

## **The Welland Partnership Members Remuneration Panel**

### Draft Report to Rutland County Council Meeting

#### 1. Purpose of Report

- 1.1 This Report has been prepared by the Independent Panel set up to make recommendations and provide guidance to the Council in respect of its scheme for Members' allowances
- 1.2 The Report sets out the Panel's recommendations for the Council's consideration.

#### 2. Background

- 2.1 The Local Government (Members' Allowances) 2003 Regulations put in place a consolidated and simplified framework for allowances that covers Principal Councils and Parish and Town Councils.
- 2.2 Part 4 of the Regulations makes provision for the establishment of an Independent Panel to make recommendations concerning allowances, travel and subsistence and pension provision. The Welland Remuneration Panel is compliant with the necessary arrangements.
- 2.3 A Council is unable to revoke or amend its scheme of allowances without first considering the recommendations of an Independent Panel. Whilst the Council is not bound by the recommendations of the Panel, there is a duty placed upon it to consider the recommendations, publish the Panel's recommendations and publish its Scheme.
- 2.4 Essentially, legislation provides that Local Authorities' Schemes of Allowances:
  - Must make provision for a Basic Allowance, payable to all Members.
  - May make provision for Special Responsibility Allowances (SRAs).
  - May include provision for payment of travel and subsistence expenses.
  - May include provision for payment of Carer's Allowance.
  - May include provision for Co-optee Allowances.
- 2.5 Previously there was also provision for access to the Local Government Pension Scheme, but this has now been abolished by the Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014.

- 2.6 More generally, Government guidance on the scheme has become more relaxed. There are, however, three constraints on the Panel's work:
- Attendance Allowances are prohibited.
  - The Basic Allowance has to be paid equally to all Members.
  - Where one or more Groups on a Council form an Administration, a Special Responsibility Allowance must be paid to a Member of the Opposition – usually paid to the Leader of the Opposition.
- 2.7 Allowances can be backdated to the beginning of the financial year and can be withheld when a Councillor is suspended.

### 3. The Panel's Approach

- 3.1 The Panel comprises John Cade (Chairman), Ian Davis, John Greenwood and Gordon Wells. Three of us; John Cade, John Greenwood and Gordon Wells were Panel Members for your previous review in 2014/15. Ian, who has senior local government officer experience, has now joined us following the stepping down of two previous colleagues.
- 3.2 Our activity comprised four components:
- (a) A comprehensive review of the background and context of your allowances, looking also at any changes which have taken place since your last review.
  - (b) A Workshop was held to outline our role and to answer any immediate queries about how we go about our work. It is not necessary to hold an introductory workshop and most Councils move directly to the evidence giving stage. We welcomed the opportunity to provide this workshop and from the feedback we have received it was seen to be helpful.
  - (c) Two Evidence Giving Days were held. It is very important to us that as many Councillors as possible have the opportunity to submit evidence to us. We are, therefore, very grateful to the 10 Councillors who met with us on the first occasion and for the Group Leaders and Deputy Leader who met with us at our next meeting. We also took evidence from your Chief Executive, Monitoring Officer and Section 151 Officer.
  - (d) A consideration of all the evidence we had received and reaching unanimous agreement on our recommendations.
- 3.3 In our work we received excellent support both from Natasha Taylor, your previous Governance Manager and Joanne Morley, Governance Officer.

#### 4. Context

- 4.1 Rutland is widely recognised as England's smallest County, yet the County Council still has all the responsibilities of much larger Unitary Councils but with fewer Councillors to share these commitments.
- 4.2 By any comparative measure your allowances are very modest to say the least. Your allowances are not only well below those paid in other Unitary Authorities, but also below District Council remunerations where Councils have fewer areas of responsibility.
- 4.3 You will be aware of the reasons for this. Whilst Independent Remuneration Panels in the past have consistently recommended increases – not least index linking – you have, for reasons at the time, declined to follow that path with the consequence that your allowances have been frozen since 2009.
- 4.4 Put bluntly, you are now faced with two choices.
- 4.5 The first is either to continue to take the view that your allowances should continue to lag considerably behind that of other Councils or to acknowledge that whilst payments “must not be either a deterrent or an incentive”, as succinctly expressed by one of your Councillors, they need to be at a level to enable a wider demographic of people to become Councillors.
- 4.6 Then, if you take the latter view, your second choice is whether you start to seek to redress this situation by agreeing a reasonably significant increase now or introduce gradual incremental increases.
- 4.7 We sought to address these choices in our evidence taking. Whilst we recognise that it could be a self-selecting group we were struck by how every Councillor who gave evidence to us felt that, particularly to attract a more diverse group of people to come on the Council, the level of allowances needed to be more realistic.
- 4.8 When we asked about how quickly the deficit should be made up, the majority felt that it was important to make a firm early start. (We were able to advise that your allowances are so out of kilter that even a sharp increase of 31% would only correct for the retail price index since 2009 and would still leave you lagging behind other Councils.)

#### 5. Findings

- 5.1 Of the various pieces of background information we looked at, we felt two were particularly pertinent.
- 5.2 The first was a comparator table with other Unitary Councils (eg Central Bedfordshire, Derby City and West Berkshire) and neighbouring District Councils (eg Melton, Harborough and South Kesteven). For every allowance, from the Basic Allowance for all Councillors to the Special Responsibility

Allowance for the Leader of the Council, your allowances were well adrift at the bottom.

- 5.3 The second particularly pertinent piece of information was what your allowances would have been if, without any other increases, they had just been index-linked to the Retail Price Index. This would have at least narrowed the disparity. (see para 4.8)
- 5.4 Before coming to our specific recommendations for your allowances, we would want to make the point that we would also like to start restoring the relationship between your Special Responsibility Allowances and the Basic Allowance.
- 5.5 Councils usually determine their Special Responsibility Allowances either as a percentage of the Leader's Special Responsibility Allowance or a factor of the Basic Allowance. Traditionally you have adopted the latter approach and we see no reason to change this. It provides an anchor both inside the Council and to residents on the way the Allowances are calculated.

5.6 Basic Allowance

This is the building block for all other allowances. Applying the retail price index from the last time this allowance was increased provides for an annual allowance of £4,944. This is what we recommend.

5.7 Special Responsibility Allowances

(i) Leader's Allowance

In common with our reviews of other Councils, the role of the Leader of the Council has, in recent years, become more important in promoting the economic and social welfare of their area. Partnership working is much more prevalent as is the need to over-see a more complex and commercial environment. It is also becoming more and more a full-time job.

We believe that the SRA for the Leader should be a factor of 3.5 of the Basic Allowance, providing for an allowance of £17,304.

(ii) Deputy Leader's Allowance

There is a close alignment between the work of the Leader and Deputy Leader and the latter provides an important role in the leadership of the Council. We recommend that this allowance be a factor of 3 of the Basic Allowance, providing for an allowance of £14,832.

(iii) Cabinet Members

We recommend that these allowances be a factor of 2.5 of the Basic Allowance, providing for an allowance of £12,360.

(iv) Chairs of Scrutiny Panels

For good governance it is important to have an effective scrutiny function that can provide the necessary checks and balances.

However, we believe that their level of responsibility is not that of a Cabinet Member and recommend a factor of 1.5 of the Basic Allowance, providing for an allowance of £7,416.

(v) Chair of Scrutiny Commission

It is important that the three Scrutiny Panels structure their work in such a way as to ensure that they are focussing on key (not marginal) issues and avoid duplication. This, we understand, is the role of the Scrutiny Commission. We have been shown a draft job description for the role of Scrutiny Commission Chair. This draft job description contains responsibilities in addition to the Scrutiny Chair Role profile. However, this new role is still at a developmental stage and we, therefore, believe that the allowance should still be a factor of 1.5 of the Basic Allowance until there is evidence of the role becoming more significant. This provides an allowance of £7,416.

(vi) Chair of Planning Committee

We believe that the responsibility carried by this post-holder warrants the allowance being a factor of 2 of the Basic Allowance, providing for an allowance of £9,888.

(vii) Chair of Audit and Risk Committee

The Chair currently receives a payment for each meeting held. We believe that this is a pivotal Committee of the Council, with important responsibilities including signing off the Annual Accounts.

We, therefore, believe that the Chair of this Committee should be treated the same as earlier addressed Committee Chairs and receive an annual allowance. This should be a factor of 1.25 of the Basic Allowance, providing for an allowance of £6,180.

(viii) Chair of Licensing Act Committee and Chair of Employment and Appeals Committee

We received no evidence to suggest that these two Chairs should not continue to be paid on a per-meeting basis, but the amount should also be index-linked, providing for a sum of £131 per meeting.

## 5.8 Leader of the Opposition Allowance

We were advised that a number of your non-Administration Councillors have formed themselves into two properly constituted Groups. The Leader of an Opposition Group is entitled by law to an Allowance. We believe, as we recommended in our last review, that a sum of £1,000 per annum should be provided and further think this should be shared proportionally according to the size of the respective Groups.

## 5.9 Chair of the Council

We believe that, as with the Basic Allowance, the allowance for this post should be uplifted in line with index-linking. This will give an allowance of £4,590.

## 5.10 Index-Linking

We strongly believe in index-linking allowances. We take the view that this is a sensible approach as it provides for allowances to increase at an appropriate rate and prevents the need for periodic “catch-up” lump sum proposals which are more difficult for the public to relate to their own circumstances. In future allowances should be index-linked to Officers’ NJC pay awards.

## 5.11 One SRA

To avoid any confusion, the existing principle should continue to apply that, irrespective of the number of SRA roles undertaken by a Councillor, only one allowance can be drawn.

## 5.12 Travel and Subsistence

Your travel and subsistence rates have also fallen far behind what it now costs to purchase these goods and services.

With the development of comparative internet cost sites it is now possible to secure accommodation at preferential rates. Advance train tickets can also deliver savings.

We, therefore, recommend an approach adopted by a number of other Councils that a Councillor can claim reasonable travel, accommodation and subsistence expenses provided that they have been either secured by or agreed by an appropriate Officer in advance.

Car mileage should continue to be claimed at 45p per mile.

The question of paying travel expenses to Councillors attending Parish Council meetings in their Ward was also raised with us. We understand that this is already included in the list of approved duties.

## 5.13 Child and Dependent Carer’s Allowances

Councillors may claim reimbursement of actual, reasonable costs incurred in using childminders, babysitters or other sitters for dependents while carrying out approved duties up to a maximum of £1,000 per annum.

We propose no change here, but it seems to us that all Councillors are not aware of these provisions and the details should be recirculated.

#### 5.14 Independent Person(s) on Conduct Committee

The changes in statutory arrangements for the Standards Committee – your Conduct Committee – make provision for the appointment of an Independent Person(s). We recommend that this person receives an annual allowance of £500.

### 6. Financial Implications

- 6.1 From a financial perspective, with the continuing pressures on local government budgets, it is never a good time to increase costs.
- 6.2 However, because of the history of stagnation of your allowances and the need to have a more realistic level to enable a more diverse group of people to become Councillors, we believe the costs are justified.
- 6.3 A breakdown of the costs is shown in the attached Appendix 2

### 7. Recommendations

We recommend to full Council

- 7.1 That the Basic Allowance be increased to £4,944 per annum
- 7.2 That the Special Responsibility Allowance for the Leader be a factor of 3.5 of the Basic Allowance.
- 7.3 That the Special Responsibility Allowance for the Deputy Leader be a factor of 3.0 of the Basic Allowance.
- 7.4 That the Special Responsibility Allowance for the Cabinet members be a factor of 2.5 of the Basic Allowance.
- 7.5 That the Special Responsibility Allowance for a Scrutiny Panel Chair be a factor of 1.5 of the Basic Allowance.
- 7.6 That the Special Responsibility Allowance for the Chair of the Scrutiny Commission be a factor of 1.5 of the Basic Allowance.
- 7.7 That the Special Responsibility Allowance for the Chair of the Planning Committee be a factor of 2.0 of the Basic Allowance.
- 7.8 That the Special Responsibility Allowance for the Chair of the Audit and Risk Committee be a factor of 1.25 of the Basic allowance.
- 7.9 That the meeting payment for both the Chair of Licensing Act and Employment and Appeal Committees be £131.
- 7.10 That the allowance for the Chair of the Council should be £4,590 per annum.

- 7.11 That an allowance of £1,000 per annum be shared proportionally between the Leaders of the 2 non-administration Groups according to the number of Councillors in each Group.
- 7.12 That in future all Members' allowances and payments should be index-linked to Officers' NJC pay awards.
- 7.13 That only one Special Responsibility Allowance may be drawn by any one Councillor.
- 7.14 That reasonable travel, accommodation and subsistence payments be made provided they are agreed with an appropriate senior Officer in advance.
- 7.15 That further publicity be given to the Council's Child and Dependent Carer's Allowance Scheme.
- 7.16 That an annual allowance of £500 be made to the Independent Person to the Conduct Committee.
- 7.17 That the Council give consideration as to the effective date for the introduction of these new arrangements.

John Cade,  
Chair of Independent Remuneration Panel

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