

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

## 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 care 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 must 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 back dated to the beginning of the financial year.

### 3. The Panel's Approach

3.1. For your review the Panel comprised John Cade (Chair), Ian Davis and Gordon Wells. All three of us were involved in our previous review in 2019.

3.2. Our work comprised three components:

a) A comprehensive review of the background and context of your allowances including revisiting comparators with other relevant Councils and looking at any changes which have taken place since your last review.

b) Evidence giving (and follow-up) days. 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 8 Councillors who took up that opportunity. We also took evidence from your Chief Executive, Monitoring Officer and Section 151 Officer.

c) 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 from Tom Delaney your Governance Manager.

### 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 lean 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. In our last report to you (October 2019) we included a comment from one of your Councillors who said in evidence at the time that allowances “must not be either a deterrent or incentive” for people wishing to serve as Councillors. We included it in our report because we instinctively believe that to be right.

However, on the basis of the evidence we received and witness’s own reflections, we believe that your low level of allowances are acting as a deterrent.

- 4.4. How you got in this situation will be familiar to you. Whilst, since its first report in 2000, the Independent Remuneration Panel has consistently recommended levels of remuneration appropriate to your responsibilities as a Unitary Council, and more in line with comparator Councils, your Council meetings have not accepted these recommendations.
- 4.5. The impact of this can be illustrated by the following. In the IRP’s review of 2000 it recommended a Basic Allowance (which is also the building brick for your Special Responsibility Allowances) of £5,000 per annum. Your Council, at the time, agreed a Basic Allowance of £2,010. This £5,000 per annum is not only higher than your current Basic Allowance of £4,944, but if it had been index-linked it would now be £7,390. This is near the figure we were often told in our evidence giving that you should now have.
- 4.6. In a similar vein, as a Councillor pointed out to us, if we were now to disregard where you currently are and go back to the

way Basic Allowances were often originally calculated (ie hours worked x median salary for workers within that Authority's area, less a public service discount) this would provide for a basic allowance of around £8,200.

- 4.7. Comparisons should be made with other appropriate Councils. A table showing this information for CIPFA comparator Authorities, neighbouring Unitary Authorities, neighbouring District Councils and neighbouring County Councils can be seen in the attached appendix. This starkly brings home how out of step you are. Because of the importance of the Basic Allowance we want to highlight this in the substance of this report as shown below.

<b>Authority</b>	<b>Basic Allowance</b>
Rutland	£4,994
<b>CIPFA Comparator Councils</b>	
Bracknell Forest	£8,687
Isle of Wight	£8,377
Nottingham City	£13,052
Milton Keynes	£11,165
Hartlepool	£8,330
Derby City	£11,523
Wiltshire	£14,075
<b>Neighbouring Unitary Authorities</b>	
Peterborough	£10,663

Leicester City	£11,276
North Northamptonshire	£12,500
<b>Neighbouring District Councils</b>	
Melton	£5,123
South Kesteven	£5,886
Harborough	£5,572
<b>Neighbouring County Councils</b>	
Leicestershire	£11,630
Lincolnshire	£11,249
Cambridgeshire	£10,726

4.8. We would have liked to have heard from more Councillors but the overwhelming evidence we did receive was that this comparatively low level of allowances is now deterring people from wanting to become Councillors and is particularly preventing the wider demographic representation you wish to see.

4.9. As was put to us, there now needs to be a frank conversation across the Council as to whether it is appropriate for the Council to comprise essentially of Councillors who have a separate level of income to support them. We believe this conversation does need to take place as we do not see it as helpful at all for us to make recommendations only for you to consistently see them as inappropriate.

4.10. This was brought home to us by your decision not to apply the index-linking (which is now the norm in practically all other

Councils) which we had recommended to you in our report of 2019. Index-linking does not address all the issues you face, but it is a means of at least seeking to keep pace with inflation and retaining the real value of the allowance. It is also widely accepted by the public as fair.

4.11. We do understand the commendable wish to show empathy and solidarity with people struggling to make ends meet. But, as is also evident, people want income increases to try to cope with increased costs.

4.12. This is the first time we have written a report of this kind for any of the Councils we are associated with. We do not want to appear hectoring or reproachful but want to work in partnership with you. But, as the index-linking issue illustrates, we see little gain from taking one step forward followed by two steps back.

4.13. We appreciate that there never seems to be a good time to have conversations of the kind we are recommending. But, as put to us, it seems best had when the new Council is in place after the May 2023 elections.

4.14. We are not, therefore, at this juncture making any recommendations on your overall level of allowances. There are observations, however, that we think it appropriate to make on the Scrutiny Chair post, Conduct Committee Chair post, Chairman of Council post, the Carer's Allowance, expenses and index – linking.

## 5. Findings

### 5.1. Scrutiny Chair post

5.1.1. You have recently moved away from your previous 3 Committees bi-monthly structure to a single Strategic Overview and Scrutiny committee meeting monthly.

5.1.2. On the face of it there would seem to be a prima facia case for an increase in the allowance, but we were advised that this is a new committee with a review on its effectiveness to be undertaken shortly. We, therefore, think it appropriate to await the outcome of that review before making any allowance recommendation.

## 5.2. Conduct Committee Chair post

5.2.1. This post had previously been unremunerated because it was invariably shared by a Councillor already in receipt of an SRA. This is not now the case.

5.2.2. Although the Conduct Committee plays an important role in upholding public standards in Rutland there are generally only 1-2 meetings per year. We, therefore, believe that an SRA would best take the form of a per-meeting payment similar to that paid to the chair of the Employment and Appeals Committee.

## 5.3. Chairman of the Council

5.3.1. Unlike other SRAs the allowance paid to the Chairman of the Council is not a factor of the Basic Allowance. To bring it into line it would be appropriate to make this allowance a factor of 1 of the Basic Allowance.

## 5.4. Child and Dependent Carer's Allowance



5.4.1. It is important that the availability of this allowance to meet the costs for both child-care and care of adult dependents, while a Councillor is on Council business, is better known. We also believe that the upper limit for claims should be increased to £2,000 per annum.

## 5.5. Expenses

5.5.1. Whilst not within our usual remit we were asked to give a steer on the payment of expenses. We believe it is reasonably straightforward in that if a Councillor is attending an approved duty, then they should be eligible to be paid expenses. But we also believe that there could be some flexibility where it is “in the interest of the Council” for a Councillor to attend an event/meeting. An example would be a newly appointed Councillor who would benefit (and also the Council) from attending a meeting alongside the Council appointed person to help with his/her induction. But the litmus test must always be the ultimate benefit to the Council.

## 5.6. Index-linking

5.6.1. We have already expressed our disappointment that your allowances have not been index-linked since our last report in 2019. You could take a first step in the broader discussion we feel needs to happen by reinstating these now. We believe that this can be done because the decision was taken more than 6 months ago (which is your restriction on revisiting decisions) and that you should do this. We also suggest that the flat-rate increase for NJC staff for 2022/23 should be

applied as the equivalent applicable percentage for your median salary earner.

## 6. Financial Implications

- 6.1. Taking the current £4,944 Basic Allowance and applying increases in line with staff pay awards of 1.75% (from 2021-22), and 6.99% (The applicable percentage increase for a median salary earner on the NJC Pay Scales in 2022-23), leads to a resulting Basic Allowance for each Member of £5382.15.
- 6.2. Your Governance Manager has advised that if approved the resulting total levels of Members Allowances, including the rise in Basic Allowance and subsequent rises in Special Responsibility Allowances, will take the overall costs to approximately £267,000. This could be met within the forecasted budget from 2023/24 onwards.
- 6.3. The full set of revised Special Responsibility Allowances are set out below:

Table of special responsibility allowances	Annual sum (£)	Factor of Basic Allowance
Leader of the Council	18837.53	3.5
Deputy Leader	16146.45	3.0
Cabinet Members	13455.38	2.5
Leader of the Opposition Groups	1,000 split proportionally	N/A

Chairman of Scrutiny Committees	8073.23	1.5
Chairman Planning and Licensing Committee	10764.30	2.0
Chairman of Audit and Risk Committee	6727.69	1.25
Chairman of Employment and Appeals Committee	131 per meeting	N/A
Chairman of Conduct Committee	131 per meeting	N/A
Chairman of the Council	5382.15	1

## 7. Recommendations

- 7.1. That, following your elections in May 2023, the Council, with all Councillor input, considers the appropriateness or otherwise of your level of allowances, in particular your basic allowance, to enable this review to be completed.
- 7.2. That the remuneration for the Scrutiny Chair position be re-examined (potentially alongside the other allowances as in 7.1 above). This would follow the conclusion of the review into the scrutiny committee.
- 7.3. That meantime, the index linking originally recommended in the Panel's 2019/20 review be retrospectively applied. This would be an increase of 1.75% for 21/22 and the median percentage increase for a member of staff for 22/23.

- 7.4. That the post of Chairman of the Council receive an allowance equivalent to a factor of 1 of the Basic Allowance.
- 7.5. That the post of Conduct Committee Chair receive a per-meeting payment similar to the Chair of the Employment and Appeals Committee.
- 7.6. 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.

John Cade

Chair, Independent Remuneration Committee

December 2022