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The Chair and Members of Standards
and Audit Committee

04 August 2023

Dear Councillor,

Please attend a meeting of the STANDARDS AND AUDIT COMMITTEE to be held on WEDNESDAY, 9 AUGUST 2023 at 2.00 pm in Committee Room 1, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to Items on the Agenda
2. Apologies for Absence
3. Convening an Independent Remuneration Panel (Pages 3 - 10)
4. Local Government Act 1972 - Exclusion of Public

To move "That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act".

Part 2 (Non Public Information)

5. Appointment of an Independent Remuneration Panel (Pages 11 - 18)

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Head of Regulatory Law and Monitoring Officer

For publication

Convening an independent remuneration panel

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|---------------------------|-------------------------------|
| Meeting: | Standards and Audit Committee |
| Date: | 09.08.2023 |
| Cabinet portfolio: | Governance |
| Directorate: | Corporate |
| For publication | |

1.0 Purpose of the report

- 1.1 To provide members with an update on the preparations to re-constitute the Independent Remuneration Panel (IRP), in order to carry out a review of the Members' Allowances Scheme.

2.0 Recommendations

- 2.1 That the update be noted.
- 2.2 That a further report be brought to the Standards and Audit Committee to approve the nominations to the Independent Remuneration Panel.

3.0 Reasons for recommendations

- 3.1 To ensure Chesterfield Borough Council has a fair and transparent members allowance scheme.

4.0 Report details

- 4.1 The Local Authorities (Members Allowances) (England) Regulations 2003 requires the Council to establish an independent remuneration panel (IRP) and have due regard to their findings when establishing or updating their member allowances scheme.
- 4.2 The Panel last met during 2019 and produced a report which was submitted to Full Council on 18 December 2019. The recommendations were accepted with the exception of the Special Responsibility Allowances for the Deputy Leader of the main opposition group and Vice Chair of Standards and Audit

Committee. The changes to the scheme were implemented from 1 April 2020 (Council Minute no. 53 2019/20).

- 4.3 One of the approved recommendations allowed for an annual increase in members allowances based on the average level of change in the NJC staff pay award for spinal column points 35- 40. However, in line with Section 10 the Local Authorities (Members Allowances) (England) Regulations 2003, this must be reviewed by the IRP after a period of four years. This is excellent timing given the range of changes made following the borough election in May 2023, which incorporated a number of changes following the local government boundary Commission Review including the reduction in council members from 48 to 40.

4.4 Independent Remuneration Panel for 2023-2027

Government guidance on the appointment of a Panel advises that councils should select a Panel which is truly independent, well qualified to discharge the functions of the Panel and representative of the diversity of the communities in the local authority's area. Panel members are entitled to reasonable out of pocket expenses for sitting on the Panel.

- 4.5 The Terms of Reference for the Panel (at Appendix 1) state that it should be ensured, where possible, that the Panel includes someone with experience of the Panel's work. As two of the previous three panel members have agreed to take part in the new review if necessary, this would discharge this recommendation. According to the terms of reference, the Panel will consist of three members, therefore a further one - two members will be required to sit on the panel for the four-year period. A separate report will give an update on the progress towards filling the vacant seats.

5.0 Alternative options

- 5.1 None. An independent remuneration panel is a requirement of the Local Authorities (Members Allowances) (England) Regulations 2003 and a review is required every four years of the members allowance scheme.

6.0 Implications for consideration – Financial and value for money

- 6.1 The review itself is expected to cost in the region of £5,000. This is built into budget assumptions for review years. The findings of the IRP and the final member allowance scheme may add additional costs to the authority, this will need to be considered by Council when the final scheme for 2024/25 – 2027/28 is approved.

7.0 Implications for consideration – Legal

7.1 The requirement for a member’s allowance scheme, an independent remuneration panel and four-year review is covered in the Local Authorities (Members Allowances) (England) Regulations 2003.

8.0 Implications for consideration – Human resources

8.1 The lead officer for the review and key link for the IRP is the Council’s Monitoring Officer with support from the Service Director Corporate and Democratic Services Officer. This work has been programmed into the Directorate Plan for 2023/24.

9.0 Implications for consideration – Council plan

9.1 None.

10.0 Implications for consideration – Climate change

10.1 None.

11.0 Implications for consideration – Equality and diversity

11.1 IRP will consider equality and diversity issues as part of their review. This could include provisions around allowances for extended sick or disability leave and parental leave. An equality impact assessment will be undertaken as the scheme develops.

12.0 Implications for consideration – Risk management

12.1

| Risk | Impact | Likelihood | Mitigating actions | Revised impact | Revised likelihood |
|--------------------------------|---------------|-------------------|--|-----------------------|---------------------------|
| Legislative compliance | H | M | <ul style="list-style-type: none"> Comprehensive terms of reference for the IRP developed Ongoing support and advice to the IRP from the Council’s Monitoring Officer Check in points throughout the IRP Standards and Audit Committee engagement | H | L |
| Scheme affordability pressures | H | M | <ul style="list-style-type: none"> Comprehensive Terms of Reference for the Panel Provision of accurate information for the IRP to consider Comparisons available to other authorities including CIPHA family Group Full financial impact analysis available for scheme implementation to be developed | L | L |

Decision information

| | |
|----------------------------|------------|
| Key decision number | N/A |
| Wards affected | All |

Document information

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| Report author |
| Gerard Rogers – Monitoring Officer |
| Background documents |
| These are unpublished works which have been relied on to a material extent when the report was prepared. |
| None |
| Appendices to the report |
| Appendix 1 – Terms of Reference for the Panel |

INDEPENDENT REMUNERATION PANEL

Make-up and Terms of Reference

Introduction

Members of the Independent Remuneration Panel are appointed by the Standards and Audit Committee, following advertisement and selection by that committee.

Make-up and Terms of Office

The Panel shall consist of three members, with a quorum of 2, and shall elect a Chair.

The terms of office of the three members shall be four years, subject to phasing of appointments (where possible) to ensure that there is always one member of the panel who has experience of the work of the panel.

A member of the IRP may not re-apply after having served two consecutive terms subject to this restriction being lifted to allow a third term in the event of there being no other suitable candidate.

The Monitoring Officer (or Deputy Monitoring Officer) may terminate the membership of any panel member at any time should the reputation of the Panel or the Council be brought into disrepute subject to consultation with the Independent Chair of the Standards and Audit Committee.

Functions

To produce reports in relation to allowances payable to Members of the Council, making recommendations to the Council as to:

- (a) the amount of the basic allowance;
- (b) the roles for which a special responsibility allowance will be payable and the amount of such allowances;
- (c) any dependent carer allowances;
- (d) travelling and subsistence allowances;

- (e) co-optee allowances;
 - (f) pensions for members.
- 2.** To review the current Members' Allowances Scheme and to make written recommendations to the Council for a new Scheme or revision to the existing Scheme as considered necessary and appropriate, taking appropriate evidence/representations in order to take into account the following:
- (a) The need for the Council to pay a basic allowance and the discretion to pay special responsibility allowances.
 - (b) The various roles and responsibilities of elected Members and the commitment of time and other resources involved.
 - (c) The differences between the level of responsibility and time commitment of different Members' roles.
 - (d) Schemes operating elsewhere in similar Local Authorities,
 - (e) The levels of remuneration paid for other types of public duties.
 - (f) The need to attract and retain elected Members of the highest calibre who are representative of the local population, particularly in terms of race, age and gender.
 - (g) Member support policy provisions which impact on allowances.
- 3.** To provide informal advice on expenses, gratuities and allowances not referred to in these Terms of Reference.
- 4.** To deal with other issues which may from time to

time fall within the remit of the Panel through legislation.

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Agenda Item 5

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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