

Report to Council

Wednesday, 21 February 2024

By the

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Interim 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, (except Directors or CEOs whose pay rise is equivalent to 3.5%) or 3.88%, whichever was greater, following a central government announcement in November 2023. 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 2024 and its recommendations are set out in Appendix 2 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

That the Council is recommended:

- i) To note the report and recommendations of the Independent Remuneration Panel contained in Appendix 2 attached to this report; and
- ii) To (i) agree and adopt the Members' Allowances Scheme contained in Appendix 2 (which includes an uplift of 4.76% to be applied to Basic Allowances, Special Responsibility Allowances and the Co-optees' and Representatives on Outside Bodies Allowances), and, (ii) approve that the 4.76% increase is backdated to 24 May 2023.
- iii) To approve the payment of an honorarium, in the sum of £250, to each IRP member in respect of this interim review

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.
- iii) It is a function of Full Council to adopt a scheme for Members' Allowances.
- iv) To approve the payment of an honorarium to the members of the IRP.

Background Papers

None

Wards affected: None

Contact: Aisha Nottage, Democratic Services and Elections Manager.

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 2023, the Local Government Association announced that local government employees would be offered a £1,925 or 3.88%, whichever was greater, pay rise backdated to 1 April 2023. This excluded Directors or CEOs whose pay rise was equivalent to 3.5%.
- 3.2 Accordingly, the Council instructed the IRP (comprising Alan Ladley, Cinzia D'Amico and Annette Capper) to consider whether and how the employees' pay rise should be reflected in Members' Allowances. The biographies of the IRP members is contained in Appendix 1.
- 3.3 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.
- 3.4 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.
- 3.5 In addition, Councillors are asked to approve the payment of an honorarium, in the sum of £250, to each of the IRP members. The honorarium is in consideration for the work undertaken by the IRP for this interim review.

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.
- 4.2 To approve the payment of an honorarium to each of the members of the IRP.

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 noting the IRP's recommendations nor considering the payment of an honorarium for the work undertaken by the IRP. These approaches were considered but rejected as councillors are required to consider the IRP's recommendations and it is considered fair and reasonable that the IRP receives a financial gesture for the work undertaken.

7 Resource Consequences

7.1 If Council agrees all of the IRP's recommendations it will result in an additional full year spend of approximately £19,000 for the 4.76% increase of the full year budget for Members' Allowances. The budget for Members Allowances was set using an anticipated increase of 4% for a full year. However, only backdating to the municipal year starting from 24 May 2023, together with two part-year vacancies will result in this being within budget for 2023/24. However, the ongoing impact is a continuing cost pressure to the Council.

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 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 and the value of allowances to be paid. Local Authorities must have regard to this advice.

8.3 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.

8.4 Local Authorities can backdate allowances to the beginning of the financial year in which they are paid, subject to the recommendations of the IRP.

8.5 Local Authorities are required, as soon as reasonably practicable, after receiving a report from the IRP which sets out recommendations, to 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.

- 8.6 In addition, as soon as reasonably practicable after determining a scheme of Members' 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 its 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.