

Report of the Joint Independent Remuneration Panel

Division and Local Member: All

Lead Officer: Scott Wooldridge, Monitoring Officer and Strategic Manager – Governance & Democratic Services

Author: Julia Jones, Service Manager – Democratic Services

Contact Details: jjones@somerset.gov.uk

1. Summary

- 1.1. This report sets out the report and recommendations of the Joint Independent Remuneration Panel (“the Panel”) following their ‘light touch’ review of the Scheme of Member’s Allowances carried out by the Panel in December 2021 and January 2022. Their review has had the benefit of building upon their previous reports in February and May 2021 and an awareness of the planned Local Government Reorganisation in Somerset in 2023.
- 1.2. The purpose of this report is to inform the Council adopting a new Members’ Allowances Scheme before 1st April 2022 and as part of that process the Council must have regards to the recommendations from its Independent Remuneration Panel.

Subject to approval by the Council, the Members’ Allowances Scheme 2022/23 will run from 1 April 2022 up until 31st March 2023, ahead of the planned vesting day of the new Somerset Council on 1 April 2023. It should be highlighted that the Members Allowances Scheme 2023/24 for the new Somerset Council will be a matter for the County Council to consider in February 2023.

- 1.3. The arrangements for determining allowances for elected members are set down in statutory regulations - the Local Authorities (Members’ Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692). Each local authority is required to appoint and maintain an Independent Remuneration Panel to make recommendations to the Council prior to the Council agreeing any amendments or setting a Members’ Allowances Scheme. Somerset County Council, Somerset West and Taunton Council, and Mendip District Council established a joint panel to advise the councils on their respective Schemes. The Council must have regard to the Panel’s recommendations before making decisions in relation to members’ allowances but doesn’t have to accept them. Where the Council doesn’t accept the Panel’s recommendations it should give reasons for not doing so.

- 1.3** All Members have a personal and prejudicial interest in the receipt of allowances, but the Council's Code of Conduct includes a dispensation allowing members to attend relevant meetings and vote on this matter. This paragraph has the effect of declaring this interest by all Members at this meeting of Council. Members do not need therefore to make a verbal declaration at the Council meeting.

2. Recommendations

Council is recommended to:

- (a) Consider the Panel's recommendations set out in the Panel's report attached as Appendix 1 and paragraph 3.5 of this report with reference to the options set out in paragraph 3.6 before resolving to agree a Scheme of Members' Allowances 2022/23.**
- (b) Authorise the Monitoring Officer to make any amendments to the existing Scheme of Members' Allowances in order to publish the Scheme of Members' Allowances 2022/23 as a result of the Council's decisions in (a) above.**

3 Background

- 3.1** In July 2017 the Council considered a report from the Joint Independent Remuneration Panel after it had carried out a fundamental review and agreed a revised Scheme of Member Allowances for 2017-21.
- 3.2** With the advent of County Council elections in 2022 the Panel would usually undertake fundamental review ahead of this for consideration by the County Council. However, with the reorganisation of Local Government in Somerset, the Panel sought the Leader's opinion about the type of review it was thought prudent to proceed with and it was agreed a 'light touch' review should again be carried out.
- 3.3** The Panel has held virtual meetings on many occasions in recent months and most recently on the 21st January. The culmination of that work is set out in the report of the Panel attached as Appendix 1 to this paper which includes recommendations for changes to the Scheme of Members' Allowances.
- 3.4** The Panel's recommendations are intended to inform the Council agreeing a new Members' Allowances Scheme for the 2022/23 financial year. There will be a more fundamental review to develop the Scheme of Members' Allowances 2023/24 planned ahead of the new unitary authority coming into existence on 1 April 2023.

3.5 Panel's recommendations

The Panel's recommendations (as set out in Appendix 1) for the Council to consider prior to agreeing a new Members' Allowances Scheme for 2022/23 are:

For the current 2021/22 financial year the Panel recommends that:-

1. the level of Basic Allowance (BA) be increased by inflation from April 2021 as determined by CPIH published in April 2021 (rather than a rise linked to officer pay levels);
2. travel allowances for 2021/22 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel also recommend that for the new 2022/23 Scheme of Allowances :-

3. if the roles of Deputy Cabinet Members are to remain as detailed in the constitution, they should be moved to Band 7;
4. the role of Opposition Spokesperson should no longer benefit from an Special Responsibility Allowance (SRA);
5. the roles of Vice-Chair of Regulation and Audit Committees should no longer benefit from an SRA;
6. the role of Vice-Chair of Scrutiny should be moved into Band 6;
7. with regard to co-opted members payments:
 - a. All people co-opted to SCC Committees and/or Partnership Boards be entitled to be paid an allowance and reasonable expenses, and that the allowance be set at £1,000 a year for the current year; and
 - b. No changes be made at the current time to the allowance paid by Somerset County Council to members of the Joint Independent Remuneration Panel, that it be kept at the current level of £577, plus payment of reasonable expenses
8. the level of BA be increased by inflation from April 2022 as determined by the Consumer Prices Index (CPIH) published in April 2022 (rather than a rise linked to officer pay levels); and
9. travel allowances for 2022/23 be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate.

The Panel also asks the Council to consider:-

10. the way in which information is provided to help potential candidates decide whether to stand for election and survey such potential candidates, to include finding out through a questionnaire how important the level of BA is to their decision together with working patterns, geographic location, travel time to meetings and socio-economic background;
11. undertaking exit interviews with members leaving office which would include identifying if they are in need of advice or support in returning to pre-councillor life; and
12. removing the payment of an SRA to Opposition Group Leaders whose membership is below a certain level, for example, 5.

For the period after the election in May 2022, the Panel recommend that:-

13. the BA after the election remain unchanged from that determined in recommendation 8, above;
14. a thorough review of the role and responsibilities of co-optees is undertaken by the new Panel set up to advise on allowances for the new Unitary Council;
15. the payment of allowances to Panel members forming the Panel set up to advise the Council on allowances for the new Unitary Authority is considered and agreed on by members and/or officers outside of the current or future Panel.

It is for the Council to appoint a new panel to advise on allowances in due course but, in view of the experience requirements outlined above, the Panel recommend that, in creating a new panel:-

16. the Council looks for:-
 - a. people who reside in Somerset and drawn from the two existing panels operative in the county at present;
 - b. a wide geographical spread of members from across the county; and
 - c. a membership of five.

3.6 Options available to the Council

The following options are available to the Council when agreeing the new Members' Allowances Scheme for 2022/23:

- 1) *To fully adopt the Panel's recommendations and agree any amendments to the existing Scheme of Members' Allowances; or*
- 2) *To adopt some of the Panel's recommendations and agree any amendments to the existing Scheme of Members' Allowances, stating reasons why it rejected some of the Panel's recommendations ; or*
- 3) *To not adopt any of the Panel's recommendations and agree any amendments to the existing Scheme of Members Allowances, stating reasons why it has rejected all of the Panel's recommendations*

4. Implications

4.1 Financial: Whilst it is difficult to calculate the exact full year impact of applying the Panel's recommendations in full (because it depends on the new democratic arrangements agreed by the council in May 2022) it is likely that it would result in an overall reduction in the cost for SRA payments if otherwise the same or a similar SRA structure is agreed. The actual number of SRA posts will need to be determined by the council following the election in May and overall. It should be highlighted that there will of course be a significant increase in the total cost of basic allowances due to the increase of members from 55 to 110 for 2022/23.

The proposals set out in the report from the JIRP, including the proposals for co-opted members allowances, have been reflected in the Medium Term Financial Plan 2022/23. Depending if the Council decide to adopt all, some of none of the JIRP's proposals there could be varying financial implications.

4.2 Legal: The legal requirements are set out in 1.3 of this report.

4.3 Risk: The risks are reputational rather than legal. The Council does not have to accept the Panel's recommendations but where it chooses not to do so it should give reasons that can be part of the record of the meeting.

4.4 Impact Assessment: There are no direct equalities implications arising from any of the proposals in this report. There are also no sustainability or community safety implications.

5. Background papers

5.1 Joint Independent Remuneration Panel –review Scheme of Member Allowances 2021-22 available at on the following link [SCC allowances and expenses](#))

