

For publication

Convening an independent remuneration panel

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

Report author
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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