

Title of Report	RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL	
Presented by	Councillor Robert Ashman, Deputy Leader	
Background Papers	The Local Authorities (Members' Allowances) (England) Regulations 2003	Public Report: Yes
Financial Implications	The recommendations of the IRP, if agreed by council, would incur costs of £42k which will be considered as part of the budget report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The Council is required by The Local Authorities (Members' Allowances) (England) Regulations 2003 to establish an Independent Remuneration Panel to advise on the level of remuneration to members for fulfilling their role.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are none.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To receive recommendations from the Independent Remuneration Panel on the Members' Scheme of Allowances.	
Recommendations	<p>THAT THE MEMBERS' ALLOWANCE SCHEME BE AMENDED TO TAKE EFFECT FROM ANNUAL COUNCIL ON 12 MAY 2020 (WHEN THE APPOINTMENTS TO COMMITTEES ARE AGREED) AS FOLLOWS:-</p> <p>(1) THE BASIC ALLOWANCE TO BE INCREASED FOR ALL MEMBERS TO £5,027.10 PER ANNUM;</p> <p>(2) THE SPECIAL RESPONSIBILITY ALLOWANCE IN RESPECT OF THE PLANNING CHAIRMAN TO BE INCREASED FROM A MULTIPLE OF 1.3 TO 1.5;</p> <p>(3) THE SPECIAL RESPONSIBILITY ALLOWANCES IN RESPECT OF THE CHAIRMEN OF AUDIT & GOVERNANCE, LICENSING, LOCAL PLAN & THE SCRUTINY COMMITTEES TO BE REDUCED FROM A MULTIPLE OF 1.3 TO 0.5; ON THE UNDERSTANDING THAT SCRUTINY WOULD BE REVISITED ONCE ANY CHANGES FOLLOWING THE RECOMMENDATIONS OF THE PEER REVIEW HAD BEEN EMBEDDED.</p>	

1.0 BACKGROUND

- 1.1 The Independent Remuneration Panel (IRP) received a request in September 2019 to review the Scheme of Allowances in respect of the level of basic allowance and the Special Responsibility Allowances (SRAs) paid to Members on the basis they have not been reviewed for some time and that it was felt there was a disparity in the workloads of the Committee Chairmen.
- 1.2 The Council is required by The Local Authorities (Members' Allowances) (England) Regulations 2003 to establish an Independent Remuneration Panel to advise on the level of remuneration to members for fulfilling their role as Members.

2.0 THE INDEPENDENT REMUNERATION PANEL

2.1 The Panel's membership is as follows:-

- Stephen Barkby
- Margaret Dadley
- Elaine Oldham
- Trevor Moore

2.2 The Panel's terms of reference are as follows:-

- To make recommendations to the authority as to the amount of basic allowance that should be payable to its elected Members;
- To make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance;
- To make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance;
- To make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended;
- To make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run.

2.3 Since its establishment, the Panel's approach has been that recommendations should be formulated appropriate to the circumstances of the Council. The following underlying principles form the fundamental basis of the Panel's review process:

- Allowances should take account, as far as possible, of the amount of time taken by members to fulfil their roles.
- The scheme should enable, as far as practical, that as wide a range of people as possible should be able to stand for election.
- Allowances are not a salary but a level of 'compensation';
- Any increases to the scheme which might be recommended should be balanced against the interests of the council tax payers in the district.
- Special Responsibility Allowance payments should be banded to reflect both the time commitment and workload of the identified special responsibilities;
- The assumption is made that all members will participate as fully as possible in council business and play an active role in their wards and the importance of these mutually inclusive roles is reflected in the level of the basic allowance.

3.0 THE PANEL'S APPROACH

3.1 The IRP met on 8 October 2019 to consider a request to review the Scheme of Allowances in respect of the level of basic allowance and the SRAs paid to Members.

3.2 At this meeting, the Panel agreed to look at the level of allowances but sought additional information to help inform any decision it makes. The Panel sought more information on

- Benchmarking - comparisons with other Councils in Leicestershire on population, budgets, number of councillors, allowances paid
- Committees - how often they meet, a typical agenda and other workload issues
- Councillors - how many meetings they attend, any other factors

3.3 The Panel was furnished with the above data ahead of a further meeting which was held on 27 January 2020.

3.4 The Panel considered whether there should be a minimum attendance rate at meetings in order to qualify for a basic allowance. However, it was acknowledged that attendance at meetings played only a small part of the work of a councillor. Consideration was given to their work in the community, their portfolio areas, where appropriate, and their respective roles at Committees.

4.0 THE PANEL'S CONCLUSIONS

4.1 It was noted that the basic allowance was last increased in 2008. It had been revisited a number of times over the years since, but the decision had been not to increase as, at the time, it was in line with that paid by neighbouring authorities and the Panel concluded that there was no justification for an increase.

4.2 Having looked at the comparative data of neighbouring authorities in some detail, it was agreed that the level of basic allowance now fell short in comparison. In order to bring the level in line with others, an average figure of the allowances paid by the neighbouring authorities which were the closest in size in terms of population, budgets, number of councillors etc. was agreed as the basic allowance.

4.3 The Panel wished to ensure that the basic allowance was set at a level that did not discourage individuals from putting themselves forward as councillors but also recognised the voluntary nature of the role.

4.4 The Panel further concluded that, having taken into account the number of meetings and briefings and the level of work which is undertaken outside of these meetings, there was indeed a disparity in the workloads of the Chairmen of the Committees. However, the Panel did not feel that this warranted an increase in each of the SRAs. Following careful consideration of each of the types of Committee and the responsibility of each of the Chairmen, it was agreed that some of the SRAs should be decreased to reflect the lower levels of workloads in some cases.

4.5 The Panel agreed to retain the current method of applying a multiple of the basic allowance to calculate the level of SRAs. They determined each Committee Chairman's SRA on its own merits in order to agree on the multiple to be applied.

4.6 It was accepted that the scrutiny function was subject to change following the recent Peer Review and the Panel agreed to revisit this once any changes had been embedded.

4.7 The argument which had been made that the role of the Chairman of Planning Committee was significantly more involved than the role of other Chairmen, was supported.

4.8 Consideration was given to the timing and it was agreed to commence any changes from May 2020 given that the formal request to the IRP to consider this matter was only received in September, after the elections and after the appointments to Committees had been made. Some of the allowances have been reduced and if it was backdated, some

members will incur overpayments which would need to be re-paid. The IRP felt standing for election and making appointments to seats on Committees were done in full knowledge of the rates of allowances at that time. By commencing from May 2020, members will be aware of the rates before the appointments take effect.

4.9 The Panel acknowledged the current practices of

- increasing the basic allowance and the SRAs annually on 1 April by the same percentage as the National Joint Council staff award (scp 28) and
- where a councillor undertakes additional duties which attract more than one SRA, they will receive 100% of the higher allowance and 50% of the other.

and it was agreed that these remain in the Scheme.

5.0 FINANCIAL IMPLICATIONS

5.1 Whilst there is no recommended change to the multiples in respect of the SRAs for the Leader, Chairman, Deputy Chairman and Portfolio holders, the change to the basic allowance sees a resultant increase to the overall total of these SRAs.

5.2 The allowances paid under the current Scheme are shown in table 1. The allowances that would be paid should the recommendations be agreed are shown in table 2.

5.3 The increase in the costs of the recommendations of the IRP, if agreed by council, is considered in the budget report which is later on this agenda.

Table 1 – current allowances

	Multiple	2019/20 (£)
	Basic Allowance	4,011.79
Chairman of the Council	1	4,011.79
Deputy Chairman of the Council	1/8 (12.5%)	501.47
Leader of the Council	4	16,047.16
Deputy Leader of the Council	2.5	10,029.48
Portfolio Holder	1.5	6,017.68 (x4)
Opposition Leader	1	4,011.79
Chairman (Scrutiny Committee)	1.3	5,215.33 (x2)
Chairman (Local Plan Committee)	1.3	5,215.33
Chairman (Planning Committee)	1.3	5,215.33
Chairman (Licensing)	1.3	5,215.33
Chairman (Audit & Governance)	1.3	5,215.33
TOTAL COST	Basic SRAs TOTAL	152,448.02 89,964.39 242,412.41

Table 2 – proposed allowances

	Multiple	2020/21 (£)
	Basic Allowance	5,027.10
Chairman of the Council	1	5,027.10
Deputy Chairman of the Council	1/8 (12.5%)	628.38
Leader of the Council	4	20,108.40
Deputy Leader of the Council	2.5	12,567.75
Portfolio Holder	1.5	7,540.65 (x4)
Opposition Leader	1	5,027.10
Chairman (Scrutiny Committee)	0.5	2,513.55 (x2)
Chairman (Local Plan Committee)	0.5	2,513.55

Chairman (Planning Committee)	1.5	7,540.65
Chairman (Licensing)	0.5	2,513.55
Chairman (Audit & Governance)	0.5	2,513.55
TOTAL COST	Basic	191,029.80
	SRAs	93,629.73
	TOTAL	284,659.53
	Overall difference	£42,247.12

6.0 RECOMMENDATIONS

- 6.1 Having given due regard to all the information provided, the Independent Remuneration Panel is recommending that Council makes changes to the Members' Scheme of Allowances to take effect from 12 May 2020. The recommendations are set out at the top of this report.

Policies and other considerations, as appropriate	
Council Priorities:	Not applicable
Policy Considerations:	Not applicable
Safeguarding:	No issues identified
Equalities/Diversity:	No issues identified
Customer Impact:	No issues identified
Economic and Social Impact:	No issues identified
Environment and Climate Change:	No issues identified
Consultation/Community Engagement:	Not applicable
Risks:	There is a reputational risk to the Council when increasing allowances to Councillors.
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