

REPORT OF THE NORTHUMBERLAND COUNTY COUNCIL

INDEPENDENT REMUNERATION PANEL

06 SEPTEMBER 2023

1. Introduction

- 1.1** The Remuneration Panel has been established and maintained under the provisions of the Local Authority (Members Allowances) (England) Regulations 2003.
- 1.2** The current Panel comprises the following members:
- John Anderson (Chair), Chairman of the North East Business Innovation Centre;
 - Allison Thompson, Chair of South Tyneside and Sunderland NHS Trust) and Acting Chair of the Panel for this Review;
 - Hayley Hall, self-employed with experience in public and patient involvement and current member of the Standards Committee at South Tyneside; and
 - Eric Richards, a former council chief officer, former chair of an NHS appeal panel and Chair of Newcastle Independent Remuneration Panel.
- 1.3** The Panel was convened on 23 February 2023 at the request of Council on 4 May 2022 and asked to consider the following:
1. A more considered and detailed review of Members' Allowances Scheme;
 2. The Parental Leave Policy adopted by the Council in September 2021 (subject to consideration by the IRP); and
 3. The provision of payment of broadband / line rental allowances.
- 1.4** During the Review, the Panel also gave further consideration to the level of special responsibility allowances, including those attached to the posts of Deputy Cabinet Members which were appointed to in May 2021, an issue raised by some Members during discussions.

2. Approach

- 2.1** Whilst acknowledging the impact of austerity on the Council and its residents, Independent Remuneration Panels have a duty to assess what the appropriate rate of allowances should be considering the level and range of responsibilities carried out by Members, irrespective of the financial context within which the Council operates.
- 2.2** The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for independent remuneration panels to make recommendations:
- a) as to the responsibilities or duties in respect of which the following should be available:

- (i) special responsibility allowance;
 - (ii) travelling and subsistence allowance; and
 - (iii) co-optees' allowance.
- b) as to the amount of such allowances and as to the amount of basic allowance;
 - c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;
 - d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with [regulation 10\(6\)](#);
 - e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;
 - f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under [section 7](#) of the [Superannuation Act 1972](#); and
 - g) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable in accordance with a scheme made under [section 7](#) of the [Superannuation Act 1972](#).

2.3 In carrying out their work, the Panel has considered the workload and levels of responsibility of elected Members and has had regard to the level of allowances in nearby authorities together with authorities named by CIPFA as being the most closely comparable councils.

2.4 The Panel were conscious of outside factors such as local government pay awards, the wider inflationary environment (e.g. the Customer Price Index) and the national minimum wage.

2.5 The Panel also considered benchmarking information which compared the Council against a combination of its CIPFA "nearest neighbours" and the other North East councils to provide both demographic and geographic comparators. This considered:

- Average Basic Allowances and Special responsibility Allowances per Councillor
- Allowance movements over time
- Allowances as a percentage of local authority budgets
- Per capita analysis of Basic Allowances and Special Responsibility Allowances, and
- Proportion of Members in receipt of a Special Responsibility Allowance

- Consideration was also given to the “Public Service Discount”, the element of Members’ time that is given freely as public service (i.e. not remunerated) to broadly reflect the proportion of time spent on Council-related duties devoted to representing constituents, wards and local communities. It recognises that Members are not employees and that their role must be viewed, in part, as unpaid voluntary service. Consequentially some panels (but certainly not all) apply a percentage discount in the calculations of the basic allowance. The most common percentage discount applied has been estimated at around 33% but examples have been noted as high as 50%¹.

2.6 Whilst no amount is mentioned in the Local Authority (Members Allowances) (England) Regulations 2003, it is discussed in the guidance document ‘Guidance on Members’ Allowances for Local Authorities in England (“the Guidance”) At para. 68 the Guidance states *‘It is important that some element of the work of members continues to be voluntary - that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.’*

2.7 Interviews were held with several Cabinet Members, Deputy Cabinet Members and Group Leaders, and to provide a more rounded and transparent approach, a survey was circulated to all 67 Members asking for their feedback. 16 Members responded to this survey and those responses were considered by the Panel. This provided the opportunity for all Members to give their views.

2.8 The changes in the Council’s decision-making structure approved by the Council at their meeting on 17 May 2023 have been considered.

3. Special Responsibility Allowances (SRAs)

3.1 There was a view gained from the interviews and the survey that the levels of SRAs were not consistent with the workload and level of responsibility required. This was voiced especially in relation to the additional vice-chairs for Local Area Committees and the Deputy Cabinet Members, and in some cases, the working groups.

3.2 The Panel noted that the proportion of members in receipt of SRAs (73%) is high compared to an average of 55% in the comparable authorities. The Guidance on Members’ Allowances for Local Authorities in England 2003 states:

“If the majority of members of a council receive a special responsibility allowance, the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance”

3.2 It should also be possible to compare the SRAs with those of other authorities but recognising the differing needs of the Council and the consequential committee / panel structure.

¹ Examples noted at 50% include Epsom & Ewell, Herefordshire and Lewes & Eastbourne

- 3.3** During this review process the Panel reviewed some specific roles with SRAs attached to them in particular the Deputy Cabinet Members.
- 3.4** The Panel acknowledged there are few analogous roles in the benchmarking groups used in connection with this authority's Panel reviews. Interviews were conducted with several Cabinet Members and two of the three Deputy Cabinet Members to ascertain their workload and portfolio responsibilities and also via the limited information gained from the survey from those Members both in support of, and against the principle of the provision of a Special Responsibility Allowance to the role.
- 3.5** The Panel felt that on the evidence presented, the Portfolio responsibilities of Cabinet Members were not consistent and, in some cases, extremely onerous and widespread. Consequently, the level of responsibilities and workloads falling to the Deputies were similarly onerous and could justify a higher SRA. The Panel noted that the Deputies had no speaking or voting rights at Cabinet which hampered their work and restricted participation.
- 3.6** Following the Annual Meeting on 17 May, the Panel noted that Council approved the recommendation to appoint 8 Cabinet Members (an increase of 2) in addition to the Leader and Deputy Leader and deletion of the 3 Deputy Cabinet members. The Panel recognise that the committee structure is for the Council to agree, and their responsibility is to assess the implications for the special responsibility allowances. However, the Panel considered the new agreed Portfolio responsibilities and agreed that this is consistent with their deliberations.
- 3.7** Other decisions taken at the Annual Council on 17 May have also been noted, including the reinstatement of the Chair and Vice-Chair of the Rights of Way Committee and the implications for SRA's.

RECOMMENDATION 1: that the Panel note the decision made by the Council at their meeting on 17 May and that the SRA for Cabinet Members be increased from 6 to 8 (in addition to the Leader and Deputy Leader) and that the SRAs to Deputy Cabinet Members be deleted.

RECOMMENDATION 1.1: That further in-depth consideration of all SRAs be carried out at the next Review and that role profiles and responsibilities of all Members receiving an SRA be provided to the Panel to aid their deliberations.

4. Travel and Subsistence Allowance

- 4.1** The Travel and Subsistence Allowances are set out in the Council's Travel and Subsistence Policy and reflect the levels set by HRMC.
- 4.2** As an aside one comment was common among Members that they found difficulty in submitting expenses. Whilst outside the remit of the Panel, the Council may wish to consider further training to address this.

RECOMMENDATION 2: that the basis for payment of travel and subsistence expenses should remain as at present, i.e. consistent with HMRC levels and the Council's Travel and Subsistence Policy.

5. Co-optees' Allowances

5.1 The Panel may recommend payments for those who serve on committees or sub committees of the authority but who are not members of an authority and also to make recommendations as to the level of such allowances.

5.2 The Panel were made aware of a number of allowances made to co-opted Members, including those below:

- Independent Chair – Standards Committee £2,700 p.a. x 1
- Independent Co-opted Members – Standards Committee £500 p.a. x 3
- Independent Co-opted Members - Audit Committee £1,000 p.a. x 1
- Independent Chair – Audit Committee £4,005 p.a. x1
- Independent Chair – Pension Fund Panel £4,005 p.a. x1

RECOMMENDATION 3: that allowances paid to co-opted Members be considered at their next Review and role profiles be provided to aid their deliberations.

6. Basic Allowances

6.1 At their meeting in May 2022, Council agreed that the level of basic allowance for Members be maintained at the current level of £15,033 for 22/23 municipal year, with index linking previously agreed for the allowance to be continued². The basic allowance for 22/23 is therefore £16,476. The Panel have reconsidered the position for 2023/24.

6.2 This allowance is intended to cover a range of incidental expenses incurred by Members, including stationary, postage, printing, telephone calls etc; and to recognise the work spent on ward matters. As mentioned in 2.6 above, the element of the work of Members considered to be voluntary must be taken into account, balanced against the need to avoid financial loss.

6.3 The Panel acknowledged the increase in homeworking and virtual meetings during, and following, the Covid pandemic and the saving in time and travel claims because of this, as well as contributing to the Council's green policies. However, they understand that decision-making meetings must be held face to face and further, given the geography of electoral divisions (particularly in the more rural areas), Ward and community work could demand significant travelling time.

6.4 The Panel also noted the long-standing Council decision to link the level of allowances and the annual pay uplift for local government staff (i.e. 75% of NJC scale point 6). During interviews with Members, they appeared to accept this as satisfactory.

² Within the Council, Members' basic allowances are paid at 75% of the National Joint Council for Local Government's agreed scale point 6 and are automatically uplifted based on annual pay awards

- 6.5 The Panel accept this is a convenient method but feel that it may not always be appropriate. For instance, this does not have regard to any structural changes which may occur and due to the cash salary award employees received in 2022/23 (and predicted for 2023/24), this resulted in a significant increase in Members' allowances without having regard to any changes in their workload.
- 6.6 Therefore, whilst agreeing that some form of linking may be appropriate, the Panel agreed that further consideration needed to be given to such anomalies.
- 6.7 The Panel agreed that for 2023/24, it was appropriate to keep the existing link between the Members' Basic Allowance and the annual salary increase for local government staff, as previously agreed by the Council, in accordance with the recommendation of the previous Review conducted by the Independent Remuneration Panel in 2022.

RECOMMENDATION 4: that for the current Municipal Year, the Basic Allowance remains as current and indexed linked in line with the annual percentage salary increase for local government staff for 2023/24, but that index linking should receive further consideration in the next Review for 2024/25 onwards.

7. Dependent Carers Allowance

- 7.1 The Council in exercise of the powers conferred by the local Government Act 1973, agreed a scheme which provides for Members to be reimbursed their carer's costs when engaged in official County Council business. The scheme came into effect in October 1998 and was reviewed in December 2013.
- 7.2 The allowance is payable in respect of the caring for children aged 14 and under, and in respect of dependent relatives who are suffering from illness or disability, and who the Occupational Health Service have confirmed require constant care.
- 7.3 The current allowance is £7.74 per hour for weekdays and £9.21 per hour for weekends, providing this does not exceed the actual cost of care and is inclusive of all travel costs etc of the carer.
- 7.4 The Panel have discussed the Dependent Carers' Allowance scheme in detail and feel that it should be reviewed. Panel Members agreed that the removal of the requirement to have an Occupational Health Assessment as being unnecessary and intrusive. They also suggest that, as Northumberland County Council became a Living Wage Council in 2015/16, payments be consistent with the Living Wage Foundation's Living Wage rate.
- 7.5 As an aside, several Members voiced that they were unaware of the Scheme (which is included as Schedule 3 of the Member Allowance Scheme (Part 7) in the Council's Constitution.

RECOMMENDATION 5: that the requirement to have an Occupational Health Assessment be removed from the criteria within the Dependent Carer Allowance scheme and the allowance payments be consistent with the Living Wage Foundation's Living Wage rate.

8. Local Area Committees

- 8.1** The Panel noted that at the AGM, approval was given to the current chairing arrangements being retained but that discussions take place to determine whether it was more appropriate for each LAC to have one Chair and one vice-chair. The Panel will consider the implications for Special Responsibility Allowances once those discussions have concluded.
- 8.2** Again, to aid this discussion, a role profile of the chair and vice chair(s) would aid the Panel's discussion at that time.

RECOMMENDATION 6: that the Panel consider the implications for Special Responsibility Allowances once the Council's agrees the structure for the Local Area Committees.

RECOMMENDATION 6.1: that Role profiles for the Chair and Vice-Chairs be provided to the Panel at that time to aid their deliberations.

9. Broadband and Telephone Rental payments

- 9.1** The Panel were informed that payments for broadband and in some cases telephone rental, were being paid to some Councillors, but not others. These were historic payments given for special circumstances at the time. The Panel were asked to consider whether these payments should continue.
- 9.2** However, prior to consideration by the Panel, the Head of Democratic and Electoral Services met with the Members involved to discuss the current situation, and, in all cases, Members agreed that the payments should cease forthwith.
- 9.3** The Panel still discussed the issue to give clarity for the future and agree that most properties now have broadband installed and it would be impossible to ascertain the level of usage for private as against council business. Furthermore, all members are issued (should they wish) with mobile phones. No other comparative authorities pay such allowances.

RECOMMENDATION 7: That no special allowance be given for broadband or telephone line rental, and that these should be regarded as being included as part of the Basic Allowance.

10. Parental Leave Policy

- 10.1** The Panel were provided with a copy of the Parental Leave Policy (drafted by the Member Services Working Group), introduced by a member motion and adopted by Council in September 2021. They also received a copy of the discussion and minute of the decision. It was noted that several Members were not aware of this policy, highlighting the need to publicise it more.
- 10.2** Extensive consideration was given to the implications of such a policy, including the equality issues, a need to widen participation and policies to support this. Consideration was given to whether any SRA should be afforded to the Member on leave as well as those covering the role in their absence where necessary, and the impact of such on the Member Allowance Scheme.
- 10.3** Many other Councils have adopted the Policy with similar wording.

10.4 The Panel accepted that a member could currently decide not to attend a meeting for 6 months, an absence that could be extended if agreed by Council and discussed the implications of this against the Policy.

RECOMMENDATION 8: that the Policy, as written and adopted by the Council be supported. However, it became clear during the interviews that Members were unaware of the current policies which identified a need for wider publicity and guidance.

11. Pensions

11.1 From April 2014 Councillors are no longer entitled to be part of the Local Government Pension Scheme and as such are required to make their own arrangements for pensions.

12. Other Issues:

Future Reviews

RECOMMENDATION 9: that a Review be carried annually to assess any changes in the structure of committees and appointments, and to consider any changes in workloads. Timing of these Reviews should feed into the Budget-setting process.

RECOMMENDATION 10: that a full review of all SRAs be planned. Role profiles indicating the responsibilities for each appointment that receives an SRA be provided to assist in this determination.

RECOMMENDATION 11: that allowances paid to co-opted Members be considered at their next Review and role profiles be provided to aid their deliberations.

Issues to be considered at next Review:

- Local Area Committees structure
- Basic Allowances and index linking
- Further review of Special Responsibility Allowances
- Working Groups/Sub-Committees and SRAs

13. Chairman and Deputy Chairman of the County Council - Civic Dignitaries' Allowance

13.1 In addition to the provisions in the Regulations, there are provisions under the Local Government Act 1972 for a principal council to pay their Chairman and Deputy Chairman a 'civic dignitaries' allowance' as deemed reasonable. The Panel were made aware of the decision taken at the Council AGM on 17 May relating to Civic

and Ceremonial Duties and that a local protocol was being developed which would set out those arrangements.

13.2 They note that:

- The Chairman will predominantly lead on matters of Council business and will be known locally as 'Chairman of County Council'.
- In the absence of the Chairman of County Council, the Deputy Chairman will lead predominately on ceremonial matters and will be known locally as the Ceremonial Head at civic events and functions.
- The Deputy Chair (known locally as Ceremonial Head) will appoint a Councillor to assist in her / his role and this assistant will be known locally as the Assistant Ceremonial Head at civic events and functions, in the absence of the Chairman of County Council.

RECOMMENDATION 12 that no civic dignitary allowance be paid to the Chairman or Deputy Chairman of the Council, recognising that their respective SRAs include an element for ceremonial duties. However, that an allowance of £ 1,620 be paid to the Assistant Ceremonial Head.

14. Summary of Recommendations:

The Panel Recommends that:

RECOMMENDATION 1: that the Panel note the decision made by the Council at their meeting on 17 May that the SRA for Cabinet Members be increased from 6 to 8 (in addition to the Leader and Deputy Leader) and that the SRAs to Deputy Cabinet Members be deleted.

RECOMMENDATION 1.1: That further in-depth consideration of all SRAs be carried out at the next Review and that role profiles and responsibilities of all Members receiving an SRA be provided to the Panel to aid their deliberations.

RECOMMENDATION 2: that the basis for payment of travel and subsistence expenses should remain as at present, i.e. consistent with HMRC levels and the Council's Travel and Subsistence Policy.

RECOMMENDATION 3: that allowances paid to co-optees be considered at the next Review and role profiles be provided to aid their deliberations

RECOMMENDATION 4: that for the current Municipal Year, the Basic Allowance remains as current and indexed linked in line with the annual percentage salary increase for local government staff for 2023/24, but that index linking should receive further consideration in the next Review for 2024/25 onwards.

RECOMMENDATION 5: that the requirement to have an Occupational Health Assessment be removed from the criteria within the Dependent Carers Allowance scheme and that allowance payments be consistent with the Living Wage Foundation's Living Wage rate.

RECOMMENDATION 6: that the Panel consider the implications for Special Responsibility Allowances once the Council's agrees the structure for the Local Area Committees.

RECOMMENDATION 6.1: that Role profiles for the Chair and Vice-Chairs be provided to the Panel at that time to aid their deliberations.

RECOMMENDATION 7: That no special allowance be given for broadband or telephone line rental, and that these should be regarded as being included as part of the Basic Allowance.

RECOMMENDATION 8: that the Parental Leave Policy, as written and adopted by the Council be supported. However, it became clear during the interviews that Members were unaware of the current policies which identified a need for wider publicity and guidance.

RECOMMENDATION 9: that a Review be carried annually to assess any changes in the structure of committees and appointments, and to consider any changes in workloads. Timing of these Reviews should feed into the Budget-setting process.

RECOMMENDATION 10: that a full review of all SRAs be planned. Role profiles indicating the responsibilities for each appointment that receives an SRA be provided to assist in this determination.

RECOMMENDATION 11: that allowances paid to co-opted Members be considered at their next Review and role profiles be provided to aid their deliberations.

RECOMMENDATION 12 that no civic dignitary allowance be paid to the Chairman or Deputy Chairman of the Council, recognising that their respective SRAs include an element for ceremonial duties. However, that an allowance of £ 1,620 be paid to the Assistant Ceremonial Head.

RECOMMENDATION 13: Any amendments made to the scheme of allowances be backdated to 1 April 2023 or to 17 May AGM as appropriate.

15. Related Background Documents and references

- The Local Authorities (Members' Allowances) (England) Regulations 2003
- 'Guidance on members' allowances for local authorities in England ("the Guidance")
- Members' Allowances Schemes of regional authorities and statistical neighbours (as defined by CIPFA)
- Local Government Act 1972
- Local Government Act 2000
- Northumberland County Council's Constitution
- Northumberland County Council's Members' Allowances Scheme