

Report to Council

Wednesday, 22 February 2023

By the Chief Executive

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Report of the Independent Remuneration Panel

Executive Summary

When deciding the allowances payable to Members, the Council is required to seek recommendations from an Independent Remuneration Panel ("IRP"). Although not obliged to follow those recommendations the Council must have regard to them.

Council staff received a pay rise of £1,925 following a central government announcement in November 2022. Accordingly, the Council instructed the IRP to consider how and whether such an increase should be reflected in Members' Allowances.

The IRP completed its review in January 2023 and its recommendations are set out in the Appendix attached to this report.

Councillors are requested, therefore, to (i) consider the IRP's recommendations, and, (ii) agree the level of Members' Allowances in order to adopt a suitable Members' Allowances Scheme. Councillors can decide to accept (fully or partially), reject or amend the IRP's recommendations.

Recommendations

The Council is recommended:

- i) To note the report and recommendations of the Independent Remuneration Panel contained in the Appendix attached to this report; and
- ii) To (i) agree and adopt the Members' Allowances Scheme contained in the Appendix (which includes an uplift of 4.90% to be applied to Basic Allowances, Special Responsibility Allowances and the Co-optees' and Representatives' Allowances), and, (ii) approve that the 4.90% increase is backdated to 1 April 2022.

Reasons for Recommendations

- i) It is a statutory requirement that the Council instructs the IRP in relation to Members' Allowances.
- (ii) The Council must have regard to the IRP's recommendations when agreeing Members' Allowances.

- ii) It is a function of Full Council to adopt a scheme for Members' Allowances.

Background Papers: None

Wards affected: All

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Background Information

1 Introduction and Background

- 1.1 The Council is required to adopt a Members' Allowances Scheme detailing the level of allowances payable to Members. Legislation requires the scheme to set out the level of Basic Allowance payable to Councillors and may include a Special Responsibility Allowance for Members occupying particular positions within the council structure such as Chairmen of Committees and Cabinet responsibilities. The Scheme may also provide for other allowances such as Dependent Carers' Allowance and Travelling and Subsistence Allowance.

2 Relevant Council policy

- 2.1 To adopt a scheme of Members' Allowances to ensure statutory compliance.

3 Details

- 3.1 In November 2022, the Local Government Association announced that local government employees would be offered a £1,925 pay rise backdated to 1 April 2022.
- 3.2 Accordingly, the Council instructed the IRP (comprising Alan Ladley, Cinzia D'Amico and Martin Loates) to consider whether and how the £1,925 employees' pay rise should be reflected in Members' Allowances.
- 3.2 The IRP has completed its review and its report is attached. The report contains, inter alia, the IRP's recommendations and methodology for computing the uplift in Members' Allowances.
- 3.3 The Council must have regard to the IRP's recommendations when agreeing Members' Allowances. The Council is not obliged, however, to adopt the IRP's recommendations and/or can do so fully or in part.
- 3.4 This review has been undertaken in addition to the interim review that is presently being undertaken.

4 Next Steps

- 4.1 To agree the level of Members' Allowances, having regard to the IRP's recommendations in order that a suitable scheme can be adopted.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

5.1 Not applicable.

6 Other Courses of Action Considered but Rejected

6.1 Not considering the IRP's recommendations was considered but rejected as this approach would contravene statutory requirements.

7 Resource Consequences

7.1 If Council agrees all of the IRP's recommendations it will result in an additional full year spend of £18,470.70 or 4.9% increase of the full year budget for Members' Allowances.

7.2 Costs for the 2022/23 financial year will be effective from the start of the municipal year on the 26 May 2022.

8 Legal Considerations and Implications

8.1 The legislative framework for Members' Allowances is contained in the Local Government and Housing Act 1989 ("the 1989 Act"), the Local Government Act 2000 ("the 2000 Act") and the Local Authorities (Members' Allowances) (England) Regulations 2003.

8.2 Section 18 of the 1989 Act, as amended by section 99 of the 2000 Act, make a provision in relation to basic, special responsibility and childcare dependents' carers' allowances for members of local authorities. The Secretary of State can make regulations under this section requiring local authorities to make a scheme of allowances for their members and to establish and maintain a panel to make recommendations to the council about the same.

8.3 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") have been 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.

8.4 Local Authorities are required to establish and maintain an IRP (of at least three individuals) which will broadly provide the local authority with advice on its scheme, the amounts to be paid. Local Authorities must have regard to this advice.

8.5 Local Authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependants' carers' allowance.

8.6 By virtue of section 100 of the 2000 Act, the Regulations allow the inclusion of a co-optees' allowance within an allowances scheme.

- 8.7 The Regulations allow Local Authorities to backdate allowances to the beginning of the financial year in which they are paid, subject to the recommendations of the IRP.
- 8.8 The Regulations require that as soon as reasonably practicable after receiving a report from the IRP which sets out recommendations, Local Authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours and publish a notice in at least one newspaper circulating in the area which (i) states the Local Authority has received recommendations about the scheme of allowances, (ii) states that copies of the report are available for inspection, (iii) states the address of the principal office, and, (iv) describes the features of the IRP's recommendations including the amounts of allowances the IRP has recommended should be payable to elected members.
- 8.9 The Regulations provide further that as soon as reasonably practicable after determining a scheme of allowances, Local Authorities must ensure that copies of the scheme are available for inspection at their principal offices at all reasonable hours and publish a notice in at least one newspaper circulating in their area which (i) states that the Local Authority has adopted a scheme of allowances and the period for which that scheme has effect, (ii) states that copies of the scheme are available for inspection, (iii) states the address of the principal office, (iv) describes the main features of the scheme including the amounts payable to elected members under the scheme, (v) states that in determining the scheme the Local Authority had regard to the recommendations of an IRP, and, (vi) describes the main features of the IRP's recommendations including the amounts of allowances the IRP has recommended should be payable to their elected members.

9 Risk Assessment

- 9.1 The Council must adopt an approved Members' Allowances Scheme in order to ensure statutory compliance.

10 Procurement implications

- 10.1 Not applicable.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Public sector equalities duties have been considered by the IRP as part of its deliberations.

12 Environmental Implications

- 12.1 Not applicable.

13 Other Considerations

- 13.1 None.