

REPORT OF THE SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL'S INDEPENDENT REMUNERATION PANEL (IRP)

This report summaries the conclusions and recommendations of the IRP arising from its review of SCDC's Members' Allowance Scheme (MAS) in 2014/15. In determining its recommendations, the IRP has taken account of prevailing financial constraints on local authorities and Government public sector pay policy; the need to encourage participation in local democracy; and the need for transparency and fairness in determining Special Responsibility Allowance payments appropriate to the differing levels of responsibility of the roles held by Members.

A. Basic and Special Responsibility Allowances (SRAs)

1. Set out in **Appendix A** is a summary of allowances paid to Members of adjoining Councils and of Councils in SCDC's benchmarking/audit family. This, taken together with previous benchmarking undertaken against Member's Allowance Schemes of comparable District Councils shows that;
 - (a) The SCDC's Basic Allowance payment is in the median range for other adjoining Councils of similar size;
 - (b) In most Councils, the level of SRA payments for Deputy Leaders, Cabinet Members, Council and Committee Chairs and others are related to, and set as a proportion of the Council Leader's SRA, (except for Uttlesford and North Wiltshire which set SRAs in relation to the Basic Allowance);
 - (c) SCDC's SRA payments for similar roles are set at broadly similar levels of relativity to the Council Leader's SRA as in other Councils, (except for the SRA for the Chair of SCDC's Licensing Committee which at £515 is currently equivalent to 5% of the Leader's SRA compared with 10-35% of the Leader's SRA in other Councils); and that
 - (d) Whilst SRA payments vary between Councils, (for both historical reasons and differences in roles and responsibilities) the overall structure of SCDC's SRA payments is broadly in line with that of other similar Councils.

2. Last year the IRP reviewed whether it was possible and appropriate to recommend changes to the Council's MAS which would enable a fairer distribution of Allowances payments to be made related to the actual input of individual Councillors to Council business without increasing the overall costs of Allowance payments. After lengthy consultation and review, the IRP concluded that without the support of the majority of the members of the Council that there was no purpose in undertaking further work on this proposal; (albeit that it remains the view of the IRP that the different time commitment made by Councillors to committee membership should be recognised). This year there has been no representation made to the IRP that any changes should be made to current SRA payments.

Recommendation 1

The IRP recommends that:

- (a) Members' Basic Allowance is increased by the equivalent percentage amount that the Council agrees to apply to the pay rates of Council staff effective from 1 April 2016 and that thereafter the Basic Allowance is increased annually on the same indexed basis pending the next review of the Members' Allowance Scheme; and that
- (b) Where a Councillor in receipt of the Allowance fails to attend 50% of the meetings for which that Allowance is paid in any six-month period, that Councillor be invited to repay an appropriate sum of the allowance received during that period.

Recommendation 2

The IRP recommends that pending the next review of SCDC's Members' Allowance Scheme, any changes to current SRA payments deemed necessary to reflect changes in Member roles and responsibilities should be made by a re-allocation of current SRA payments without increasing the Council's overall SRA cost envelope.

B. Independent Persons (Changes to the Officer Employment Procedure rules regarding the dismissal of Chief Officers)

3. Ref **Appendix B**, the IRP has been invited to consider whether the annual allowance of the lead and deputy Independent Persons should be increased to acknowledge their responsibilities under this legislation or alternatively to introduce a fixed payment. It is understood that the Council have approved changes to the terms of reference of the Employment Committee to provide for an *ad hoc* panel of the Committee including the Council's two Independent Persons to be convened 'for the purposes of advising the Council on matters relating to the dismissal of relevant officers of the Council'. In considering whether any additional payment is justified by these changes, and the type of payment that would be appropriate, (if found to be justifiable) the IRP has taken account of the following;
 - (a) The requirement to convene this panel and involve the Independent Persons is likely to arise in only the most exceptional circumstances and it is quite possible that neither the Independent Persons nor the members of the Employment Committee concerned will be required to carry out this function during their period of office.
 - (b) It is presumed that in the event of being convened, the panel members, including the Independent Persons will be required to assess findings and recommendations made at the conclusion of a disciplinary investigation following the Council's disciplinary procedures and with expert legal guidance having been followed throughout the process to mitigate any risk of unfair dismissal compensation claims falling on the Council.
 - (c) It is not clear what particular role the Independent Persons will play on this panel; whether this role will differ in any way from that played by other members of the panel; or whether the Independent Persons will require particular skills, experience or attributes to undertake this role.

- (d) The IRP is not aware that it is normal practice in other organisations for members of disciplinary hearings and appeal panels to be paid a premium or other form of *ad hoc* payment for this type of commitment.
 - (e) Any additional payment made to the Independent Persons simply to be members of this panel would seem to be equally applicable to the other panel members.
4. Irrespective of the nature of the responsibility it would be inappropriate to increase the Independent Persons annual Allowance payment for discharging a function which is intrinsically *ad hoc* and which may never be performed. It is conceivable however, that in the event of a panel being convened for this purpose it is decided at that time that Independent Persons are required to undertake a specific role requiring specific skills and experience distinct from other panel members. (eg as Chair of the panel) which could well warrant an *ad hoc* payment being made. However, at this time the IRP does not have sufficient information to be able to make a recommendation on whether an *ad hoc* payment should be made, or on the amount of such a payment in these circumstances.

Recommendation 3

- (a) There should be no increase to the Independent Person's or their Deputy's annual Allowance payment, given that the additional commitment involved is intrinsically *ad hoc* and may never be performed during their period of office.
- (b) An *ad hoc* payment could be appropriate in the event that the Independent Persons were recruited to the panel to undertake a specific role requiring specific skills and experience distinct from other panel members. However, there is insufficient information available at this point for the IRP to be able to make a recommendation on whether or not an *ad hoc* payment should be made or on its quantum.

**South Cambridgeshire District Council
Independent Remuneration Panel**