

**REPORT TO:** Council

24 November 2022

**LEAD OFFICER:** Head of HR, Transformation and Corporate Services

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## **Report of the Independent Remuneration Panel – Scheme of Members’ Allowances 2022/23**

### **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 2022/23.

### **Recommendations**

2. It is recommended that Council:
  - (a) Agree a revised Scheme of Members’ Allowances for 2022/23 (see Appendix A) and, if adopting the recommendations of the Independent Remuneration Panel, to approve the implementation of:-
    - (a) The increase in the Basic Allowance to £5,351 (equivalent to a 1.4% increase) retrospectively with effect from 1 April 2022; and
    - (b) The increase to all the Special Responsibility Allowances of 1.4%, retrospectively with effect from 1 April 2022.
  - (b) Authorise the Head of HR, Transformation and 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.

### **Reasons for Recommendations**

3. 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 2022/23 are set out at Appendix A to this report.

## Details

4. The Council, at its meeting held on 26 September 2019, agreed that the basic allowance shall be increased annually in line with the Council's staff pay award to the end of the 2021/22 financial year and that special responsibility allowances shall also be increased annually in line with increases to the basic allowance to the end of that financial year.
5. The staff pay award of £1,925 to all staff at Grade 1 and above equates to an overall increase in the budget of approximately 5.5%, but a range of increases across the pay grades from grade 1 to grade 13 (the range being 11% for Grade 2 to 1% for Grade 13).
6. The average basic allowance for the rural District authorities in Cambridgeshire works out as £5,351.
7. The IRP met on Wednesday 19 October and reviewed the Members' Allowances Scheme for 2022/23.
8. Opinion was divided on how much the basic allowance should be increased by. One member of the Panel recommended that the basic allowance be increased by 5.5% in line with that awarded to staff. This would mean an increase in the allowance from £5,277 to £5,567. The other two members of the Panel who were present put forward an alternative view and recommended that the basic allowance be increased by 1.4% to £5,351, which was the average allowance paid to rural authorities in Cambridgeshire.
9. The Panel noted that an allowance was not paid for membership of the Housing, Transport, Skills and Employment Committees of the Cambridgeshire and Peterborough Combined Authority committees. The Panel further noted that some partner authorities did not pay any allowances to their members on these Committees. The Panel decided that an in-depth study of this issue should be carried out for the review of the 2023/34 Allowances Scheme.
10. The Panel discussed whether family members should be paid for caring for their dependants. They agreed to carry out a comprehensive review of the Dependants' Carers' allowance scheme next year.
11. The Panel reviewed the travel allowances and, whilst acknowledging the increases in the cost of fuel, they agreed that it would not be appropriate to recommend any deviation from the current HMRC rates.
12. The IRP recommended that its proposals for increasing the Basic Allowance and Special Responsibility Allowances should apply with effect from the 2022/2023 financial year (ie: retrospectively from 1 April 2022).
13. The IRP plan a comprehensive review of the 2023/24 Members' Allowances Scheme in the New Year.

## Options

14. 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**

15. 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**

16. The Panel is recommending an increase in Basic Allowance from £5,277 to £5,351 in 2022/23. This will increase the total cost of Basic Allowances from £237,465 to £240,795. The 1.4% 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 £122,807 in SRAs this year. A 1.4% increase on this figure would be £124,526.

## **Legal**

17. 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**

18. 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**

19. 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**

20. Councillors were sent a copy of the current Members' Allowances Scheme on 22 July 2022 and invited to raise any specific matters that they wished the IRP to consider. These comments were collated and sent to the Panel.

21. 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**

22. 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 2022/23.

## **Report Author:**

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