

| | | |
|----------------------|---|------------------|
| Report to: | Council | 27 February 2024 |
| Lead Officer: | Elections and Democratic Services Manager | |

Report of the Independent Remuneration Panel – Scheme of Members’ Allowances 2023/24

Recommendations

1. It is recommended that Council:
 - (a) Agree a revised Scheme of Members’ Allowances for 2023/24 (see Appendix A), including:
 - (i) An increase in the Basic Allowance to £5,800 (equivalent to a 5.44% increase) back dated to 1 April 2023; and
 - (ii) An increase to all the Special Responsibility Allowances of 5.44%, back dated to 1 April 2023; and
 - (iii) The awarding of a new Special Responsibility Allowance of £580 to members of the following three committees of the Cambridgeshire and Peterborough Combined Authority: Transport & Infrastructure, Environment & Sustainable Communities and Skills & Employment.
 - (b) Authorise the Head of Transformation to implement and advertise the new scheme and make any consequential amendments required to the Scheme of Members’ Allowances in Part 6 of the Constitution.

Details

2. The purpose of this report is to consider the recommendations of the Independent Remuneration Panel (IRP) in respect of the Scheme of Members’ Allowances 2023/24.
3. From 2019/20 to 2021/22 Council agreed that its allowances should be increased annually in line with the Council’s staff pay award.
4. The staff pay award of 2023/24 equated to an increase of approximately 5% in the overall budget, with a range of increases across the different pay grades; the range being 10.5% for the lowest paid to around 2% for the highest paid.
5. Councillors were sent a questionnaire on the allowances scheme in June 2023 and were then invited to an interview with the Independent Remuneration Panel in July 2023. 20 councillors completed the questionnaire and six councillors agreed to be interviewed. Unfortunately a panel member resigned in September, which delayed the process.

6. The Panel met on 15 December and considered the feedback from councillors, annual inflation and the staff pay award. According to the questionnaire, the average number of hours worked by councillors for duties related to their basic allowance (i.e. not including work for which a Special Responsibility Allowance was paid) was calculated as an average of 13.7 hours a week. According to the Government website www.ethnicity-facts-figures.service.gov.uk the average hourly rate in this country was £13.57. This figure was multiplied by the 13.7 hours a week figure. According to Government guidance “It is important that some element of the work of the members continues to be voluntary – that some hours are not remunerated.” (See www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65960). The amount of time that should be unpaid (voluntary) was set at 40% to reach a basic allowance of £5,800.
7. The Panel noticed that since three Special Responsibility Allowances were set up for members of the Board and committees of the Cambridgeshire and Peterborough Combined Authority, the Council had appointed members to an additional three committees of the Combined Authority. The Panel agreed to recommend that members of these committees should be paid the same Special Responsibility Allowance as the member of the Combined Authority Audit and Governance Committee.

Reasons for Recommendations

8. Article 2.05 of the Constitution provides for Council to adopt a Scheme of Members’ Allowances. The Council is required, by virtue of Regulation 19 of The Local Authorities (Members’ Allowances) (England) Regulations 2003, to have regard to the recommendations of its Independent Remuneration Panel before making or amending its Scheme of Members’ Allowances. The recommendations of the Independent Remuneration Panel in respect of the Scheme of Members’ Allowances 2023/24 are set out at Appendix A to this report.

Options

9. Council must have regard to the recommendations made to it by the Independent Remuneration Panel. However, it is not bound to accept those recommendations.

The options are to:

- (a) Accept in full the Panel’s recommendations;
- (b) Reject the Panel’s recommendations;
- (c) Make variations to specific elements of the recommendations;
- (d) Seek further information or request the Panel to undertake additional work if required.

Implications

10. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

Financial and Fraud Risk

11. The Panel is recommending an increase in Basic Allowance from £5,351 to £5,800 in 2023/24. This will increase the total cost of Basic Allowances from £240,795 to £261,000. The 5.44% increase in Special Responsibility Allowances is more difficult to estimate as positions become vacant and no councillor can claim more than two SRAs. The Council is projected to pay £126,835 in SRAs this year. A 5.44% increase on this figure would be £133,735.

Legal

12. The Council, in setting its Members' Allowances levels, is obliged, by virtue of Regulation 19 of the Local Authorities (Members' Allowances) (England) Regulations 2003, to have regard to the recommendations of an Independent Remuneration Panel established for this purpose.

Equality and Diversity

13. Members' Allowances levels should reflect the public service element associated with the role of a District Councillor, but should not discourage candidates from any sector of society from standing as councillors because of unmitigated financial loss. Schemes should also not present barriers to becoming a councillor, for example, by ensuring that allowances are in place to cover the costs of care for dependants.

Consultation responses

14. All councillors received an e-mail, individually addressed to them, inviting them to complete a questionnaire on members' allowances on 5 June 2023 and then a reminder was sent out on 16 June 2023. All councillors were invited to be interviewed by the Independent Remuneration Panel on 27 June 2023. The interviews took place in July 2023.

Alignment with Council Priority Areas

A modern and caring Council

15. The Council should seek to have in place an allowances scheme which both reflects the voluntary public service element of the councillors' role and prevents low allowance levels from acting as a disincentive to potential new councillors through loss of earning opportunities. In achieving this balance, the Council will encourage the continuing recruitment and retention of councillors of sufficient calibre to ensure all its strategic aims are achieved.

Background Papers

None.

Appendices

Appendix A: Draft Members' Allowances Scheme 2023/24.

Report Author:

Patrick Adams – Senior Democratic Services Officer

Telephone: (01954) 713408