

## COUNCIL

23 January 2022

### REPORT OF THE WELLAND PARTNERSHIP REMUNERATION PANEL

Report of the Leader of the Council and the Portfolio Holder for Finance,  
Governance and Performance, Change and Transformation

Strategic Aim:	A modern and effective Council	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr L Stephenson, Leader and Portfolio Holder for Policy, Strategy, Partnerships and Economy  Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Angela Wakefield, Director of Legal and Governance	01572 758220 awakefield@rutland.gov.uk
	Tom Delaney, Governance Manager	01572 720993 tdelaney@rutland.gov.uk
Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That Council:

1. Receives the report of the Welland Partnership Remuneration Panel at Appendix 1 and thanks the Panel for its review.
2. Recognises there is a gap between the Council's Member Allowances and those at comparator authorities as set out in Appendix 1a, and that following elections to the authority the Council should consider how to close this gap.
3. Approves the proposed Member Allowances Scheme for 2023/24 at Appendix 2 incorporating the recommendations of officers as set out in Section 4, including index-linked rises in allowances based on Pay Awards for Chief Officers as negotiated by the Joint Negotiating Committee.
4. Approves that the new scheme is effective from 9 May 2023, which any index-linked rise arising from the JNC 2023-24 Pay Award will be back-dated to.

## **1 PURPOSE OF THE REPORT**

- 1.1 To present recommendations to Council from the Independent Remuneration Panel and a proposed Members' Allowances Scheme to be adopted from the beginning of the new municipal year.

## **2 BACKGROUND**

- 2.1 The Council has a statutory requirement to establish and maintain an Independent Remuneration Panel, which has the function of providing the local authority with advice on its scheme and the amounts to be paid at least once every four years. The Council must have regard to this advice but can determine what action it wishes to take. The current scheme has been in place since it was agreed in March 2020 (Report No. 54/2020) following recommendations made by the Remuneration Panel.
- 2.2 The Council has engaged the Welland Partnership Members' Remuneration Panel, who are an independent body, for the purpose of advising on the scheme and amounts paid, the Panel also advise several neighbouring local authorities.
- 2.3 The Council previously decided in March 2022 not to implement a Member Allowance Scheme for 2022/23 that included previously recommended index-linking. And the intention for a review by the Welland Partnership Remuneration Panel was noted.
- 2.4 The Membership of the Panel for this review comprised of John Cade (Chair), Ian Davis, and Gordon Wells. All of whom have served on the Panel for several years and were Panel Members for the last review.
- 2.5 As part of the review the Panel received a variety of written evidence, and undertook an evidence-gathering day in October 2022, where they recieved verbal evidence from both Councillors and officers.

## **3 FINDINGS OF THE PANEL**

- 3.1 The full findings of the Panel are set out in their report in Appendix 1 and were unanimously agreed by all three Members.
- 3.2 The Panel found the Council's Member Allowances remain consistently low in comparative terms, a full list of comparisons is set out in Appendix 1a. For nearly every allowance, including Basic Allowance and the Special Responsibility Allowances (SRAs) Rutland County Councils were notably lower than fellow unitary authorities.
- 3.3 The Panel were disappointed to see that the Council chose not to apply index-linked increases in Allowances on 21 March 2022, as although this is commendable during a difficult time for residents it has only furthered the gap in Allowances set out above.
- 3.4 Based on their findings the Panel have made several specific recommendations summarised below (Set out in full at Appendix 1):
- 3.4.1 That the Basic Allowance rise to compensate for the freezing of Allowances since 2020, with the rise based on staff pay increases in 2021/22 and 2022/23.

- 3.4.2 That annual index-linking of Member Allowances be reinstated and maintained.
- 3.4.3 That the Chairman of the Council's Allowance be linked to the Basic Allowance to allow it to rise annually as with other allowances, and that this is set at a factor of 1 of the Basic Allowance.
- 3.4.4 That the Chairman of the Conduct Committee receive a per-meeting payment similar to the Chair of the Employment and Appeals Committee.
- 3.4.5 That the upper limit for payment of the Child and Carer's Dependent Allowances be increased to £2,000 per annum and its availability be recirculated.

#### **4 OFFICER RECOMENDATIONS**

- 4.1 It is clear from the Panel's findings that the Council must seek to address the gap in Member Allowances compared to comparator authorities.
- 4.2 It is not however considered appropriate for the Council to raise its Basic Allowance at this time, taking into consideration the difficult financial choices the Council is facing and the upcoming elections to the Council on 4 May 2023.
- 4.3 It is therefore recommended that the proposed rise in the Basic Allowance not be implemented at this time. And following elections in May 2023 the new Council must consider the steps it wishes to take to close the gap in the long term as recommended by the Panel.
- 4.4 However, to prevent the gap in allowances growing further in the meantime, the recommendation to reinstate index-linking is supported.
- 4.5 It is however recommended that going forward index-linked rises in Member Allowances should be based on Joint Negotiating Committee (JNC) Pay Awards negotiated for Chief Officers, this metric is recommended as continued use of the National Joint Council scales would mean that Member Allowances would rise more than some Council staff which is not considered an equitable position.
- 4.6 The remaining recommendations of the Panel set out in sections 3.4.3 to 3.4.5 are supported for the reasons set out in the Panel's report.
- 4.7 The proposed Member Allowances Scheme for 2023/23 at Appendix 2 if approved would implement these recommendations. This is recommended to take effect from 9 May 2023, with any increase arising from a mid-year Pay Award being back-dated to this date.

#### **5 CONSULTATION**

- 5.1 All Members were provided with the opportunity to provide verbal or written evidence to the Panel as part of their review. Eight Members attended evidence sessions with a further two providing written evidence.
- 5.2 The Council's Chief Executive, Strategic Director for Resources, and Director of Legal and Governance also attended evidence sessions with the Panel.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The Council is required to have regard to the recommendations of an Independent Remuneration Panel before making any decision to amend its scheme of Members Allowances. The Council is not however obliged to accept all recommendations.
- 6.2 It is recommended that the new scheme take effect from May 2023 when the new Council takes office after elections on 4 May 2023. However, Council could choose for this to take effect back to any point in the 2022/23 financial year. However, this is not recommended.
- 6.3 It should be noted that individual Members are not obliged to receive the full amount of allowances they are entitled to under any adopted scheme and may renunciate all or part of their allowances at any time by writing to the Governance team.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 Implementation of the recommended Scheme at Appendix 2 prior to any index-linked increase in 2023/24 would lead to a small increase to the total possible cost of Members Allowances (including Special Responsibility Allowances) from £244,900 to approximately £245,500. By comparison the Recommendations of the Panel would result in a total cost of £267,000.
- 7.2 It should be noted that due to vacant positions, variations in National Insurance contributions required to be paid, and the principle of only paying one SRA where a Councillor holds more than one applicable position, there are usually underspends within the Member Allowances budget under any adopted scheme.
- 7.3 It is not yet known what pay award will be agreed for senior officers for 2023/24, which would under the proposed Scheme would require a matched rise in Member Allowances backdated to the beginning of the Scheme in May 2023. However, a rise is budgeted for and an assumption of a 2% index-based annual rise in Member Allowances each year is factored into the Medium Term Financial Plan.
- 7.4 An above planned index-based rise in Member Allowances can be addressed by utilisation of the above underspends and can also be addressed from the staff pay inflation contingency within the Medium Term Financial Plan.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 Rutland County Council has engaged with the Welland Partnership Members Remuneration Panel that makes recommendations to the Council on allowances to be paid to elected members in accordance with legal requirements under the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 8.2 The Council's obligation is to have regard to the Panel's recommendations. Whilst the Council does not have a duty to follow the recommendations it must have good, justifiable reasons for departing from them.
- 8.3 The amended version of the Scheme of Members' Allowances at Appendix 2 (incorporating the recommendations) will be adopted at Part 6 of the Constitution if approved.

## **9 DATA PROTECTION IMPLICATIONS**

- 9.1 A Data Protection Impact Assessments (DPIA) has not been completed because no personal data has been processed in the drafting of the report and because there are no risks/issues to the rights and freedoms of natural persons.

## **10 EQUALITY IMPACT ASSESSMENT**

- 10.1 An Equality Impact Assessment (EqIA) has not been completed because the proposed changes are moderate changes to an existing policy and are considered unlikely to affect persons from a protected characteristic.

## **11 COMMUNITY SAFETY IMPLICATIONS**

- 11.1 There are no identified community safety implications.

## **12 HEALTH AND WELLBEING IMPLICATIONS**

- 12.1 No health and wellbeing implications have been identified.

## **13 ORGANISATIONAL IMPLICATIONS**

- 13.1 The implementation of the recommended Scheme can be undertaken by the Council's Governance, Human Resources, and Finance teams by the recommended implementation date.

## **14 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 14.1 The reasons for the recommendations are set out in Section 4 of the report.

## **15 BACKGROUND PAPERS**

- 15.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 - <https://www.legislation.gov.uk/ukxi/2003/1021/contents/made>
- 15.2 Report No. 54/2020 – Independent Remuneration Panel – Considered by Council on 9 March 2020

## **16 APPENDICES (MANDATORY, SIMPLY STATE IF THERE ARE NO APPENDICES)**

- 16.1 Appendix 1 – Report of the Welland Partnership Remuneration Panel
- 16.2 Appendix 1a – Appendix to the Remuneration Panels Report – Comparison of Rutland County Council Allowances to other Councils.
- 16.3 Appendix 2 - Proposed Members Allowances Scheme 2023/24

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.**