

**REPORT TO:** Council

26 September 2019

**LEAD OFFICER:** Interim Director of Corporate Services

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## **Report of the Independent Remuneration Panel – Scheme of Members’ Allowances 2019/20**

### **Executive Summary**

1. The purpose of this report is to consider the recommendations of the Independent Remuneration Panel (IRP) in respect of the Scheme of Members’ Allowances 2019/20.

### **Recommendations**

2. It is recommended that Council:
  - (a) Consider the Independent Remuneration Panel’s recommendations on the Scheme of Members’ Allowances 2019/20, as set out in Appendix A to this report.
  - (b) Agree a revised Scheme of Members’ Allowances for 2019/20 and, if adopting the recommendations of the Independent Remuneration Panel, to approve the implementation of:-
    - (a) The increase in the Basic Allowance retrospectively with effect from 1 April 2019; and
    - (b) The amendments to Special Responsibility Allowances and all other changes proposed in the report with effect from the date of adoption of the revised scheme (ie: 26 September 2019).
  - (c) Authorise the Interim Director of Corporate Services 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.
  - (d) Determine whether to invite the Independent Remuneration Panel to review the possible award of Special Responsibility Allowances to the Council’s representatives on any Executive Committees established by the Cambridgeshire and Peterborough Combined Authority.

### **Reasons for Recommendations**

3. Article 2.05 of the Constitution provides for Council to adopt a Members’ Allowances Scheme. 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 2019/20 are set out at Appendix A to this report.

## Details

4. Members will recall that the Independent Remuneration Panel (IRP) reviewed the Scheme of Members' Allowances in 2018/19, having regard to the implementation, with effect from the May 2018 elections, of the reduction in Council size from 57 to 45 councillors and the revised ward boundaries. This followed the review of Council size and ward boundaries by the Local Government Boundary Commission for England. The Council, at its meeting held on 27 September 2018, agreed not to adopt the IRP's recommendations for revisions to the Basic Allowance and Special Responsibility Allowances (SRAs), but resolved that in accordance with the mechanism adopted in previous years, all allowances should be raised in line with the staff pay award for 2018/19. The Council additionally asked the IRP to undertake a further review of the Scheme of Members' Allowances for 2019/20.
5. The IRP has now undertaken a review of the Scheme of Members' Allowances for 2019/20. The Panel's report is attached at Appendix A. Council is requested to consider the recommendations set out in the report and to agree a scheme of allowances.
6. The IRP is recommending that its proposals for increasing the Basic Allowance should apply with effect from the 2019/2020 financial year (ie: retrospectively from 1 April 2019) and that its proposals relating to Special Responsibility Allowances, and all other recommendations, should be implemented with effect from the adoption of the Scheme by the Council.
7. Members are also asked to note that the Cambridgeshire and Peterborough Combined Authority is due to consider, at its meeting to be held on 25 September 2019, new Executive Committee arrangements, which, if adopted, may result in this Council being represented on each of the Combined Authority's Executive Committees with effect from 1 November 2019. The Council may therefore wish to consider asking the IRP to review whether SRAs should be awarded to this Council's representatives who serve upon such committees.

## Options

8. 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**

9. 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**

10. The Panel is recommending an increase in Basic Allowance from £4,912 to £5,010 in 2019/20 (in line with the percentage increase for the staff pay award). This will increase the total cost of Basic Allowances from £221,040 to £225,450. The Panel is also recommending revisions to SRAs which result in an increase from £82,285 to £116,585 in a full year. However, pending the IRP's review for 2019/20, the base budget has not been adjusted from the total cost of the scheme in place in 2017/18 and consequently if the Council approves the IRP's recommendations, including the proposal to limit the number of SRAs payable to two (rather than one at present), this will result in an estimated overall on-going full year saving of £60,000. These savings could be released to support other Council priorities.

## **Legal**

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

## **Risks/Opportunities**

12. There is a risk that low allowance levels could act as a disincentive to potential new councillors through loss of earning opportunities.

## **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 dependents.

## **Consultation responses**

14. SRA holders were invited to complete timesheets for the period November 2018 to February 2019 recording the amount of time spent on their duties. Not all SRA holders did complete timesheets but the IRP had regard to the evidence received. The Leader, Leader of the Opposition and a number of other Members also met with the Panel.
15. As required by the relevant regulations, a notice of the receipt of the report from the Panel will be placed in the local press.

## **Effect on Council Priority Areas**

### **A modern and caring Council**

16. 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: Report of the South Cambridgeshire District Council's Independent Remuneration Panel.

Appendix B: Comparison between current allowances and recommended allowances.

## **Report Author:**

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