

Annual Council

14 May 2020

Report of: Director for Governance and
Regulatory Services

Review of Members Allowance Scheme

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1** The Members Allowance Scheme was last reviewed in [February 2019](#) in preparation for the change of governance to the Cabinet Model. In that review the Welland Independent Remuneration Panel (The Panel) recommended that a further review was undertaken in January 2020 in order to evaluate the impact of the changes to governance arrangements.
- 1.2** The Panel undertook a review which commenced in February 2020 and their findings and recommendations are contained in the attached report (Appendix A).

2 RECOMMENDATIONS

That Council:

- 2.1 Approve the recommended changes to the Scheme of Members of Allowances shown in paragraph 10 of the Report of the Independent Remuneration Panel (Appendix A) and detailed below:**
- 2.1.1 That the basic allowance (index linked to Officers' annual National Joint Council salary award) remains unaltered;**
- 2.1.2 That the Leader of the Council's SRA be set at 3 x Basic Allowance;**
- 2.1.3 That the Deputy Leader's SRA be set at 2 x Basic Allowance;**
- 2.1.4 That the Cabinet Members' SRA be set at 1.25 x Basic Allowance;**
- 2.1.5 That the Scrutiny Chair's SRA be set at 1.25 x Basic Allowance;**
- 2.1.6 That the Scrutiny Vice-Chair's SRA be £2,000 pa;**
- 2.1.7 That the Regulatory Chairs' and Vice-Chairs' SRA remain unaltered;**

- 2.1.8** That the Leader of the Opposition's SRA be £2,000 pa;
- 2.1.9** That the site visit allowance be £35.00 per visit;
- 2.1.10** That car mileage be set at the HMRC rate of 45p per mile;
- 2.1.11** That the hourly rate for carers allowance be set at £10.50 per hour with an annual maximum claim of £1500;
- 2.1.12** That the allowances for Independent Person (£491 p.a.) and Parish Representative (£318 p.a.) be removed;
- 2.1.13** That the proposed revised special responsibility allowances be backdated to the start of the 2019/20 municipal year.
- 2.2** Approve a supplementary estimate of £11,410 from the Corporate Priorities Reserve to cover the cost of backdating the proposed revised special responsibility allowances to the start of the 2019/20 Municipal Year.
- 2.3** Approve a supplementary estimate of £13,060 from the Corporate Priorities Reserve to cover the additional costs of the proposals in 2020/21.
- 2.4** Notes that the Member Allowances Scheme will be amended to reflect the changes approved at this meeting and be incorporated as part of the Council's Constitution.

3 Reason for Recommendations

- 3.1** To allow Members to consider the findings of the review conducted by the Welland Independent Remuneration Panel.
- 3.2** To ensure that the impacts of the change to governance arrangements which came into effect in May 2019 are reflected in the Scheme of Members Allowances.

4 Background

- 4.1** The Council is required under government regulations made in 2003, and subsequent amendments, to establish and maintain an Independent Remuneration Panel (IRP) to review and make recommendations to the Council on the range and levels of remuneration for councillors.
- 4.2** The Council maintains the Independent Welland Remuneration Panel in accordance with the legislative requirement.
- 4.3** Each Council is to review its Member remuneration arrangements annually and approve a scheme for the forthcoming financial year to which the allowances relate. The Welland Panel usually completes a full review every 4 years or when there is a change in Member roles and responsibilities.
- 4.4** Following approval of the Council's new governance arrangements, The Panel last reviewed the Council's Member Allowances Scheme in 2019 and the Council approved the recommendations in February 2019, including a recommendation to carry out a further review in 2020. The current scheme can be found at [Chapter 5 of the Council's Constitution](#).
- 4.5** The purpose of the Panel is to review the existing Scheme of Allowances, including the Special Responsibility Allowances paid to Members and to make recommendations to the Council on the appropriate level of payments to be made in the future.

5 Main Considerations

- 5.1** The Panel must make recommendations to the Council on payments to be made to Members based on evidence. The evidence considered by the Panel is detailed in the attached report (Appendix A).
- 5.2** In summary, the Panel, chaired by Mr. John Cade of the University of Birmingham, invited members to make representations in person on 4 February 2020, alternatively members were invited to provide representation by email. The Panel also interviewed the Monitoring Officer and the Chief Executive. The Panel also received comparative data for other Leicestershire Authorities and Peer Authorities with similar composition and/or demographic to Melton Borough.
- 5.3** Following consideration of the evidence and representations from Officers and Members, the Panel have made recommendations as contained in paragraph 10 of the report at Appendix A.

6 Options Considered

- 6.1** Following consideration of the Panel's findings, Council may:
- a) refuse the recommendations and retain the current Scheme of Members Allowances;
 - b) accept the recommendations in full or in part, or
 - c) propose alternative arrangements.

7 Consultation

- 7.1** Members have been consulted throughout the review and the representations put forward have informed the findings of the Panel.

8 Next Steps – Implementation and Communication

- 8.1** Should Council approve the recommendations of the Panel for increases to the Scheme for 20/21, the recommendations will be implemented with immediate effect.
- 8.2** The Member Allowances Scheme will be updated and re-published in the Council's Constitution.
- 8.3** The next review of Members Expenses will be due in 2024, or earlier if there are any significant changes in member roles and responsibilities.

9 Financial Implications

- 9.1** There will be a net increase of approx. £13,050 for 20/21 should the recommendations of the Panel be approved, no allowance has been made in the 2020/21 budget for changes to the Special Responsibility Allowance .
- 9.2** The Panel also propose that the Council consider backdating the payments for the period from the date of the Annual Meeting on 16 May 2019 to 13 May 2020. Should Council approve this recommendation the financial implication would be a further £13,050 unbudgeted expenditure and require a further draw on reserves (Subject to an adjustment for the change in number of Cabinet Members part way through the year).
- 9.3** There will be a modest additional cost for Planning Site Visits and Carers Allowance and a modest saving with proposed new car mileage rate and removal of the Independent Person and Parish Representative allowances.
- 9.4** The cost of the review is £2,000 and allowed for within the 2019/20 budget (cost has been accrued for). This is made up of the following and is inclusive of travel, subsistence and any other out of pocket expenses incurred by the chair (other panel members are able to claim travel expenses):
- Review £1,000
 - Final Report £500
 - Presentation of Report to Council £500
- 9.5** If the allowances are backdated the total additional cost of the proposals over that budgeted for are £24,473. The backdated amount which has not been budgeted for may need to be set aside as a provision in 2019/20 accounts and will be an overspend on the budget for that year (this equates to £11,410 for the period 16 May 2019 to 31 March 2020). The increased ongoing amount of £13,050 will need to be met as a supplementary estimate from the corporate priorities reserve as an unbudgeted amount.
- 9.6** At the current time due to the COVID-19 response and the financial implications associated with this, the council's reserve are difficult to estimate with any certainty with the situation changing on a daily basis. The financial implications of this proposal will increase the draw on these reserves.

Financial Implications reviewed by: Director for Corporate Services 04.05.20

10 Legal and Governance Implications

- 10.1** The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI1021) and subsequent amendments to the regulations (SI 2003/1022 and SI2003/1692 ["the Regulations"]) require all local authorities to set up and maintain an advisory Independent

Remuneration Panel to review and provide advice about the allowances to be paid to Members.

- 10.2** All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members Allowances Scheme.
- 10.3** Where a recommendation is made that allowance levels should be determined according to an index, the Panel must recommend how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an Independent Remuneration Panel.
- 10.4** The purpose of the Panel is to review the existing Scheme of Allowances, including the Special Responsibility Allowances paid to Members and to make recommendations to the Council on the appropriate level of payments to be made in the future.

Legal Implications reviewed by: Monitoring Officer 05.05.2020

11 Equality and Safeguarding Implications

- 11.1** An Equality Impact Assessment has been undertaken on the policy. There is no anticipated impact which would disadvantage any person with protected characteristics.

12 Community Safety Implications

- 12.1** There are no community safety implications.

13 Environmental and Climate Change Implications

- 13.1** There are no environmental or climate change implications.

14 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Inability to recruit and retain good quality members due to the level of remunerations available.	Significant	Critical	Medium Risk
2	Increases may put pressure on the council's financial position.	Significant	Critical	Medium Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			1,2	

	3 Low				
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	The use of the Independent Panel and their consideration of member representations and comparative data should ensure that any recommendations reflect the time commitment and level of responsibility for each member role.
2	The impact on the Council's financial position is set out in the Financial Implications.

15 Background Papers.

15.1 There are no background papers.

16 Appendices

16.1 Appendix A - Report of the Welland Independent Remuneration Panel

16.2 Appendix B – Financial Implications of the proposed recommendations.

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