

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON THE MEMBERS' SCHEME OF ALLOWANCES - FEBRUARY 2020

Summary:

The purpose of this report is to recommend to Council the allowances and expenses to be paid to Members to take effect from May 2020. In accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council set up an Independent Remuneration Panel as agreed at the meeting of Council held on 17 December 2019. The terms of reference for the Panel were also agreed at the December meeting of Council.

Conclusions:

The Council is required to observe, as part of the legislation, the following; 'before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel'. The findings and recommendations of the Panel are detailed in this report.

Recommendations:

That Members consider the recommendations of the Independent Remuneration Panel, adopt a scheme of allowances and amend the Constitution accordingly. Specifically, it is recommended that:

- a) the Basic Allowance should increase to £5,750 pa (to include £180 Broadband Allowance);
- b) the Scheme should remain index linked to officers' pay awards
- c) the broadband allowance should be included in the Basic Allowance (see Recommendation a)
- d) the Special Responsibility Allowance (SRA) for the Leader of the Council should remain calculated by way of a multiplier of x2 the basic allowance;
- e) the SRA for Cabinet Members with Portfolio should remain calculated by way of a multiplier of x1.33 the basic allowance;
- f) the SRA for Chairmen of Committees of the Council (except Development Committee and Standards Committee) should remain calculated by way of a multiplier of x0.67 the basic allowance;
- g) the SRA for the Chairman of Development Committee to remain at x0.75 of the basic allowance, with the SRA for the Vice-chairman of Development Committee remaining at x0.25 of the basic allowance.
- h) the SRA for the Chairman of Standards Committee should be removed due to the infrequency of meetings and replaced with a per meeting payment of 2% of the Basic Allowance
- i) a new payment for Chairmen of Working Parties to be introduced on a per meeting basis of 2% of the Basic Allowance
- j) a new SRA of x0.25 the basic allowance for the Vice-Chairman of the Council be introduced to reflect the workload and demands of the role.

- k) the SRA for the Leaders of the opposition group should be calculated by way of a multiplier of x3% of the basic allowance times number of members in the group;
- l) payment of 2% of the basic allowance per meeting attended should be made to co-opted members of committees.
- m) the carers' allowance should remain at £10 per hour wage for child care and £20 per hour wage for specialist care (per carer).
- n) the existing travelling expenses scheme should be maintained, and it should be subject to amendment in accordance with prevailing national agreements;
- o) the subsistence expenses scheme should remain the same with the allowance for lunch at £8.00 and the allowance for dinner at £20. Breakfast will only be payable when an overnight stay is required
- p) the changes proposed by the Panel are not backdated, but should take effect from the beginning of the municipal year, in May 2020;

Cabinet member(s):

All

Contact Officer:

Ward(s) affected:

All

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1. Introduction

- 1.1 The Independent Remuneration Panel (IRP), was appointed for a 4 year term with effect from 17 December 2019 and consists of 3 members;

Ivor Holden, Karen Forster and Sandra Cox.

The Chair of the Panel was selected by its members at the start of the first meeting where it was agreed that Ivor Holden would be the Chairman.

- 1.2 The IRP met on 20 January 2020 and 31 January 2020 to consider the available evidence before making the recommendations being put to the Council and was assisted by the Democratic Services Manager.
- 1.3 The Panel agreed the Terms of Reference as outlined below in section 2 of this report and were appraised of the full range of roles covered by Members in carrying out their duties as District Councillors in relation to the current Scheme of Members' Allowances.
- 1.4 Consideration was given to the Terms of Reference of the Council's Committees and the frequency they meet as per the published Programme of Meetings.
- 1.5 Comparative data on Members' Allowances Schemes throughout Suffolk and Norfolk were also studied to help set a contextual benchmark for the North Norfolk Scheme.
- 1.6 Consideration was given to the views of the Group Leaders regarding the workload, ward duties, meeting attendance and any additional duties of their Members.

2. Terms of Reference

- 2.1 The Regulations provide that the IRP can make recommendations to the Council on the following matters:
- i) The amount of basic allowance which should be payable equally to each elected Member.
 - ii) The roles and responsibilities for which a special responsibility allowance should be payable and the amount of each such allowance.
 - iii) Travelling and subsistence.
 - iv) Co-optees' allowance.
 - v) The amount of in respect of expenses of arranging for the care of children and, and the means by which it is determined.
 - vi) Backdating of allowances to the beginning of a financial year in which the scheme is amended.
 - vii) Annual adjustments of allowances.

3. Issues Considered and the Panel's Conclusions

The issues under consideration and the Panel's conclusions were as follows:-

3.1 Basic Allowance

- 3.1.1 The current scheme provides for a payment of a basic allowance which was set at £5,000 pa in 2016 and which has risen to £5,254 (in line with officer annual pay awards). The Basic Allowance is intended to reflect time commitment for all councillors for ward work, meetings with officers and attendance at committee meetings and outside bodies.
- 3.1.2 Members were asked to submit comments and evidence for consideration by the Panel. Two of the Group Leaders met with the Panel, with the other submitting comments by email.
- 3.1.3 The Panel highlighted the separate payment of £180 pa for broadband and suggested that it was incorporated into the basic allowance. This would reflect the statutory requirements that did not allow for a separate payment for broadband, bringing the Council in line with other local authorities. This change would increase the basic allowance to £5,434.
- 3.1.4 After receiving evidence in respect of both committee and ward roles and reviewing comparative schemes across Norfolk and Suffolk, and being mindful that there had been a change to the ward boundaries resulting in a reduction from 48 to 40 councillors, the Panel felt that it was appropriate to suggest a further small increase. This would reflect the additional work placed on councillors following the boundary review which had resulted as well as ensuring that North Norfolk was placed at a similar level to neighbouring local authorities. The Panel agreed that an increase of £316 pa (6%) would be proportionate.

Recommendations

- To recommend that the broadband allowance of £180 pa should be incorporated into the basic allowance.
- To recommend that the basic allowance be increased to a **total** of £5750 pa
- To recommend that the Scheme should remain index linked to officers' pay awards.

3.2 Special Responsibility Allowances

- 3.2.1 Special responsibility allowances (SRAs) are calculated as a multiplier of the basic allowance. The Panel considered this to be an appropriate way to calculate SRAs and concluded that it should continue.
- 3.2.2 SRAs can be paid to those members of the Council who have significant additional responsibilities over and above the generally accepted duties of a councillor.
- 3.2.3 The Panel considered the full range of responsibilities that could attract the payment of an SRA under executive arrangements.

3.3 Leader of the Council

- 3.3.1 The Panel noted the role of the Leader and the importance of the role. The Panel considered that due to the proposed increase in the basic allowance the SRA would increase accordingly and agreed to maintain the current SRA of x2 the basic allowance.

Recommendation

To recommend that the SRA for the Leader of the Council should remain calculated by way of a multiplier of x2 the basic allowance, resulting in a special responsibility allowance of £11,500 (total allowance - £17,250)

3.4 Cabinet Members with Portfolio

- 3.4.1 Cabinet members currently receive a special responsibility allowance of £6,987.82 – based on a multiplier of x1.33 of the basic allowance. The Panel had regard to the roles and responsibilities of Cabinet Members and was satisfied that the multiplier should remain unchanged, as the SRA would rise due to an increase in the basic allowance.
- 3.4.2 The Panel also agreed that, in line with other local authorities, the role of Deputy Leader should attract an SRA to reflect the demands of the role – specifically covering the role of the Leader in their absence. It was agreed that this would be in line with Cabinet members at a multiplier of x1.33. As Members can only receive one SRA, there would be no cost implication and the Deputy Leader is automatically a Cabinet Member.

Recommendation

To recommend that the SRA for Cabinet Members with Portfolio and the Deputy Leader should remain calculated by way of a multiplier of x1.33 the basic allowance, resulting in a special responsibility allowance of £7,648 (total allowance - £13,398)

3.5 Chairmanship of Committees and Working Parties

- 3.5.1 Currently, these Members receive a special responsibility allowance of £3,520.18 which is calculated on a multiplier of x0.67. The Panel considered that the commitment required to chair the Council's main committees was considerable. They acknowledged

that although the Governance, Risk and Audit Committee met less frequently than other committees, the time commitment required by the Chairman for meeting preparation and undergoing development and training was high. The Panel acknowledged that the Chairman of Development Committee continued to have a heavier workload than other chairmen due to the meeting schedule which included pre-meetings and site visits. The length of the meetings together with the amount of time that the Chairman spent on reading documents and liaising with planning officers also contributed. It was therefore agreed that the multiplier for this committee should remain at x0.75, with the Vice-Chairman of Development Committee continuing to receive a multiplier of x0.25. The Panel felt that although the multipliers remained the same as before, those involved would receive a slight increase due to the rise in the Basic Allowance.

Recommendations

- a. That the SRA for the Chairmanship of the Committees of the Council (with the exception of Standards Committee – see below) should remain calculated by way of a multiplier of x0.67 the basic allowance, resulting in a special responsibility allowance of £3,852.50 (total allowance - £9602.50)
- b. That the Chairman of Development Committee should continue to receive x0.75 of the basic allowance, resulting in a special responsibility allowance of £4313.00 (total allowance - £10,063)
- c. That the Vice-chairman of Development Committee should continue to receive x0.25 of the basic allowance, resulting in a special responsibility allowance of £1,438.00 (total allowance - £7,188)

Standards Committee

- 3.5.2 This committee has met infrequently over recent years and the Panel felt that the special responsibility allowance should be removed. It was considered that it would be more appropriate for the Chairman to receive a payment per meeting.

Recommendation

To remove the SRA for the Chairmanship of the Standards Committee and make a payment on a per meeting basis at 2% of the basic allowance (£115 per meeting)

Chairmen of Working Parties

- 3.5.3 The Panel agreed that Working Parties could require considerable commitment from the Chairman. However, it was acknowledged that they were not decision-making bodies and the meeting schedules could be erratic. It was also often the case that they were chaired by a Cabinet member, in which case an SRA was already payable. The Panel agreed that if Working Parties were not chaired by someone who was already in receipt of an SRA, then a payment per meeting should be made.

Recommendation

That Chairmen of Working Parties be paid on a per meeting basis at 2% of the basic allowance (£115 per meeting)

3.6 Chairman and Vice-Chairman of the Council

- 3.6.1 The Chairman of the Council currently receives an SRA payment of £2,627 pa, which is calculated by way of a multiplier of x0.5. The Panel considered that this reflected the significance of the ambassadorial role of the Chairman in the North Norfolk Community and the requirement to chair meetings of Full Council on a regular basis. It was agreed that the SRA should be retained at x0.5 the basic allowance.

- 3.6.2 The Panel then considered the role of the Vice-Chairman of the Council which does not currently receive an SRA payment. It was agreed that the Vice-Chairman may be required to stand in for the Chairman at civic events and support them in their role. It was felt that an SRA payment of x0.25 would reflect this, resulting in a payment of £1,437.50 pa.

Recommendation

- a. To recommend that the SRA for the Chairman of the Council should continue to be calculated by way of a multiplier of x0.5 the basic allowance, resulting in a special responsibility allowance of £2,875 (total allowance - £8,625)
- b. That the Vice-Chairman of the Council should receive an SRA payment of x0.25 the basic allowance resulting in a special responsibility allowance of £1,437.50 (total allowance - £7,187.50)

3.7 Leaders of the opposition groups

- 3.7.1 The Panel considered the role of the leaders of the opposition groups. Previously an SRA had been paid only to the leader of the main opposition group at a rate of x0.33 the basic allowance. The Panel considered that as the opposition groups were currently similar in size, that it might be fairer to pay the leaders of groups (larger than 3 members) at a multiplier of 3% of the basic allowance multiplied by the number of members in the group.

Recommendation

To recommend that the SRA for the leaders of the opposition groups should be calculated by way of a multiplier of 3% of the basic multiplied by the number of members in the Group.

3.8 Co - opted members

- 3.8.1 The Council does not currently have any co-opted members on its committees. However, the Overview & Scrutiny Committee has previously co-opted people onto a Task & Finish Group. At present, co-opted members can claim for reasonable travelling and subsistence expenses and receive a payment of between £30 and £50 per meeting attended. It was agreed that payments to co-opted members should be consistent and set at a percentage of the basic allowance and paid on a per meeting attended basis.

Recommendation

That a payment of 2% of the basic allowance per meeting attended should be made to co-opted members of committees (£115 per meeting attended)

3.9 Carers' Allowance

- 3.9.1 The Panel considered the different caring roles and agreed that there should be flexibility regarding payments to ensure that no-one was disadvantaged. It was acknowledged that sometimes specialist care required two carers to be in attendance and the Panel agreed that in such instances a payment of £20 per hour, per carer should be made.

Recommendations

1. To recommend that the carers' allowance should be maintained at the current rates:
 - £10 per hour for child care
 - £20 per hour, per carer for specialist care (up to two carers per session)
2. To recommend that in unusual or extenuating circumstances, the Democratic Services Manager will consider payments for care on a case by case basis.

3.10 Travelling

- 3.10.1 The current scheme is based upon nationally set rates that are payable in respect of meetings and attendance in relation to rightful responsibilities or representation of views,

for example, meetings of the Council, site visits, outside organisations etc. The Panel could see no justification for moving away from these arrangements.

Recommendation

To recommend that the existing travelling expenses scheme should be maintained, and that it should be subject to amendment in accordance with prevailing national agreements:

Mileage

Car (regardless of engine size)	45 pence per mile
Motorcycle	24 pence per mile
Cycle	20 pence per mile
Car Share	5 pence per mile

3.11 Subsistence

3.11.1 The Panel agreed that the current payments for subsistence were reasonable and should be retained. They highlighted that payments for breakfast should only be payable if the Member was staying away overnight.

3.11.2 The Panel reiterated that all claims should be accompanied by receipts and that they should be submitted within 3 months. All bookings for hotels should be done through the Council except in exceptional circumstances.

Recommendation

To retain the payments for subsistence at the following levels:

- £6.88 for breakfast (only where an overnight stay is required)
- £8.00 for lunch
- £20.00 for dinner

3.12 Backdating of Allowances

3.12.1 The Panel could see no justification for suggesting that allowances should be backdated to the beginning of the financial year in which the scheme is to be amended.

Recommendation

To recommend that the changes proposed by the Panel are not backdated, but should take effect from the beginning of the municipal year, in May 2020.

3.13 Renunciation of allowances

3.13.1 The Panel strongly agreed that all Members should receive their allowance and that renunciation should be discouraged as it was felt that this could discriminate between those who could afford to forgo their allowance and those who could not.

Recommendation

To recommend that all Members should receive their allowance in recognition of the commitment required and that the forgoing of allowances should be discouraged.

4 Future reviews

4.1 The Panel acknowledged the proposed introduction of Member Champion roles and agreed that there would need to be a period of time to see the time commitment required before consideration could be given as to whether a special responsibility allowance should be paid. It was agreed that a 'light touch' review should take place in the next 12 - 18 months to review this and any other new roles or changes to existing roles.

Recommendation

That a further review of Members' allowances should be undertaken in 2021/22.

5. Financial Implications

- 5.1. It will be a matter for the Council to determine any additional costs or savings in relation to the Scheme when considering and deciding on the adoption of recommended changes.

6. Risks

- 6.1. The main risk associated with the review of the Members' Scheme of Allowances is reputational in nature. When considering the findings and recommendations of the Independent Remuneration Panel, Members should evaluate them in the spirit intended and the context of the prevailing circumstances. When making their decision however, the Panel would like to draw the Council's attention to the change in the ward boundaries which has resulted in a reduction in the number of councillors. This has led to larger wards for many Members, together with an increase in committee and outside body commitments.
- 6.2. While Members are required to have due regard to the report of the Independent Remuneration Panel, it is still a matter for the Council to decide whether it adopts the associated recommendations in full or part.

7. Sustainability

- 7.1. There are no direct sustainability implications associated with the review of the Members' Scheme of Allowances.

8. Equality and Diversity

- 8.1. The principal issue arising from the review that has equality and diversity implications is the carers' allowance. The Panel was of the opinion that by allowing for the payment of two carers at a time for specialist care and the associated discretion to consider requests on a case by case basis would help to reduce potential barriers to existing Members' full participation and may encourage future prospective candidates to come forward, where they have caring responsibilities.

9. Crime & Disorder

- 9.1. There are no direct crime and disorder implications associated with the review of the Members' Scheme of Allowances.