

<b>Meeting:</b>	Council
<b>Date:</b>	19 October 2023
<b>Classification:</b>	Part 1
<b>Key Decision:</b>	No
<b>Title of Report:</b>	<b>Review of Members' Allowances</b>
<b>Report Author:</b>	Colin Gamble (Head of Democratic & Electoral Services)
<b>Executive Director</b>	Claire Shuter (Executive Director – Strategy & Change)

## **1. Purpose of Report**

- 1.1 For the Council to consider the report and recommendations of the Independent Remuneration Panel (“IRP”) on Members’ Allowances for the Council.
- 1.2 The current Members’ Allowances Scheme is set out in Part 6 of the Constitution.

## **2. Recommendations**

- 2.1 **The Council is requested to consider the following recommendations of the IRP as set out in its report at Appendix 1 and summarised in the new Members’ Allowances Scheme 2023-2027 at Appendix 2:**
  - 2.1.1 **That the Basic Allowance be set at £10,400.**
  - 2.1.2 **That the Special Responsibility Allowances (SRAs) summarised in paragraph 37 of the IPR report and the revised SRAs set out in paragraphs 48,53 and 55 of the report, be approved.**
  - 2.1.3 **That the allowances payable the Independent Persons and the Co-opted Members (paragraphs 71 and 73 of the IRP report), be approved.**
  - 2.1.4 **That, subject to the introduction of a 5p per mile passenger supplement rate (paragraph 81 of the IRP Report), the existing provisions in the Members’ Allowances Scheme, regarding travelling and subsistence allowances, be reaffirmed.**
  - 2.1.5 **That subject to Booking Fee for claiming the Dependents’ Carer’s Allowance being increased to £15 and the maximum rate claimable for a special care allowance being set at the hourly rate charged by the Council for a Home Care Assistant, the existing provisions in the Members’ Allowances Scheme regarding the Carers’ Allowance, be reaffirmed.**

**2.1.6 That the following indices be applied to the remuneration and allowances paid to Members of the Council:**

- (a) Basic Allowance, Special Responsibility Co-optees and Independent Persons allowances to be indexed to the annual percentage salary increase for local government staff (at spinal point 43) to be implemented from the start of the municipal year, rather than the financial year, for which year it is applicable.**
- (b) Mileage allowances to be updated by reference to the rates which apply to Council officers (HMRC rates).**
- (c) Subsistence allowances to be updated by reference to the schemes which apply to Council officers.**
- (d) Basic “sitters” allowance be linked to the National Living Wage. Specialist Care Allowance to be indexed to the hourly rate charged by the Council for a Home Care Assistant.**

**2.1.7 That the existing Members’ Allowances Scheme be revoked and that the new Members’ Allowances Scheme 2023-2027, as set out in Appendix 2 to this report, be approved with the implementation date being 1st August 2023.**

**2.1.8 That the part year costs in 2023/24 of £33,000 resulting from the implementation of the recommendations of the IRP be funded from the Council’s contingency budget and that the full year cost of £50,000 be dealt with as part of setting of the base budget for 2024/25.**

### **3. Background**

- 3.1 The power under which schemes of Members’ Allowances are made is contained in Section 18 of the Local Government and Housing Act 1989, section 99 of the Local Government Act 2000 and in the Local Authorities (Members’ Allowances) (England) Regulations 2003 (“the Regulations).
- 3.2 The Regulations impose a duty on Local Authorities to establish an Independent Panel to provide advice on its Members’ Allowances Scheme and the amounts to be paid.
- 3.3 On 20th and 21st June 2023, the IRP met to undertake a review of the Members’ Allowances Scheme in accordance with the law which requires a new Scheme to be put in place. The Terms of Reference of the review were as follows:
  - (a) The amount of Basic Allowance that should be payable to elected Members and the expenses it should include.

- (b) The responsibilities or duties which should lead to the payment of a Special Responsibility Allowance and as to the amount of such an allowance.
- (c) Those Co-optees who should receive a Co-optees' Allowance and as to the amount of such an allowance.
- (d) The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.
- (e) As to whether the Dependants' Carers' Allowance should be payable to Members, and as to the amount of such an allowance.
- (f) As to whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed.
- (g) The implementation date for the new Scheme of Members' Allowances.
- (h) The Civic Allowances and amounts payable.
- (i) Any other issues that are brought to the IRP's attention.

3.4 In reviewing the Members' Allowances Scheme, the IRP had regard to various sources of information including statutory guidance in relation to allowances, the previous report of the panel and the results of a benchmarking exercise. The IRP also heard evidence from Councillors and took into account the written representations received. The report of the IRP is attached at **Appendix 1**.

3.5 The revised Members' Allowances Scheme 2023-2027 at **Appendix 2** has been drafted on the assumption that the recommendations of the IRP are adopted. The Council may accept the recommendations of the IRP in full or in part or introduce different arrangements. However, the Council must have regard to the recommendations of the IRP before setting a new or amended Members' Allowances Scheme.

3.6 All Members will have an interest in this matter which needs to be declared. However, on 11th July 2012 the Standards Committee granted a dispensation to all Members to participate in debate and vote on Members' Allowances and this was endorsed at Council on 19th July 2012.

#### **4. Other Options**

- 4.1 It is for the Council to determine to what extent it wishes to follow the recommendations made by the IRP, but it must have regard to the report and its recommendations.

#### **5. Reasons for Recommendations**

To comply with the relevant statutory requirements.

#### **6. Corporate Implications**

##### **6.1 Financial Implications**

The implementation of the recommendations of the Independent Remuneration Panel would result in an increase in the total cost of Members allowances in a full year of around £50,000, approximately a 6.6% increase overall.

There would be a part year increase in 2023/24 of £33,000 with the proposed implementation date of 1st August 2023.

If Members were to approve the increase in Members allowances, then the part year cost of £33,000 would add to existing in year budget pressures and would need to be funded from the Council's contingency budget. For a full year this would add £50,000 to the Council's Medium-Term budget gap and would need to be dealt with as part of setting the base budget for 2024/25.

##### **6.2 Legal Implications**

The Council is required to "have regard to the recommendations" of the IRP in making or amending a Members' Allowances Scheme pursuant to Regulation 29 of the Local Authority (Members' Allowances) (England) Regulations 2003.

##### **6.3 People Implications**

None

##### **6.4 Equalities and Diversity Implications**

None

##### **6.5 Consultation**

All Members of the Council were given the opportunity to submit their observations to the IRP.

#### **7. Background Papers**

The papers considered by the IRP are referred to in the Report at **Appendix 1**.

**8. Appendices**

**Appendix 1** The Report of the IRP

**Appendix 2** The revised Members' Allowances Scheme 2023-2027