panel recommended a Special Responsibility Allowance for Executive Members for Local Services at 15% of the Leader's Special Responsibility Allowance, within band 4 of the new structure. This rate was approved by the City Council.

The Panel did not take fresh evidence on this role at this time. However, it was noted that the posts – formerly “Executive Members for Local Services” – will be renamed as “District Committee Chairs”. It was also noted that the intention is that the post of District Committee Chair will be phased out during the period to 2018.

The Panel therefore intends that the SRA for this post remain in place for the 12 month period to the AGM in May 2017. At that point the Panel will re-assess the SRA alongside the review of the Assistant Leaders' role in order to assess how both have evolved.

RECOMMENDATIONS

1. The Special Responsibility Allowance for Assistant Leaders should be 20% of the Leader's Special Responsibility Allowance for the 12 month period to the AGM in May 2017;
2. The Special Responsibility Allowance for District Committee Chairs remain in band 3 and at 15% of the Leader's Special Responsibility Allowance for the 12 month period to the AGM in May 2017;
3. The allowances rates to be applied with effect from 24th May 2016;
4. That the Leader gives further consideration to the defined responsibilities of the Assistant Leaders over the coming year.

Appendix 1: Special Responsibility Allowances 2016-17

Bands	Role	% Level of responsibility	SRA £	Basic Allowance £	Total £
1	Leader of the Council	100%	50,000.00	16,267.00	66,267.00
1	Deputy Leader of the Council	80%	40,000.00	16,267.00	56,267.00
2	Cabinet Member	50%	25,000.00	16,267.00	41,267.00
3	Chair of the Planning Committee	30%	15,000.00	16,267.00	31,267.00
3	Chair of the Licensing & Public Protection Committee	30%	15,000.00	16,267.00	31,267.00
3	Leader of the Largest Qualifying Opposition Group	25%	12,500.00	16,267.00	28,767.00
3	Chair of Overview & Scrutiny Committees	25%	12,500.00	16,267.00	28,767.00
3	Assistant Leaders	20%	10,000.00	16,267.00	26,267.00
3	Executive Member for Local Services District Committee Chairs	15%	7,500.00	16,267.00	23,767.00
4	Deputy Leader of the Largest Qualifying Opposition Group	14%	7,000.00	16,267.00	23,267.00
4	Chair of the Audit Committee	10%	5,000.00	16,267.00	21,267.00
4	Chair of the Trust & Charities Committee	10%	5,000.00	16,267.00	21,267.00
4	Leader of Other Qualifying Opposition Groups	10%	5,000.00	16,267.00	21,267.00
4	Deputy Leader of Other Qualifying Opposition Groups	5%	2,500.00	16,267.00	18,767.00
4	Lead Opposition Spokesperson (Shadow Cabinet Member)	5%	2,500.00	16,267.00	18,767.00
4	Political Group Secretaries	5%	2,500.00	16,267.00	18,767.00



Report to the Independent Remuneration Panel

13 May 2016

Creation of Assistant Leader Posts

1. Purpose

- 1.1. This report sets out proposals for interim changes to the Special Responsibility Allowances (SRAs) within the Allowances Scheme for 2016/17, enabling the Panel to make a further report to the City Council AGM on 24 May.

2. Background

- 2.1. In the foreword to its Report of April 2016, the Panel notes that the Leader of the Council has submitted evidence in relation to proposed changes at the Council AGM and states that the Panel will therefore reconvene to consider any constitutional change. The Panel also says that it expects any changes in SRAs to be applicable from the date of the constitution changes.
- 2.2. This report has been prepared to inform the Panel of the details of those proposed changes and to put the case for an interim adjustment to the SRAs within the Allowances Scheme for 2016/17 for the Panel's consideration.

3. Context

- 3.1. As the Panel will be aware, the City Council is entering the second stage of an extensive process of transition in its governance structures and the way in which it engages with local communities. In 2015 the role of district committees was changed significantly and the number of scrutiny committees was reduced. During 2015/16 the new Town Council of Sutton Coldfield was also created, with its first elections taking place this month. By May 2018 the authority will have switched to a four yearly election system with a reduced number of councillors and smaller, one or two member wards. The council will also be smaller, with the current proposals suggesting a reduction from 120 to 101 councillors.
- 3.2. The second stage of this transition will run from now until 2018. During this stage the council will move away from the devolved committee approach and seek to develop new innovations in community governance and local leadership from the bottom up. This will include the option of establishing parish (town or neighbourhood) councils in other parts of the city, through further Community Governance Reviews, developing the role of parishes

further through local negotiation on the devolution of services and exploring new ways of working with communities and social enterprises to harness the widest possible contribution to the public realm and local places within the city.

- 3.3. Local services will undergo significant redesign during this period to reflect the council's strategic focus on demand management, early intervention and service integration and the need to make significant further reductions in spending. The ultimate aim is to shift the focus of governance from the Cabinet and the Leader to the local leadership of councillors and others in their communities, in support of the Every Place Matters policy.
- 3.4. This will require a profound change in the culture of the council and the patient building of strong partnerships and relationships between the council, other organisations and the community. Above all it will require adequate leadership capacity in both the officer and member spheres throughout this period of change.

4. Summary of the proposal

- 4.1. In summary, the proposal is that the SRAs be augmented by four posts for an interim period through the creation of four additional Member posts, to be termed Assistant Leaders. It is proposed that the SRA for these posts should sit within the third band (15% to 49% of the Leader's allowance) and be equivalent to the allowance for the Chair of a regulatory committee (currently £15,000 or 30%). At the end of this period the number of SRAs will be reduced by 6 from the current position through the phasing out of the 10 Executive Member Local Services positions. Ultimately the intention is that the Assistant Leader posts will themselves be phased out because the focus of governance will have shifted as described above and local leadership will be provided through new, more local partnerships and governance arrangements.

5. Reasons for the proposal

- 5.1. The proposal will:
 - Put in place additional Member leadership capacity to support the changes outlined above and to deliver a more effective system of governance for Birmingham, through political leadership at both a strategic and a local level
 - Enable the promotion of a wider leadership role for all councillors
 - Ensure that local concerns and priorities are reflected in corporate policy making
 - Provide a mechanism through which the City Council can transition from the current district committee arrangements without losing the valuable work already being done at a local level.

5.2. A full role description for the Assistant Leader posts is attached as part of Appendix 1. The proposed level of SRA for the posts is based on the following factors:

- a) **Relative level of responsibility.** The responsibility the post holders will have, acting as a committee, will be highly strategic and critical to the future effectiveness of the City Council. There is also an expectation that they will engage with all members of the City Council and with external partners at a high level in pursuit of the aims of the committee between meetings. Finally, the posts will each work with a “quadrant” of the city, an area equivalent to two or three districts, to support and give direction to local innovation. However, the posts will not have individual accountability for decisions under the 2000 Act and therefore should be at a lower level than Cabinet Members.
- b) **Relative time commitment.** The time commitment required in the role is expected to be greater than most committee chairs, more than double that of the current EMLS posts and probably similar to that of a Cabinet Member, given the number of meetings they will be required to attend with local councillors, partners and stakeholders in their locality as well as with officers and Cabinet Members in order to fulfil the role effectively.

6. Details of the proposal

- 6.1. The Assistant Leaders will be members of a new Cabinet Committee Local Leadership. They will not be Cabinet Members and will not have individual decision making accountabilities. The Committee will be chaired by the Leader of the Council. The membership will also consist of another Cabinet Member, the ten District Committee Chairs and the two opposition group leaders.
- 6.2. The Assistant Leaders will provide much of the political leadership to the transition described above, under the direction of the Leader of the Council. The Committee (and hence the Assistant Leaders) will be charged by Cabinet with conducting an extensive review and setting out new policy directions for Cabinet approval across an extensive range of highly important strategic issues. The post holders will undertake extensive work with councillors, officers, community groups and other external partners in their area of the city in order to develop policy and to support other councillors in their local leadership role. Clear success criteria and outcomes will be set for the work of the Committee and the Assistant Leaders to enable assessment of progress during the interim period.
- 6.3. The proposed Terms of Reference for the Cabinet Committee and the draft Role Description for the Assistant Leaders is attached at Appendix 1. Also attached at Appendix 2 is an outline of the intended coverage of the review which the Committee will lead, to be refined and approved by Cabinet. The Panel will note the extensive nature of this remit.

7. Interim nature of the proposal

- 7.1. As stated above the proposal is for an interim extension to the number of SRAs to give a boost to leadership capacity during this transitional period. The EMLS posts are being renamed District Committee Chairs at this AGM and District Committees will not now be required to meet at a set frequency. The firm intention is that these committees will be phased out and removed over this period, along with the district committee chair posts.
- 7.2. This will mean that the overall total of SRAs at the end of this period will be ten fewer than in 2016/17 and six fewer than for 2015/16. SRAs will rise by £60,000 in 2016/17 but eventually fall by £75,000 (a net fall of £15,000 from the current position).

8. Conclusion

- 8.1. The proposals set out in this paper will provide essential additional leadership capacity to take forward the radical changes in political governance that the council is undergoing and ensure that these are implemented effectively to the benefit of the community and in support of better service delivery.
- 8.2. The proposals are for interim arrangements which will be followed by a significant reduction in SRAs, following a short period of additional expenditure necessary to ensure a smooth transition.
- 8.3. The Panel is requested to consider this proposal and to report to the City Council AGM on 24 May with its conclusions, in order to enable the implementation of the constitutional changes outlined above.

Jon Warlow
Strategic Director Finance and Legal Services

Stuart Evans
Acting Joint Head of Legal Services

Appendix 1: Proposed Terms of Reference for the Cabinet Committee Local Leadership and Role Description for Assistant Leaders

Cabinet Committee Local Leadership

This Cabinet Committee will be established by the Cabinet with the following membership:

- The Leader
- Another Cabinet Member as deemed appropriate by the Leader
- The Leaders of the official opposition party and the next largest opposition party
- The Chairs of the District Committees
- Four Assistant Leaders (see below)
- Assistant Leaders will be able to attend meetings of Cabinet but will not have a right to vote on any item of Cabinet business.

The quorum for the Committee shall be six and this number must include one of the Cabinet Members and one of the Leaders of the opposition groups as well as one of the Assistant Leaders.

The Committee will include four Councillors designated as Assistant Leaders. These councillors will be charged with taking forward the agenda of the Cabinet Committee Local Leadership between meetings, under the management of the Leader of the Council. They will not have decision making powers independently of the Committee. They will each be responsible for an area of the city, to be specified by the Cabinet.

7.1

1. These terms of reference are subject to change by Cabinet as and when necessary to reflect the changing shape of the devolution and Future Council, agenda. The City Council is committed to the ongoing development of devolved community governance through a process of reviewing devolved

ways of working and considering new innovations; it is recognised that further devolution is necessary given the scale size and diversity of challenges, opportunities and varied needs across the city.

2. The Cabinet Committee will conduct a review of the existing devolved arrangements consulting and engaging with the community, other stakeholders and Members. During the period of review local areas will be supported in bringing forward and piloting new ways of working in relation to devolved arrangements; the Cabinet Committee with the Assistant Leaders will support, oversee and evaluate the new ways of working for potential wider use within the City.
3. The Cabinet will set out the detailed coverage of this review, but it will include assessing the effectiveness of all existing arrangements for local engagement and partnership working, preparations for the new ward arrangements to be introduced in 2018 and new ways of working such as parish councils.
4. The Assistant Leaders with the Cabinet Committee will play a leading role in taking forward the following council strategic priorities:
 - Local Leadership - conducting the review set out above at paragraphs 2 and 3 and reporting to Full Council and Cabinet as appropriate
 - Every Place Matters – overseeing the development of area focused policies and programmes to address inequalities between areas of the city
 - A Better deal for Neighbourhoods – the committee will work to improve services in neighbourhoods and responsiveness to local communities and individual service users and to support local initiatives to improve the environment and street scene
 - Supporting local councillors – through the devolution process
 - Fostering and applying new approaches to local leadership.

Assistant Leaders: Role Description

The Leader of the Council will set clear success criteria and outcome targets for the Assistant Leaders and the Cabinet Committee, for approval by the Cabinet and these will be monitored alongside officer work programmes to ensure the work remains on track and delivers a successful transition to future arrangements.

The strategic role of the Assistant Leaders will be to:

- Provide leadership to policy development as directed by the Leader and working in conjunction with Cabinet Members, with the aim of realising the full potential of city policies for Place – making a difference in all Birmingham neighbourhoods. This will include the strategic priorities of Local leadership, Every Place Matters (regeneration and investment outside the city centre) and A Better Deal for Neighbourhoods (improving local services)
- Drive forward the review of devolved arrangements within the city and the successful transition to the post 2018 environment as directed by the Cabinet and the Leader.

Within their area of the city Assistant Leaders will:

- Promote and support changes to the practice, culture and capabilities underpinning the role of “front line councillor”
- Shape and support local partnership working and engagement with communities and local stakeholders
- Shape neighbourhood governance and neighbourhood delivery plans working alongside District Chairs
- Ensure that arrangements are in place to move beyond the districts model whilst capturing the learning and the partnerships developed in previous years and supporting the role and contribution of all local councillors
- Ensure that local issues and innovations are reflected in strategic decision making with regard to Local Leadership, Every Place Matters and A Better Deal for Neighbourhoods.

Appendix 2

Review of Local Leadership and Community Governance: proposed coverage

The review, to be led by the Assistant Leaders and the Cabinet Committee Local Leadership chaired by the Leader, will cover the following issues. Note: This list will be refined and reported to Cabinet in June as the Committee is formally established.

- 1) The effectiveness of ward meeting arrangements (Ward Forums) based on the experience of the last year and how this can be improved
- 2) Support for neighbourhood forums and other community led bodies and their relationships with councillors
- 3) The capacity of the voluntary and community sector and communities themselves in different parts of the city and how this can be improved
- 4) The role of District Housing Panels and Housing Liaison Boards
- 5) The value of models such as neighbourhood management and neighbourhood tasking and how they can be supported
- 6) The value of neighbourhood charters, promises or agreements and how they could be taken forward
- 7) How the Neighbourhood Challenge and Community Planning processes can be used at ward level or through collaboration between wards
- 8) The relationship between democratic leadership, community engagement and new service delivery models. This would include area partnership working, integration, hubs and new forms of neighbourhood delivery and partnership, such as social investment, community trusts, community based housing associations
- 9) Open data and how best to build this into our local working
- 10) The development of proposals for further parish (neighbourhood or town) councils and a fair funding system to support their activities
- 11) The development of “devolution deals” for local areas (clusters of wards) that wish to take devolution further forward
- 12) The resources available to support ward activities and proposals for the future on a partnership basis
- 13) The development of a new, flexible area geography based on local views of how 2018 wards would best collaborate, to replace the district committee

system, including looking at practice in other cities nationally and internationally

- 14) A new policy for local centre regeneration and management
- 15) Area policies for key policy areas such as regeneration, housing development, skills and clean and green neighbourhoods
- 16) Leadership development programmes and culture change – from “back bench” to “frontline” councillors