

REPORT TITLE: MEMBERS' ALLOWANCES – INTERIM REVIEW OF THE  
INDEPENDENT REMUNERATION PANEL

15 JANUARY 2020

REPORT OF THE STRATEGIC DIRECTOR - RESOURCES

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WARD(S): ALL

PURPOSE

The Independent Remuneration Panel (IRP) previously undertook a full review of the Council's Members' Allowances on 5 and 6 September 2017. As part of its deliberations at that time, the IRP was mindful that the Council was reviewing its Constitution and it was acknowledged that it was only able to make recommendations in respect of member roles relating to the governance and decision making structures at that time. Full Council adopted a scheme on 10 January 2018.

Accordingly, the IRP convened on Monday 14<sup>th</sup> October – Tuesday 15<sup>th</sup> October 2019 and undertook an *interim* review of the existing Members Allowances Scheme. Specifically, this was an assessment of the level of Special Responsibility Allowance (SRA) appropriate for new Committees as follows:

- The Scrutiny Committee
- The Audit and Governance Committee
- The Business and Housing Policy Committee
- The Health and Environment Policy Committee

The Report and recommendations of the Independent Remuneration Panel (IRP) regarding the City Council's Members' Allowances Scheme has been received and is attached at Appendix A. An extract of the Council's existing Members Allowances Scheme is attached at Appendix B.

Council is asked to consider the IRP's recommendations and accordingly set Members' Allowances rates for the forthcoming year, together with making the necessary provision in the 2020/21 draft budget.

**RECOMMENDATIONS:**

1. That Council notes the report and recommendations of the Independent Remuneration Panel (IRP) and agree changes to Special Responsibility Allowances (SRAs) for 2020/21 to be in accordance with those listed on pages 3 – 6 of the IRP's report (Appendix A), namely
  - i. Chairperson of Scrutiny Committee – **Band 3**
  - ii. Chairperson of Audit and Governance Committee – **Band 4**
  - iii. Chairperson of Health and Environment Policy Committee – **Band 4**
  - iv. Chairperson of Business and Housing Policy Committee – **Band 4**
2. That, subject to Council's approval of the recommendations of the Independent Remuneration Panel, the level of SRAs paid to the respective Chairpersons of the Scrutiny Committee, Audit and Governance Committee, Health and Environment Committee and Business and Housing Committee be backdated to 15 May 2019 (see section 8 on page 7 of the report).
3. That Council note the Recommendation of the IRP that the existing approach to indexation continue from April 2020 - based on the staff salary increases relating to Spinal Column Point 49 of the NJC for Local Government Staff Services.
4. That authority be delegated to the Strategic Director: Resources to finalise a revised Members' Allowances Scheme to take effect from 1 April 2020, in accordance with the recommendations of the Independent Remuneration Panel as set out in Appendix A.
5. That should the Council **not** agree to adopt a revised Members' Allowances Scheme in accordance with the recommendations of the Independent Remuneration Panel, its report and recommendations be noted and an alternative scheme be proposed to take effect from 1 April 2020.

**IMPLICATIONS:****1 COUNCIL STRATEGY OUTCOME**

- 1.1 There is a requirement to undertake a periodic review of Members' Allowances in some circumstances and the Council is required to determine a Members Allowances Scheme before the beginning of each year. The process is set out in the 2003 Members' Allowances Regulations. Adopting a scheme which has been the subject of consideration by an independent panel balances the desirability of just and fair recompense to Members for the work they do as a councillor, with the economic demands on the Council's limited resources.
- 1.2 The Council is next due to undertake a full review of the current scheme (inclusive of recommendations of this interim review) in the autumn of 2021 for implementation from 1 April 2022. The previous full review was undertaken in September 2017 and Council implemented a scheme with effect from April 2018.

**2 FINANCIAL IMPLICATIONS**

- 2.1 The net impact of the changes to SRAs is £2,376.

<b>Disbanded Committees</b>	<b>Band</b>	<b>£pa</b>
The Overview and Scrutiny Committee	3	£7,914
Personnel Committee	4	£3,168
Audit Committee	5	£2,376
Standards Committee	6	£1,584
<b><u>TOTAL</u></b>		<b><u>£15,042</u></b>

<b>New Committees</b>	<b>Band</b>	<b>£pa</b>
Scrutiny Committee	3	£7,914
Audit and Governance Committee	4	£3,168
Business and Housing Committee	4	£3,168
Health and Environment Committee	4	£3,168
<b><u>TOTAL</u></b>		<b><u>£17,418</u></b>

<b>Net difference</b>		<b>£2,376</b>
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### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 set out the process that must be followed in order to review Member allowances. These include the appointment of the IRP and the advertising of the IRP's report once received. The Council must also consider the report of the IRP before adopting any such scheme. The IRP is appointed by the Council on a four year term.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

### 6 CONSULTATION AND COMMUNICATION

- 6.1 The Panel's work included an evidence-gathering exercise which included the collection of benchmark comparative data for all Hampshire districts and boroughs. The Panel also interviewed all the respective chairs and group leaders/managers.
- 6.2 The report of the Panel's work communicated via a statutory public notice in the Mid-Hants Observer and also via the Council's website.

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

### 8 EQUALITY IMPACT ASSESSMENT

- 8.1 The report of the Panel included an assessment upon members of any equalities impact.

### 9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None from the content of the report.

### 10 RISK MANAGEMENT

<b>Risk</b> (Detail in this column specific risks, under each of these headings)	<b>Mitigation</b>	<b>Opportunities</b>
<i>Property</i> Not applicable		
<i>Community Support</i> Adverse comments from public with regard to	Any increase proposed will have been recommended by an independent panel	

agreement that an increase in allowances is recommended.	with it reasoning clearly demonstrated. Appropriate communications will also assist and draw attention to its findings and conclusions.	
<i>Timescales</i> Implementation of a new scheme not completed early enough to budget implications to be factored	Should there be any delay in the implementation of a revised scheme, officers will still be able to demonstrate likely budgetary implications to allow any backdating of payments if this becomes necessary.	
<i>Project capacity</i>  The review of the existing scheme has been undertaken and was facilitated by SEEMP and its implementation will be undertaken by officers.	N/A	
<i>Financial / VfM</i> IRP recommends Scheme which exceeds budget provision.	Council has final decision on scale of allowances, and will take that decision in the context of the overall budget consideration.	
<i>Legal</i> Risk of challenge to adoption of Allowances Scheme.	Adoption will have followed independent assessment by IRP. Review process will have been undertaken by experienced SEE consultant.	
<i>Innovation</i> N/A		
<i>Reputation</i> Adverse comments from public if an increase in allowances is recommended.	Any increase proposed will have been recommended by an independent panel. There have been no increases to members allowances for a significant period of time	Need to ensure ongoing retention and attraction to the member role and ensuring allowances are reasonable is part of this.
<i>Other</i> N/A		

## 11 SUPPORTING INFORMATION:

### 11.1 Background

11.2 At the meeting held on 19 July 2017, the Council formally agreed to establish an Independent Remuneration Panel (IRP) to exercise the functions specified in Regulation 21 of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) – Report CL134 refers. The 2017 Panel convened on 5 and 6 September 2017 and Council implemented a scheme with effect from 1 April 2018.

11.3 The Council is required by law to make a scheme for the payment of a basic allowance each year, and other allowances which the Council intends to pay. The scheme can also include an annual inflation index (which the current scheme does) and such a scheme can be continued for up to four years before the inflation allowance must be reviewed.

11.4 As referred to above, The Independent Remuneration Panel (IRP) previously undertook a full review of the Council's Members' Allowances in September 2017 and full Council adopted a scheme on 10 January 2018 with effect from 1 April 2018. As part of its deliberations at that time, the IRP was mindful that the Council was reviewing its Constitution and it was acknowledged that it was only able to make recommendations in respect of member roles relating to the governance and decision making structures at that time.

11.5 Accordingly, the IRP convened on Monday 14 October and Tuesday 15 October 2019 and undertook an *interim* review of the existing Members Allowances Scheme. Specifically, this was an assessment of the level of Special Responsibility Allowance (SRA) appropriate for new Committees as follows:

- The Scrutiny Committee
- The Audit and Governance Committee
- The Business and Housing Policy Committee
- The Health and Environment Policy Committee

### 11.6 Conclusions

11.7 Members are asked to consider the recommendations of the Independent Remuneration Panel as set out in its Report at Appendix A. Each of the Panel's recommendations is clearly evidenced within and are summarised in the recommendations to this report and as follows:

- That the Chair of the Scrutiny Committee continue to receive a Band 3 SRA.
- That the SRA for the Chair of the Audit and Governance Committee be increased from Band 5 to Band 4.

- That the SRA for the Chairs of the Business and Housing & the Health and Environment Policy Committee be increased from Band 6 to Band 4.
- That any index linkage agreed should continue to be in line with staff salary increases from 2020/2021 to the date of the next full review in September 2021.
- That as permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) the new Members' Allowances be implemented by April 2020 and the back dating of the allowances for the two Policy Committee Chairs and the Audit and Governance Committee Chair take effect from the commencement of the municipal year 2019/20.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Delay the review – the IRP was previously mindful that the Council was reviewing its constitution and it was acknowledged that it was only able to make recommendations in respect of member roles relating to the governance and decision making structures at that time. Therefore it was timely that the IRP undertake a review opportune after a period of time had elapsed so that retrospective work loads were able to be assessed.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CL138 – Members Allowances – Adoption of Scheme - 10 January 2018

#### Other Background Documents:-

None

### APPENDICES:

Appendix 1 - Report of the Independent Remuneration Panel - Members' Allowances Scheme

Appendix 2 – Extract of Existing Members Allowances Scheme