

Report of the Joint Independent Remuneration Panel

Division and Local Member: All

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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 Special Responsibility Allowances (SRAs) within the Scheme of Member’s Allowances following the County Council elections, establishment of new committees and changes to executive appointments. Their review has had the benefit of building upon their previous report in February 2022 and an awareness of the planned Local Government Reorganisation in Somerset in 2023.
- 1.2. In February 2022 the Council approved the Members’ Allowances Scheme 2022/23 which is effective from 1 April 2022 up until 31st March 2023, ahead of the planned vesting day of the new Somerset Council on 1 April 2023. The Council recognised at its Annual General Meeting the need to review Special Responsibility Allowances following approval to establish new committees and the changes to the number of executive appointments in relation to the Executive Lead Members (formerly known as Cabinet Members) and Associate Lead Members (formerly known as Junior Cabinet Members) roles.

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. 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 have had a joint panel since 2015 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 does not have to accept them. Where the Council does not accept the Panel’s recommendations it should give reasons for not doing so.

- 1.4.** As part of the transition to the new Somerset Council, this report also sets out proposals for the Council to withdraw from the current Joint Independent Remuneration Panel with Mendip District Council and Somerset West & Taunton Council. Since the County Council is a continuing authority under Local Government Reorganisation, it is proposed that the Council establishes an Independent Remuneration Panel by the end of September 2022 to review and make recommendations regarding the new Somerset Council's 2023/24 Members Allowances Scheme for consideration by the County Council in February 2023.
- 1.5** 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:

2022/23 Members Allowances Scheme – Special Responsibility Allowances

- (a) Consider the Joint Independent Remuneration Panel's recommendations set out in the Panel's report attached as Appendix 1 and paragraphs 3.14-3.17 of this report with reference to the options set out in paragraph 3.18 before resolving any changes to Special Responsibility Allowances within the 2022/23 Scheme of Members' Allowances.**
- (b) Subject to any changes being agreed to Special Responsibility Allowances, 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.**

2023/24 Members Allowances Scheme – Independent Remuneration Panel

- (c) As part of the transition to the new Somerset Council, agree to withdraw from the existing Joint Independent Remuneration Panel and to establish an Independent Remuneration Panel (with terms of reference set out in Appendix 2) to oversee the development and make recommendations regarding the 2023/24 Members Allowances Scheme for the new Somerset Council to the County Council by February 2023.**
- (d) Authorise the Monitoring Officer to undertake all necessary actions to implement recommendation (c) above including the recruitment and**

appointment of panel members to the new Independent Remuneration Panel

3 Background

3.1 Members' Allowances Scheme 2022/23 – Special Responsibility Allowances

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.

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 in Autumn 2021.

3.2 The Panel submitted its report and recommendations to the County Council meeting in February 2022. The Council welcomed and thanked the Panel for its report and agreed the majority of its recommendations except for :

- Increasing the basic allowance by inflation – instead the Council agreed to continue to increase basic allowances in line with officer pay awards
- Reducing Junior Cabinet Member SRA's to Band 7 – instead the Council agreed to reduce these to Band 6 noting that these roles may be reviewed after the elections in May 2022
- Stopping SRAs for Opposition Spokespersons – instead the Council agreed to continue with these SRAs in recognition of the level of time and commitment and that this arrangement has been in place for several years

3.3 One of the Panel's recommendations which the Council agreed was the principle that the Leader of a political group should not receive a SRA when the group membership is below a certain level. However the Council did not set what that minimum level should be.

3.4 The Council recognised that the 2022/23 Members Allowances Scheme may need to be reviewed following the elections in May 2022 if there were changes to the democratic and / or executive arrangements.

3.5 Following the County Council elections and in accordance with the Somerset Structural Changes Order 2022, the number of County Councillors has increased significantly from 55 to 110.

- 3.6** At the Annual General Meeting on 25 May 2022, the Council revised its democratic arrangements by:
- Dissolving the former Constitution & Standards Committee
 - Establishing a new Constitution and Governance Committee
 - Establishing a new Standards Committee
 - Establishing a new Scrutiny Policies and Environment Committee

The Chairs and Vice-Chairs of the new Committees are not provided for in the current 2022/23 Members' Allowances Scheme.

- 3.7** On 30 May 2022, the Leader of the Council agreed the executive arrangements and appointed 9 Lead Members and 10 Associate Lead Members. Details of those appointments are on the council's website.
- 3.8** Following the changes arising from the May 2022 elections and the decisions above, the Joint Independent Remuneration Panel has reviewed SRAs for the 2022/23 Members' Allowances Scheme. The Panel's report and its recommendations are set out in Appendix 1.

3.9 Independent Remuneration Panel for the new Somerset Council

Somerset County Council and the former West Somerset Council established a Joint Independent Remuneration Panel in 2012. In 2015 Mendip District Council joined the Panel. In 2019 the new Somerset West & Taunton Council joined the Panel. The Panel have advised Somerset County Council, Somerset West and Taunton Council and Mendip District Council on their respective Members' Allowances Schemes.

- 3.10** As part of the transition to the new Somerset Council a fundamental review of the Members' Allowance Scheme has been scheduled to be completed by February 2023 with extensive comparative work undertaken with peer unitary councils. A fundamental review of this type will take several months to complete due to the research required, interviews with key members and compilation of the new Member's Allowances Scheme. It is recommended that the fundamental review needs to commence by October 2022 in order to report to the County Council meeting in February 2023.

3.11 Options available are :

- 1) Continue with the existing Joint Independent Remuneration Panel to undertake the fundamental review by February 2023 and in parallel recruit a new Independent Remuneration Panel for the new Somerset Council by February 2023
- 2) Withdraw from the existing Joint Independent Remuneration Panel (leaving a joint panel to advise Somerset West & Taunton and Mendip District Council) and establish a new Independent Remuneration Panel by October 2022 to undertake the fundamental review by February 2023 and any subsequent reviews required by the new unitary council

3.12 Review of the options has led to the recommendation that option 2 is progressed in order to provide continuity for the County Council and the new Somerset Council which will be essential for the new unitary council.

3.13 The proposed terms of reference for a new Independent Remuneration Panel to advise Somerset County Council and in due course the new Somerset Council (as SCC is a continuing authority) are set out in Appendix 2.

Subject to the Council agreeing the proposals set out in the report it is recommended that the Council:

- 1) Agrees to withdraw from the existing Joint Independent Remuneration Panel and thanks its members for their work over several years
- 2) Agrees to establish a new Independent Remuneration Panel for the County Council and the new Somerset Council on the basis of the terms of reference set out in Appendix 2
- 3) Authorises the Monitoring Officer to undertake all necessary actions to withdraw from the Joint Independent Remuneration Panel and to recruit and appoint members to the new Independent Remuneration Panel

3.14 Panel's recommendations

The Panel considers that a light touch review of the 2022/23 Members' Allowances Scheme for SRAs is appropriate given that these will only be in place for slightly under eleven months from the point of appointment to the end of the current financial year and that they will be reviewed again in the fundamental review for the 2023/24 Members' Allowance Scheme.

The Panel considers that, within these parameters, it is safe to assume that the new roles agreed by the Council and the Leader of the Council in May 2022 fit within the existing adopted framework and that there is no need to review the multiples (of BA) that apply to each banding.

3.15 The Panel's recommendations in relation to its review of SRAs for the 2022/23 Members' Allowances Scheme are that:

1. the role of opposition spokesperson should no longer receive an SRA
2. the SRAs for Associate Lead Members be set at Band 7
3. the Chair and Vice Chair of Scrutiny Polices and Environment Committee and the Joint Scrutiny Committee for Local Government Reorganisation be set at Bands 5 and 6 respectively
4. the Chair and Vice Chair of Constitution & Governance Committee be set at Bands 6 and 7 respectively
5. the Chair of Standards Committee be set at Band 6
6. the Leader of a political group receives a SRA where the membership of the political group is 5 or more

3.16 The Panel's recommendations in relation to the new Somerset Council's 2023/24 Members' Allowances Scheme are:

It is recommended that the Council supports the need for a fundamental review of the scheme of allowances for 2023/24 and for this to be reported to the Council by February 2023. It is suggested that this review is considered in three parts:

1. The Basic Allowance
2. The SRAs
3. Other allowances, such as travel, subsistence and carers

With the BA being considered soonest. The role of co-options, including Panel members themselves, should also be considered and this could fit within either part 2 or part 3.

3.17 The Panel's recommendations in relation to establishing an Independent Remuneration Panel for the new Somerset Council:

It is recommended that the Council undertakes the necessary work to ensure that an Independent Remuneration Panel is in place for the new unitary council for 1 April 2023 and that in terms of membership the Council considers:

- a) people who reside in Somerset and drawn from the existing panels operative in the county at present;
- b) a wide geographical spread of members from across the county; and
- c) a minimum membership of five

3.18 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: The respective estimated full year financial implications for each of the Panel's recommendations for SRAs in 2022/23 are:

1. The role of opposition spokesperson should no longer receive an SRA – would result in a reduction of 9 SRAs of £ 1,174 respectively making a total saving of £ 10,566
2. The SRA for Associate Lead Members be set at Band 7 – would result in a reduction of 10 SRAs from £ 2,348 to £ 1,174 respectively making a total saving of £ 11,740
3. The Chair and Vice Chair of Scrutiny Polices and Environment Committee be set at Bands 5 and 6 respectively – would result in additional costs of £ 7,045 and £ 2,348 making a total increase in costs of £ 9,393
4. The Chair and Vice Chair of Constitution & Governance Committee be set at Bands 6 and 7 respectively – would result in additional costs of £2,348 and £ 1,174 making a total increase in costs of £ 3,522
5. The Chair of Standards Committee be set at Band 6 – would result in an additional cost of £ 2,348

If all of the above recommendations were agreed then the net effect would be a saving of £ 7,043.

If just recommendations 3, 4 and 5 were agreed then the net effect would be additional costs of £ 15,263.

Depending on which recommendations are agreed then additional monies would need to be allocated from the Contingency Budget to offset additional costs to the Members Allowances Budget in 2022/23.

- 4.2** Legal: 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).

Regulation 20(2) requires that an Independent Remuneration Panel shall consist of at least three members none of whom –

- (i) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
- (ii) is disqualified from being or becoming a member of an authority

- 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 report set out in Appendix 1

Scheme of Member Allowances 2022-23 available on the following link [SCC allowances and expenses](#))