



REPORT OF:	CHIEF EXECUTIVE
TO:	FINANCE COUNCIL
DATE:	28 February 2022

SUBJECT: REVIEW OF THE MEMBERS' ALLOWANCE SCHEME

1. PURPOSE OF THE REPORT

To inform Finance Council of the review of the Members' Allowance Scheme, and to consider the report and recommendations of the Independent Remuneration Panel (Appendix 1).

2. RECOMMENDATIONS

Finance Council is asked to:

- 2.1 Consider the report of the Independent Remuneration Panel (**Appendix 1**);
- 2.2 Approve the recommendations of the Independent Remuneration Panel set out in section 6 of the report;
- 2.3 Subject to 2.2 above, approve the draft Members' Allowances Scheme as attached at **Appendix 2** of this report, and agree for its implementation from May 2022.

3. BACKGROUND

The current Members' Allowance Scheme was adopted by Annual Council in May 2018 following the electoral review, which reduced the number of electoral wards (23 to 17) and the number of councillors (64 to 51). Under paragraph 3 of the Scheme, it is a requirement for it to be reviewed at least every four years. Any review of Member allowances and expenses must be in accordance with relevant legislation. The current scheme introduced in May 2018 requires review and for the revised Members' Allowance Scheme to be implemented from May 2022.

4. REVIEW OF THE SCHEME

Following Council approval on 22 July 2021, an advert was published seeking to appoint new members to the Independent Remuneration Panel ('the Panel'). The new Panel was subsequently appointed and met three times (virtually and in

person) during January and February to review the current scheme and make any recommendations to Council.

The Panel's review included consideration of:

- The levels of some relevant allowances from Councils in the North of England
- The current Members Allowances Scheme (as amended) introduced in May 2018.
- The Annual Council report of 17 May 2018 detailing the recommendations from the IRP appointed in 2018.
- Council Appointments List 2021/22
- Representations from Group Leaders (written and oral)

Officers from Governance attended the meeting to provide further information and to support the Panel. The Panel's observations, findings and recommendations are contained in the report forwarded by the Chair (**Appendix 1 – 'Report of: The Independent Remuneration Panel'**). The Panel's recommendations include some minimal changes to the existing scheme, and the draft new Members' Allowance Scheme is contained in **Appendix 2**.

5. LEGAL IMPLICATIONS

The legislative framework for members' allowances is contained in the Local Government and Housing Act 1989, the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Regulations'). Local authorities must also have regard to guidance issued by the Secretary of State when setting up or operating their scheme.

Under the Regulations, local authorities are required to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances, and other related expenses that are paid to Councillors.

It is a function of the Council to have regard to the report and recommendations made by the Independent Remuneration Scheme, and adopt the Member's Allowances Scheme. Once adopted, the scheme will need to be published.

6. POLICY IMPLICATIONS

Local authorities have discretion as to the form and amount of their scheme of allowances (save for travel allowances), subject to a minimum basic allowance for every member. Local authorities are therefore free to set their members' allowances at levels that reflect the level of responsibility and the amount of time they devote to council affairs. The adoption of the Member's Allowance Scheme would encourage more diversity and representation from residents to devote time for public roles.

7. FINANCIAL IMPLICATIONS

The Panel's recommendations include the re-introduction of a Special Responsibilities Allowance (SRA) for the Vice Chair of the Standards Committee (£786 pa at current rates) and SRAs for the Chair and Vice Chair of the Audit & Governance Committee (£1,572 and £786 respectively, at current rates).

However, the Panel stressed that the provision in the existing Members Allowances Scheme that only one SRA is paid (i.e. the highest amount) where more than one responsibility/position is held by any Councillor, is retained. Therefore, the impact on the 2022/23 revenue budget would be contained within existing budgets.

8. CONSULTATIONS

As set out in the report, the Independent Remuneration Panel is drawn from open advertisement and their recommendations are presented in full to the Council for consideration. Group leaders were also consulted and invited to make representations directly to the Panel.

Chief Officer/Member

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Date: 28th February 2022

Background Papers: None