



Northumberland

County Council

COUNCIL

DATE: 1ST SEPTEMBER 2021

Members' Allowances Scheme/Independent Remuneration Panel

Report of Helen Lancaster, Senior Manager and Deputy Monitoring Officer, Legal Services

Purpose of report

The Leader requested at the Annual Council Meeting a review of members' allowances, these having last been reviewed in 2015.

This report sets out;

- the legal background to the process,
- details of the last review within the Council,
- recommendations and suggested next steps

Recommendations

It is recommended that Council:

- Notes the steps taken so far within the process
- Approves the re-establishment of an Independent Review Panel (IRP) of three members for a duration of four years
- Endorses the appointment of John Anderson CBE as Chair of the Panel
- Endorses the appointment of Allison Thompson as Panel Member
- Delegates to the Head of Democratic Services and the Monitoring Officer/Deputy Monitoring Officer in consultation with the political group leaders the process of and appointment of a third Panel Member
- Approves the suggested Terms of Reference of the Panel namely;
 - a) To consider issues and representations relating to members' remuneration and expenses including review of current Members' Allowances Scheme and a number of new matters not specifically provided for within the Scheme at present namely;
 1. A proposed Parental Leave Policy
 2. The proposed payment of a special responsibility allowance to new deputy cabinet members
 3. The provision of payment of broadband allowances

- b) To make recommendations and provide advice to the Council with regard to the above
- Agrees a suggested remuneration rate of £600 per panel member which is payable upon this review and any other reviews which are needed within the next four years of their appointment
 - Agrees that it will receive and then consider a report of the IRP after the Panel has met and prepared a report

Link to Corporate Plan

This report is relevant to the “How” priority included in the current NCC Corporate Plan 2018-2021

Key issues

- The Members’ Allowance Scheme has not been reviewed since 2015 and is due for review as there are a number of relevant matters which could affect the scheme
- The Local Authorities (Members’ Allowances) (England) Regulations 2003 state that a scheme can only be amended by a Local Authority after considering the recommendations an Independent Remuneration Panel (IRP)
- The IRP must consist of at least three members and this panel must be appointed by the Council

Background

Legal Background

1. The legislative framework with regard to members’ allowances is contained within the Local Government and Housing Act 1989, the Local Government Act 2000 and the Local Authorities (Members’ Allowances) (England) Regulations 2003. Guidance upon the process is available at <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65960>.
2. The Regulations, in summary, provide for the payment of basic allowances, special responsibility allowances, dependants’ carers’ allowance, travelling and subsistence allowance and a co-optees’ allowance which may be payable to co-opted and appointed members of principal councils and non-elected members of other bodies appointed or nominated by a principal council.

Basic Allowances

3. Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority. The allowance must be the same for each member. The allowance may be paid in a lump sum, or in instalments through the year.

Special Responsibility Allowance

4. Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. Special responsibility allowance may be payable for duties which fall within the following categories:

- acting as leader or deputy leader of a political group
- membership of the executive, where an authority is operating executive arrangements
- presiding at meetings of a committee, sub-committee, or joint committee
- representing the authority at meetings of another body
- membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
- acting as a spokesperson for a political group on a committee or sub-committee
- membership of an adoption appeals panel or panel dealing with licensing or controlling any activity
- any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above.

5. A scheme must also specify the amounts of allowance to be paid for each such responsibility.

Dependants' Carers' Allowance

6. A scheme of allowances may also include the payment of a dependants' carers' allowance to those councillors who incur expenditure for the care of children or other dependants whilst undertaking particular duties specified within the Regulations.

Travelling and Subsistence Allowance

7. Each local authority may also make provision in its scheme for the payment of a travelling and subsistence allowance to its members, including co-opted members. This may include provision for the payment of an allowance for those members who travel by bicycle or other non-motorised transport to attend class of meetings/responsibilities which could be covered are set out within the Regulations.

Independent Remuneration Panel

8. Regulations 20 and 21 provide for the establishment of an independent remuneration panel. Councils are required to establish and maintain an independent remuneration panel which will broadly have the functions of providing the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. A Panel must have a minimum of three members.

Previous Reviews Within the Council

9. Previous reviews were carried out in 2013 and then in 2015. The IRP has considered workload and levels of responsibility of elected members and has had regard to the

level of allowances in nearby authorities. A report has then produced and submitted to Full Council for consideration. Democratic Services has assisted in the past by way of contacting witnesses, convening the panel etc.

The Council's Current Scheme

10. The Council's current scheme contains all of the matters above and is at Part 7 of the Constitution.

Panel Members

11. The 2015 review was chaired by Mr John Anderson CBE. Mr Anderson has also chaired the Panel at North Tyneside, Sunderland and is due to commence a review at South Tyneside and has extensive experience of Chairing review panels. Allison Thompson, another member of the 2015 review panel, also has extensive experience of participating in review panels. On this basis it appeared sensible to approach previous panel members to ascertain if they would be interested in reprising their roles. Both Mr Anderson and Ms Thompson have agreed to assist in the current review. Unfortunately contact has not been able to be made with the third member of the 2015 panel and so it is proposed that officers find an alternative panel member.

Next Steps

12. Officers will attend to the recruitment of a third panel member either by direct appointment if a suitable candidate is found or placing an advert in the press for applicants.

13. Mr Anderson has indicated that he can progress this matter quickly and it is hoped that a report may be ready for the next Council meeting.

Implications

Policy	No significant implications
Finance and value for money	Members' allowances are included within the County Council's current revenue budget. Should the Independent Remuneration Panel recommend a change to the value or number of such allowances, the impact of these recommendations on the current budget will be costed and included in the next report to County Council once the work of the Independent Remuneration Panel has concluded and the financial implications of any recommendations made can be assessed with certainty. The proposed payments to panel members would be met from the legal budget.
Legal	None other than as reflected in the report

Procurement	N/A
Human Resources	N/A
Property	N/A
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Issues relating to equalities are reflected, where appropriate, in the report and appendices
Risk Assessment	N/A
Crime & Disorder	N/A
Customer Consideration	N/A
Carbon reduction	N/A
Health and Wellbeing	None significant
Wards	All

Background papers:

None

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	Full Name of Officer
Monitoring Officer/Legal	Helen Lancaster/Neil Masson
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Relevant Service Director	Allison Mitchell
Chief Executive	
Portfolio Holder(s)	N/A

Author and Contact Details

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