

For publication

Review of members' allowances: arrangements for the independent remuneration panel

Meeting:	Cabinet
Date:	19.09.23
Cabinet portfolio:	Governance
Directorate:	Corporate
For publication	

1.0 Purpose of the report

- 1.1 To provide Cabinet with an update on the preparations for the Independent Remuneration Panel (IRP) to carry out a review of the Members' Allowances Scheme.
- 1.2 To enable Cabinet to consider issues to be raised with the Independent Remuneration Panel (IRP) on the forthcoming review of member allowances in accordance with the protocol on arrangements for consulting on the review.

2.0 Recommendations

- 2.1 That the arrangements for consulting members on the review of the members' allowances scheme in line with the agreed Protocol be noted.
- 2.2 That members consider whether it wishes to raise any further issues with the Independent Remuneration Panel.

3.0 Reason for recommendations

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 A copy of the current scheme is attached at Appendix 1.

4.5 Independent Remuneration Panel for 2023-2027

A report recommending approval for membership of the IRP for 2023-2027 was considered by Standards and Audit Committee on 9 August, 2023 and recommendations accepted. The panel has therefore been convened under the terms of reference attached at Appendix 2.

4.6 At a meeting of Full Council on 28 September, 2011 members approved a written protocol for the IRP to consider member representations to the Panel at times of future reviews of members' allowances scheme. This has been updated to reflect current support arrangements and timescales. A copy of the protocol is attached at Appendix 3. Key points within the protocol include:

- Consultees can make written representations and, if appropriate, oral representations to the IRP about any aspects of the Council's members' allowances scheme
- Any comments made will be considered by the IRP before finalising their report
- The Chair of the IRP may discuss matters further with the Leader of the Council, the Leader of the Opposition and the Monitoring Officer if appropriate.

4.7 An initial first meeting of the IRP has been arranged for 16 October 2023 and all consultees are to be invited to submit written comments and indicate if they wish to make oral comments to the Panel. The protocol also provides

that a report shall be submitted to Cabinet in advance of the IRP meeting to enable any relevant issues to be raised.

4.8 The following issues have already been raised with the IRP through the lead officer:

- The previous members' allowance scheme stated that members allowances should increase by the same percentage as employee wages (NJC). However, in 2022/23 employee wages rose by a single fixed amount per employee resulting in different percentages for each of the NJC grades. In the event of this occurring in the future how could we apply this to member allowances
- Impact of the reduction in Council size from 48 to 40
- Consideration of the proposed Member Support Policy which includes provisions around special responsibility allowances should a portfolio holder, Chair or Vice Chair require an extended period of leave due to ill health.

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 Under the Local Authorities (Members Allowances) (England) Regulations 2003, an authority may pay the expenses incurred by an IRP in carrying out its functions and may pay the members of the panel such allowances or expenses as the authority decides. It is proposed that existing arrangements for payment of a reasonable allowance to the IRP members for their time, as agreed in 2019, should continue, this attracts a daily rate of £525 per panel member.

6.2 Based on previous years the review 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.

7.2 Under the Council's Members Code of Conduct introduced under the Localism Act 2011, the receipt of members allowances is not a Disclosable Pecuniary

Interest. Members are free to debate and decide the allowance scheme despite it being a matter which affects their financial wellbeing.

7.3 Legislation specifically provides for the members allowances scheme to be adopted and amended by Full Council, having regard to the recommendations of the IRP. Therefore, members do not need to disclose an interest nor are they prevented from taking part in the meeting.

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 	L	L

			<ul style="list-style-type: none"> • Comparisons available to other authorities including CIPHA family Group • Full financial impact analysis available for scheme implementation to be developed 		
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Decision information

Key decision number	N/A
Wards affected	All

Document information

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 – Current Members Allowance Scheme
Appendix 2 - Terms of Reference for the Panel
Appendix 3 - Protocol