


Agenda Item No:	<b>11</b>	
Committee:	<b>COUNCIL</b>	
Date:	<b>4 NOVEMBER 2019</b>	
Report Title:	<b>REVIEW OF MEMBERS' ALLOWANCES SCHEME</b>	

## **1 Purpose / Summary**

To present to Council the conclusions and recommendations of the Independent Remuneration Panel (IRP) in respect of its review of the current Members' Allowances Scheme.

## **2 Key issues**

- The Council is statutorily required to review its Members' Allowances Scheme at least every 4 years.
- The current scheme was last reviewed in November 2015.
- The previous IRP recommended that the Members' Allowances Scheme be subject to review 2 years after its last review in 2015, however in 2017 Members agreed to postpone the review until 2019 when the newly elected members would be in place following the 'all out' local elections.
- As set out within The Local Authorities (Members' Allowances) (England) Regulations 2003, all Members' Allowances Schemes must include a Basic Allowance that is paid equally to all Members of the Council and may make provision for the payment of Special Responsibility Allowances to members who hold positions of significant additional responsibilities over and above the generally accepted duties of a Councillor.
- Before the Council can make or amend its Members' Allowances Scheme, it must have regard to the recommendations of the IRP.
- When revoking a Members' Allowances Scheme, the new scheme may only come in to effect from the following financial year e.g. 1st April 2020 unless the IRP recommends that allowances are backdated.
- The IRP has undertaken a review of the current scheme and has made recommendations which are contained within the report.
- The proposed Members' Allowances Scheme is contained at Appendix 1.

## **3 Recommendations**

- That the Council has regard for the recommendations of the IRP in formulating a Members' Allowances Scheme, to come into effect from 1st April 2020 and authorises the Monitoring Officer to make such

typographical amendments as are necessary to produce clean text copies of the Constitution.

The recommendations include:

- (1) Members acknowledge receipt on behalf of the Authority of the Independent Remuneration Panel's report.

**Basic Allowance:**

- (2) The Basic Allowance to remain at the current rate of £4818

**Special Responsibility Allowances (SRA):**

- (3) SRA payments to remain at the current rate with the following exceptions:
- (4) The allowances for the Chairman of Overview and Scrutiny and Chairman of Planning to be reduced from £8,000 to £5,000.
- (5) A new allowance to be introduced, in respect of all members of the Planning Committee at a rate of £500 per annum. Substitute members attending planning committee meetings, as a temporary replacement for the substantive member, to receive an allowance at a rate of £100 per annum.
- (6) The allowance for the Main Opposition Group to remain the same however in the scenario that there is more than one Group Leader that qualifies for this allowance, the allowance will be provided in full to each Main Opposition Group Leader and not split.
- (7) The allowance for the Other Opposition to remain at £2,000. In the event there is more than one Group Leader who qualifies for this allowance, that this allowance should be given in full to qualifying Group Leaders rather than being split equally between qualifying Group Leaders as is the situation at present.
- (8) The levels of Special Responsibility Allowances to be set as at 5.10.
- (9) SRA payments to be limited to 1 per Member with the exception of the new allowance to Planning Committee members.
- (10) No New SRA is to be introduced in respect of the Cambridgeshire and Peterborough Combined Authority.

**Co-optees' Allowance:**

- (11) Co-optee's allowance in relation to Parish Council co-optees onto the Conduct Committee to be reduced from £500 to £140 per annum.

**Travelling and Subsistence:**

- (12) Travelling and Subsistence rates to remain the same as now.

**Dependents' Carers' Allowance:**

(13) Rates to remain the same.

(14) The criteria in relation to Child Care is to be amended to reflect the following 'The scheme provides for reimbursement of expenditure incurred by councillors in providing child care arrangement to facilitate their attendance at approved duties of the Council' all other qualifying criteria are to be removed.

(15) The criteria in relation to Care of Dependants is to be amended to reflect the following 'The reimbursement of expenditure on care for an elderly, sick or disabled dependent normally residing with the councillor and requiring constant care, all other qualifying criteria are to be removed.

(16) The General Conditions to remain the same in accordance with the existing scheme.

#### **Backdating Allowances:**

(17) The Council's new Members' Allowances Scheme to be effective from 1st April 2020.

#### **Annual Adjustment of Allowances:**

- (18) To reintroduction of indexation of Members' Allowances to employee pay awards both in relation to the Basic Allowance and Special Responsibility Allowances from 01 April 2020.

#### **Independent Person and Deputy Independent Person:**

(19) Rates to remain the same.

#### **Pensions:**

(20) Councillors are not eligible to enter the Local Government Pension Scheme.

#### **Equipment and Associated Consumables:**

- (21) To update this section to reflect the following that the FDC Information Technology (IT) Team publish a recommended preferred standard build of Personal Computers/ tablet devices which best support FDC software, to help inform members choice regarding future computer/ tablet purchases; that meaningful support is provided to elected members to enable them to fulfil their role including the effective use of IT. To provide a loan scheme to enable members to purchase the FDC recommended standard build IT equipment necessary to fulfil their role which can then be deducted direct from their gross basic allowance, which would minimise any tax payable on the repayment amount and finally that the IT team provides members with an option to purchase recommended equipment directly via them to ensure members are able to purchase equipment at a preferential rate which is available as a result of economies of scale. The Panel also recommend that IT equipment and

other consumables to enable Members to fulfil their role are to be met from the Basic Allowance.

**Future Reviews:**

- (22) The next review of Members' Allowances to take place no later than 18 months from the date of this meeting to both monitor the CPCA situation and any impact from the implementation of the Commercial and Investment Strategy.

<b>Wards Affected</b>	All
<b>Forward Plan Reference</b>	This report was included on the Forward Plan
<b>Report Originator(s)</b>	Amanda Orchard, Marketing Consultant, Magistrate - Chairman of the IRP Panel Gerard Dempsey, Business Consultant, Magistrate and former CEO of national business chains Carol Hart, Local Resident with previous experience of Scrutiny and IRP's within health settings
<b>Contact Officer(s)</b>	Peter Catchpole Corporate Director and S151 Officer, 01354 622201, <a href="mailto:petercatchpole@fenland.gov.uk">petercatchpole@fenland.gov.uk</a> Carol Pilson, Corporate Director and Monitoring Officer, 01354 622360, <a href="mailto:cpilson@fenland.gov.uk">cpilson@fenland.gov.uk</a> Anna Goodall, Head of Governance, Legal and Customer Services, 01354 622357, <a href="mailto:agoodall@fenland.gov.uk">agoodall@fenland.gov.uk</a>
<b>Background Paper(s)</b>	The Local Authorities (Member Allowances) (England) Regulations 2003 Fenland District Council's Members' Allowances Scheme Scope of Members' Allowances Review Council Report, May 2019

# Report of the Independent Remuneration Panel on Members' Allowances November 2019

## **1 Introduction**

- 1.1 The Independent Remuneration Panel (IRP) comprised of three members:  
Amanda Orchard – Marketing Consultant, Magistrate - Chairman of the IRP Panel.  
Gerard Dempsey - Business Consultant, Magistrate and former CEO of national business chains  
Carol Hart - Local Resident with previous experience of Scrutiny and IRP's within health settings.
- 1.2 In undertaking the review, the panel had regard for the Terms of Reference agreed by Council in May 2019 and the "Guidance on Member Allowances' for Local Authorities in England."
- 1.3 The panel received a copy of the current allowances scheme, approved by Council in November 2015 and the panel was requested to undertake a full review with reference to the scope.

## **2 Methodology**

- 2.1 The panel undertook a training session on Members' Allowances Reviews including Legal requirements for schemes, different methodologies, benchmarking, the basic allowance, special responsibility allowances, travel and subsistence, dependents' carers' allowances, pensions, co-optees allowance, considerations regarding the Combined Authority and requirements for publicity.
- 2.2 The panel members:
- Received a copy of previous report from 2011 and 2015;
  - Studied a summary of members' allowances data obtained from other Cambridgeshire District Councils, Cambridge City Council plus other CIPFA nearest neighbours for the purposes of benchmarking;
  - Received the results of the survey of Members' views in relation to the current Members' Allowances Scheme;
  - Received a schedule of the current Special Responsibility Allowances;
  - Received a document detailing the remit and frequency of each of the Council's Committees and list of outside bodies including meeting of the Cambridgeshire and Peterborough Combined Authority
  - Undertook interviews with a total of 19 Members from a cross-section of the Council's membership as well as the provision of an open invitation to all Members. Interviews spanned:
    - Group Leaders
    - Cabinet Members

- Committee Chairmen
- Independent Person and Deputy Independent Person
- Co-opted Member

### **3 Terms of Reference**

3.1 The panel has regard for the terms of reference approved by Council in May 2019 which included:

- To make recommendations as to the amount of Basic Allowance that should be payable to all elected members of the District Council;
- To make recommendations about the roles and responsibilities for which a Special Responsibility Allowance should be payable and the amount of each such allowance
- To make recommendations regarding the approved duties for which travelling and subsistence allowances can be paid and the amount of these allowances;
- To make recommendations as to the amount of the co-optees' allowance;
- To make recommendations regarding allowances in respect of the expenses incurred in arranging for the care of children and dependents, the amount of this allowance and the means for determination
- To determine whether any allowance should be backdated to the beginning of the new term of office for Members, in the event of a new/amended scheme being adopted;
- To determine any other issue covered by the 2003 Regulations including whether annual adjustments should be made to allowance levels by means of an index and, if so, for how long such a measure should last, up to a maximum period of 4 years;
- To make recommendations regarding the remuneration of the Independent Person and Deputy Independent Person;
- To report any recommendations to Council as soon as is reasonably practicable following recruitment of the Panel, member engagement and completion of the review, no later than November 2019;
- To review the current provision of IT equipment and related sundries (eg. paper, ink, toners) to Councillors
- To compare and contrast schemes in existence at other Councils.
- To review the general wording of the scheme to ensure it is sufficiently clear to those who are required to use it and process claims.
- To review the claim form Members use to ensure it is sufficiently clear to those who are required to use it and process claims.
- To report any recommendations to Council in November 2019.

#### **4 Basic Allowance**

- 4.1 The 2003 Regulations state that an authority must pay a Basic Allowance to all of its members and that the amount must be the same for each member.
- 4.2 Having studied the results of the Members' survey and listened to the views of those members who attended for interview, the panel is of the opinion that the Basic Allowance should remain the same as it is now at a rate of £4,818.
- 4.3 Most Members stated that the work of a Councillor was similar to what it was at the last review in 2015 and the allowance was adequate to fulfil the duties of the role.

#### **5 Special Responsibility Allowances**

- 5.1 The panel considered all positions currently in receipt of Special Responsibility Allowances. The panel recommends that the allowances in regard to the following positions remain at the current rates:
- Leader of the Council
  - Cabinet Members
  - Chairman of Licensing Committee
  - Chairman of Staff Committee
  - Chairman of Conduct Committee
  - Chairman of Corporate Governance Committee
  - Chairman of the Council
  - Vice Chairman of the Council
  - Vice Chairman of Planning Committee
  - Vice Chairman of Overview and Scrutiny
- 5.2 The panel recommends that the allowances in relation to the following positions are amended:
- Chairman of Overview and Scrutiny
  - Chairman of Planning
  - Members of the Planning Committee
  - Leader of the Main Opposition Group
  - Leader of other Opposition Groups
  - Member of the Combined Authority (CA) Board, CA Overview and Scrutiny Committee and Audit Committee in addition to any emerging CA Executive Committees.
- 5.3 The Panel considered the roles of the Chairman of Overview and Scrutiny and Chairman of Planning. It was clear following interviews with Members that these two positions are of considerable importance and there is a clear

demarcation of the level of responsibility and work required to perform these roles as compared to the Chairmen of other committees, which justified the larger allowances these two positions attracted. However, the panel felt that a larger gap was required between the allowances of Cabinet members and the Chairman of Planning and Chairman of Overview and Scrutiny to reflect the greater work load and responsibility Cabinet Members have in relation to decision making. This reduction in allowance will also successfully bring the allowances for the Chairman of Overview and Scrutiny in addition to the Chairman of Planning Committee much more in line with the allowances paid for the same roles in neighbouring as well as CIPFA nearest neighbour authorities. **Therefore, the panel recommends the allowances for the Chairman of Planning and Chairman of Overview and Scrutiny are reduced from £8,000 to £5,000.**

- 5.4 The Panel considered the roles of Vice-Chairman of Overview and Scrutiny and Vice-Chairman of Planning. Currently neither of these roles attract an allowance. The Panel felt that the Vice-Chairmen roles were important in supporting the Chairmen of these committees; however it was not a commensurate responsibility to be a Vice-chairman as compared to a Chairman of a Committee despite the differences in the remit of the Committees. Feedback from Members was that Vice-Chairmen are rarely called upon to chair meetings as the Chairman is mostly present and if any Member was called upon to chair a meeting on an infrequent basis then this would not be seen as an additional responsibility requiring additional remuneration. **Therefore, the panel recommends that no new allowance should be introduced for the Vice-Chairman of Overview and Scrutiny or the Vice-Chairman of Planning.**
- 5.5 The Panel considered the role of Planning Committee members, without exception feedback from all members confirmed that the Planning Committee meet more frequently compared to any other committees and the requirement to attend site visits, attend mandatory training, as stipulated in the constitution, in addition to reading significant volumes of reports in order to make informed decisions which directly impact on local residents, place additional responsibilities on committee members which are not comparable with other committees. Members also reflected that the time commitment associated with being a member of the planning committee could potentially be a barrier for some elected members. **Therefore, the panel recommends that all members of the Planning Committee should receive an SRA at a rate of £500pa. In addition substitute members attending Planning Committee meetings on behalf of a substantive member should receive an SRA of £100 per annum.**
- 5.6 The Panel considered the allowance for the Leader of the Main Opposition Group and agreed with the previous IRP review that a threshold of 5 members should remain in place. The panel felt that due to the additional responsibility and time commitment of managing a larger political group that this should be recognised and **therefore recommends that in the event there is more than one Group Leader who qualifies for this allowance, that the allowance should be received in full as per the previous IRP**



**recommendations rather than split equally between qualifying Group Leaders.**

- 5.7 The Panel considered the allowance for the Leader of Other Opposition Groups. The panel recognised that the 2003 Regulations state that within the Council's current circumstances that a special responsibility allowance must be paid to at least one person who is not a member of the controlling group and has certain special responsibilities. The panel considered the additional responsibilities of Other Opposition Group Leaders as well as feedback from Member interviews and **recommends that the Leader of the other Opposition Groups allowance remains at the current rate of £2,000, however that this allowance should be given in full to qualifying Group Leaders rather than being split equally between qualifying Group Leaders as is the situation at present.**
- 5.8 The panel considered the roles that members undertake on the Cambridgeshire and Peterborough Combined Authority (CPCA). Other constituent Councils of the CPCA have either already agreed to make SRA payments to members fulfilling roles on the CPCA (namely Cambridge City Council and South Cambridgeshire District Council) or have been asked to consider making payments as part of their respective Independent Remuneration Panel deliberations. From the extensive feedback and evidence received in relation to this matter the panel recognises the significant responsibilities, extent of decision making and associated time commitment these roles carry above that expected of a District Councillor, which would suggest that an additional SRA was justifiable. The panel also acknowledge the importance and associated potential benefits of having Fenland representatives contributing to the role of the CPCA.
- 5.9 The panel received opposing evidence that whilst Fenland representation on the CPCA is of vital importance in addition to being of great value to the area, when the CPCA was first introduced it was on the understanding that it would not result in any additional financial burden for the constituent Councils. The evidence provided to the IRP confirmed that in addition to the CPCA Board, CPCA Overview and Scrutiny Committee and CPCA Audit Committee, three additional Executive Committees with decision making responsibilities are also currently proposed and therefore the panel concluded that it was not unreasonable to assume that given the CPCA is still in its infancy additional Executive Committees could be constituted, which may result in further suggestions regarding the payment of SRA's. The lack of control the constituent Councils have in relation to the formulation of additional Executive Committees could compromise the ability to plan for and sequence informed budgetary decisions in the event that these roles attract the payment of a new SRA. The panel also recognise that in accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, no remuneration is to be payable by the Combined Authority to its members. **The Panel therefore recommend that no additional SRA is payable in respect of Members undertaking any roles on the CPCA however it is also recommended that this is reviewed again within the next 18 months. The panel also recommend that a letter is sent to the CPCA outlining the view that any payments to members representing constituent Councils on the CPCA should be payable by the CPCA, if justifiable, to ensure consistency**

across the area whilst also ensuring that the CPCA is responsible for the associated financial consequences of creating additional Committees requiring representation.

5.10 List of Special Responsibility Allowances:

<b>Special Responsibility Allowance</b>	<b>Current Allowance</b>	<b>New Allowance</b>
<b>Leader of the Council</b>	<b>£16,509</b>	<b>£16,509</b>
<b>Cabinet</b>	<b>£8,500</b>	<b>£8,500</b>
<b>Chairman of Overview &amp; Scrutiny</b>	<b>£8,000</b>	<b>£5,000</b>
<b>Vice Chairman of Overview &amp; Scrutiny Panel</b>	<b>£0</b>	<b>£0</b>
<b>Chairman of Planning Committee</b>	<b>£8,000</b>	<b>£5,000</b>
<b>Vice-Chairman of Planning Committee</b>	<b>£0</b>	<b>£0</b>
<b>Members of Planning Committee</b>	<b>£0</b>	<b>£500</b>
<b>Substitute Members of Planning Committee</b>	<b>£0</b>	<b>£100</b>
<b>Chairman of Licensing Committee</b>	<b>£3,274</b>	<b>£3,274</b>
<b>Chairman of Conduct Committee</b>	<b>£1,637</b>	<b>£1,637</b>
<b>Chairman of Staff Committee</b>	<b>£1,637</b>	<b>£1,637</b>
<b>Chairman of Corporate Governance Committee</b>	<b>£1,637</b>	<b>£1,637</b>
<b>Chairman of Council</b>	<b>£4,116</b>	<b>£4,116</b>
<b>Leader of Main Opposition Group</b>	<b>£5,706</b>	<b>£5,706</b>
<b>Leader of other Opposition Groups</b>	<b>£2,000</b>	<b>£2,000</b>

## 6. Co-optee's Allowance

- 6.1 The panel considered that co-opted members of the Conduct Committee previously received an allowance of £500 per annum. The panel recognised that the changes to the Standards regime have resulted in a reduction in the amount of work for the Conduct Committee due to a national streamlining of processes. The panel interviewed one of the co-opted members of the Conduct Committee and recognised that this Member was required to give up their time to support the work of the Committee however this commitment had reduced considerably in recent years to the extent that the co-optee was not required to attend any meetings during the period 2018/19.. Therefore, in recognition of the infrequent time commitment and travel arrangements required for the Committee, **the panel recommends that co-opted members receive an allowance of £140 per annum. In addition co-optees will be entitled to claim travelling and subsistence in accordance with the terms set out in section 7 of this report.**

## 7 Travelling and Subsistence

- 7.1 The panel reviewed the current allowances scheme for travel and subsistence. The panel recognised this section of the scheme was subject to a number of recommended amendments as a result of a high profile Conduct issue associated with travel and subsistence claims. The panel were of the conclusion that the current scheme remains fit for purpose, as it is in line with HMRC guidelines however it is **recommended that the documented additional guidance for Members should be implemented to provide greater clarity and prevent any ambiguity in relation to the scheme particularly for those members travelling to Committee meetings from their work location and members who are also parish and or County Councillors. Specifically the existing scheme would be improved by stating that mileage can only be claimed from the Councillor's normal place of residence or at a meeting on Council business to which the Councillor travelled from home.**

## 8. Dependents' Carers' Allowance

- 8.1 The provision of a Dependents' Carers' Allowance has been a feature of the Council's Members' Allowances Scheme since February 2002 and to date no claims have been made in spite of the fact that a number of Councillors may have been eligible to make an associated claim .
- 8.2 The panel considers it appropriate this allowance remains in the scheme on the basis that the Council wishes to attract and retain Members from a wide cross-section of the community and to assist the participation in the democratic processes by people who would not otherwise be able to do so. **Therefore the panel recommends that the payment rates to remain the same as the current scheme however the criteria for claiming for Child Care and Care of Dependants be updated to reflect the following 'The**

**scheme provides for reimbursement of expenditure incurred by councillors in providing child care arrangement to facilitate their attendance at approved duties of the Council' all other qualifying criteria are to be removed.**

**The reimbursement of expenditure on care for an elderly, sick or disabled dependent normally residing with the councillor and requiring constant care, all other qualifying criteria are to be removed.**

**All other General Conditions associated with the scheme are to remain the same in accordance with the existing scheme.**

## **9 Backdating Allowances**

- 9.1 The Allowances Regulations allow local authorities to apply amendments to allowances payments to be backdated to the beginning of the financial year. **It is the view of the panel that the Council's new Members' Allowances Scheme should be effective from 1st April 2020.**

## **10 Annual Adjustment of Allowances**

- 10.1 The panel considered that the Allowances paid within the current scheme have been increased by 1% per year from 1st April 2017-1st April 2019, however not exceeding employee pay awards. In the event employee pay awards were less than 1% from 1st April 2017-1st April 2019, Members' Allowances increases would match those of employees. However the currently Special Responsibility Allowances are not subject to the annual review and uplift. The panel acknowledged that it is important that member allowances do not fall behind that of comparator councils and **therefore the panel recommends the reintroduction of indexation of Members' Allowances to employee pay awards both in relation to the Basic Allowance and Special Responsibility Allowances from 01 April 2020.**

## **11 Independent Person and Deputy Independent Person**

- 11.1 The panel considered the roles of the Independent Person and Deputy Independent Person, the changes in Council procedure and changes to national legislation which affected these two roles. The panel also received benchmarking information. Considering all of this information, **the panel felt that the allowances for both roles (Independent Person: £1,032; Deputy Independent Person: £516) were sufficient and should be updated in line with the recommendation in section 10 of the report and be entitled to claim travelling and subsistence in accordance with the terms set out in section 7 of this report.**

## **12 Pensions**

- 12.1 Councillors are not eligible to enter the Local Government Pension Scheme.

### **13. Members' ICT/Equipment & Consumables**

- 13.1 The panel received considerable evidence from Members regarding the fact that currently they provide their own electronic devices in order to undertake the role as an elected member of FDC, which continues to be a paperless organisation. It is recognised that the 'bring your own device' is the preferred approach for members who are also members of a parish or a County Councillor (twin or triple hatted members), however it is not necessarily the preferred approach for members who are solely an elected representative on the District Council. **Therefore the panel recommend that; the FDC Information Technology (IT) Team publish a recommended preferred standard build of Personal Computers/ tablet devices which best support FDC software, to help inform members choice regarding future computer/ tablet purchases; that meaningful support is provided to elected members to enable them to fulfil their role including the effective use of IT. To provide a loan scheme to enable members to purchase the FDC recommended standard build IT equipment necessary to fulfil their role which can then be deducted direct from their gross basic allowance, which would minimise any tax payable on the repayment amount and finally that the IT team provides members with an option to purchase recommended equipment directly via them to ensure members are able to purchase equipment at a preferential rate which is available as a result of economies of scale. The Panel also recommend that IT equipment and other consumables to enable Members to fulfil their role are to be met from the Basic Allowance.**

### **14. Future reviews of the Scheme**

- 14.1 Following consultation with Members, **the panel are of the view that the next review of Members' allowances should take place no later than 18 months from the date of this meeting to both monitor the CPCA situation and any impact from the implementation of the Commercial and Investment Strategy.**

### **15. Financial Implications**

- 15.1 The provision of Members' Allowances (Basic Allowance and Special Responsibility Allowances) currently costs the Council **£317,466** per annum. The recommendations within this report, if adopted, will result in Members' Allowances (assuming a 2% pay award) costing **an additional £6,789 from 2020/21 onwards which reflects the associated reintroduction of indexation of Members' Allowances to employee pay awards both in relation to the Basic Allowance and Special Responsibility Allowances in addition to the introduction of a Special Responsibility Allowance in relation to Planning Committee members and substitute members .**