

COUNCIL
12 DECEMBER 2023
PART I
REPORT OF INDEPENDENT RENUMERATION PANEL

1 Summary

- 1.1 Councillor's allowances are paid in accordance with Local Government and Housing Act 1989 and the Local Government Act 2000. Section 18 of the 1989 Act, as amended by Section 99 of the Local Government Act 2000 makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non-councillors who are members of a council's committee or sub-committee. The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations") were made under these provisions. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme.
- 1.2 The 2003 Regulations require all councils to establish and maintain an Independent Remuneration Panel (IRP) which will broadly have the functions of providing the local authority with advice on its scheme of Members Allowances and the amounts to be paid to Members as part of this scheme. Although the advice given by an IRP is not binding on a local authority, they must have regard to any advice given by their IRP when making any decisions on changes to Members Allowances.
- 1.3 The Independent Remuneration Panel appointed by the Council met in November 2023 at the Council's invitation. The Panel's report and recommendations are appended to this report at Annex A. The Council is asked to consider the Panel's recommendations and to decide whether to make any changes to the current Scheme.

2 Details

- 2.1 Legally the Council must pay a basic allowance to each Councillor, which cannot be linked to attendance at meetings or Council business. The basic allowance is intended to recognise the time commitment of all Councillors for demands on their time including meetings with council employees, meetings with constituents, attendance at political group meetings, attendance at council meetings and incidental costs such as the use of their homes. The current basic allowance rate is £4,560 per annum.
- 2.2 Each local authority may also make provision in its scheme for the payment of Special Responsibility Allowances for those Councillors who have significant responsibilities over and above the generally accepted duties of a Councillor. The responsibilities current remunerated under Three Rivers' Scheme of Members' Allowances are:
- Leader of the Council
 - Lead Members
 - Chair of Planning Committee
 - Chair of Licensing Committee and Regulatory Services Committee
 - Chair of Audit Committee
 - Main Opposition Group Leader

- Other Opposition Group Leaders
Chair of Council
- Vice Chair of council

2.3 Special Responsibility Allowances are currently paid as a proportion of the basic allowance as set out below:

<u>Allowance Type</u>	<u>Multiple of the Basic Allowance</u>
Basic Allowance	1.0
Leader of the Council	2.0
Lead Members	1.0
Chair of Planning Committee	1.0
Chair of Licensing Committee and Regulatory Services Committee	0.5
Chair of Audit Committee	0.5
Group Leaders:	
Main Opposition Leader	0.75
Other Opposition Leaders	0.30
<u>Other Allowances</u>	
Chair of Council	1.0
Vice-Chair of Council	0.5

2.4 Whilst the allowances paid to Councillors do not and should not represent a wage, the Panel believes that they should keep pace with increases in local income levels and not be subject to year on year reductions in real terms. Whilst mindful of the financial pressures local authorities are dealing with, the Panel has recommended that the basic allowance and special responsibility allowances are increased in line with the median pay award given to officers and have recommended a 5% increase to Basic and Special Responsibility Allowances. This increase would take the basic allowance to £4,788 per annum. The change that this would have on all allowances is set out in the table appended to this report as Annex 2.

2.5 As part of their deliberations the Panel also considered whether any changes should be made to the Dependent Carers Allowance and the Mileage Allowance. Whilst no changes have been recommended for either it should be noted that officers have been asked to carry out a benchmarking exercise in respect of the cost of hiring professional carers so that this information can be used as part of their deliberations in 2024.

3 Options and Reasons for Recommendations

3.1 The Council must have regard to the recommendations of the IRP in respect of the Members' Allowances Scheme when setting allowances. The Panel's reasons for their recommendations are set out in their report.

3.2 If Council was minded not to accept the recommendations of the IRP, having first considered them, then it could:

- i. make no changes to the Scheme of Members' Allowances
- ii. make its own decision in respect of the amounts to be paid as part of the Scheme of members' Allowances.

- iii. make its own decision as to the date that the changes are implemented.

4 Policy/Budget Reference and Implications

The recommendations in this report are within the Council's agreed policy and budgets.

5 Financial Implications

- 5.1 If approved the increases would result in an increase in the overall spend on Members allowances of £12,050 per annum; with the total spend increasing from £240,996 per annum to £253,045.80 per annum in 2024.

6 Legal Implications

- 6.1 Legal implications are contained in the body of this report.

7 Equal Opportunities Implications

- 7.1 The guiding principle behind the allowances scheme is to reduce financial barriers to being an elected councillor while ensuring that the remuneration and expenses received by councillors represents value for money. By requesting that the Independent Remuneration Panel (IRP) regularly review the scheme the Council aims to ensure that it remains fit for purpose, adapts to changing democratic functions and expectations of elected councillors and ensures that no member of the public feels excluded from standing for office on the grounds of cost.

8 Recommendations

- 8.1 That Council consider its response to the recommendations of the Independent Remuneration Panel, summarised below and set out in full in the Panel's report, attached as Annex 1 to this report:
 - i. That member allowances be increased by 5%
 - ii. The relativity of the Special Responsibility Allowances to the Basic Allowance remain unchanged.
 - iii. The Dependant Carers Allowance remains at £12.50 per hour.
 - iv. Mileage rates remain at 52.2p per mile.
 - v. A benchmarking exercise on the cost of employing professional carers is completed prior to the 2024/25 decision making cycle to ensure that the Dependent Carers Allowance meet Living Wage requirements.
 - vi. The IRP give consideration to the possibility of index linking members' allowances in future years during their deliberations in 2024.
 - vii. The IRP give consideration to the possibility of introducing a Co-optees allowance during their deliberations in 2024.
 - viii. That the new rates for Members' Allowances be implemented from 1 April 2024.

ANNEXES

- Annex 1 – Report of the Independent Remuneration Panel
- Annex 2 – Summary of Proposed Allowances