



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

18 SEPTEMBER 2017

Agenda Status: Public

Directorate: Borough Secretary

Report Title	Independent Remuneration Panel – Members’ Allowances
---------------------	---

1. Purpose

- 1.1 To seek Council’s approval to amend the Council’s current Scheme of Members’ Allowances to take into account the recommendations received from the Council’s Independent Remuneration Panel.

2. Recommendations

- 2.1 To consider the following recommendations received from the Council’s Independent Remuneration Panel, as detailed in the Report at **Appendix 1** and the supplementary Report of the Panel at **Appendix 2**, that:
- a) the Basic Allowance, of £6,692.26 per annum, remains unaltered;
 - b) the Special Responsibility Allowance (SRA) for the Leader of the Council is set at £17,227.74 per annum;
 - c) the annual SRAs for positions receiving an SRA be maintained at the same percentage level of the Leader’s SRA:
 - Deputy Leader (60%)
 - Cabinet Member (55%)
 - Chair of the Overview and Scrutiny Committee (35%)
 - Leader of the Main Opposition Party (35%)
 - Chair of the Planning Committee (30%)
 - Chair of the Licensing Committee (30%)
 - Leader of the Third Group (20%)
 - Councillors appointed to the West Northants Strategic Planning Committee (10%);
 - d) the Special Responsibility Allowance for the Chair of Standards Committee be set at 15% of the Leader’s SRA;

- e) the Co-Optee allowance for the Independent Chair of Audit Committee is set at £4306.94 per annum;
- f) any Independent Members or Parish Councillor Members co-opted onto the Standards Committee receive a co-optees allowance of £500 each per annum;
- g) all the allowances as recommended are indexed at a rate of 1% for 2017/2018;
- h) the recommended Basic Allowance, Special Responsibility Allowances and Co-optees' Allowances be index linked to any salary increases for Northampton Borough Council Officers at grade 5 of the organisation's Pay Scales and that such indexation continues until the next review of the IRP, or for a period of four years, whichever is the sooner;
- i) the Constitution is amended to reflect the policy that, where Councillors hold more than one position of special responsibility, only one SRA (the higher amount) may be claimed;
- j) the Councillors' Travelling Allowance, Guidance for Members, draft version 4, February 2017 (as at **Annex B of Appendix 1**) be approved;
- k) no change is made to the Dependants' Carers Allowance Scheme; and
- l) these recommendations take effect from **May 2017**.

2.2 To amend the Council's Members' Allowances Scheme to reflect the recommendations of the Independent Remuneration Panel as detailed in its reports at **Appendix 1** and **Appendix 2**.

2.3 To delegate authority to the Borough Secretary and Monitoring Officer to:

- a) make the necessary changes to the Members' Allowances Scheme in the Council's Constitution to reflect Council's decision, to include the full schedule of rates and allowances and terms and conditions; and
- b) make arrangements for the publicity that the Council is required to undertake in accordance with Regulation 16 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

3. Issues and Choices

3.1 Report Background

3.1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) put in place a framework for the preparation, requirements and administration of Schemes for the payment of allowances to Members.

3.1.2 Part 4 of the Regulations makes provision in respect of the establishment of an Independent Remuneration Panel whose functions are to make recommendations concerning Members' allowances.

3.1.3 The Council established an Independent Remuneration Panel (the Panel) in August 2016 with the following remit:

To formulate a view and make recommendations to the Council of the kind set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 namely:-

- (a) as to the responsibilities or duties in respect of which the following should be available-*
 - (i) special responsibility allowance;*
 - (ii) travelling and subsistence allowance; and*
 - (iii) co-optees' allowance;*
- (b) as to the amount of such allowances and as to the amount of basic allowance;*
- (c) as to whether dependants' carers' allowance should be payable to members of the authority, and as to the amount of such an allowance;*
- (d) as to whether, in the event that the Scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated to apply with effect from the beginning of the year in which the amendment is made;*
- (e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;*

and to make recommendations in respect of any other matter reasonably referred to the IRP.

3.1.4 Subsequent to the Panel undertaking its original review between August 2016 and March 2017, it was asked to look at two further issues:

- To consider the payment of and (if applicable) amount of allowance for an Independent co-opted Chair of the Council's Audit Committee.
- To consider the payment of and (if applicable) amount of allowance for Independent Members and Parish Councillor Members co-opted to the Council's Standards Committee.

3.1.5 A mini review was undertaken by the Panel in May 2017. [As Full Council has since the conclusion of the mini-review formally agreed to change the composition of the Audit Committee to have an independent co-opted Chair, rather than a Councillor Chair, the recommendation of the IRP in their original report regarding a Special Responsibility Allowance for the Chair of Audit Committee has fallen away. In its place, is the recommendation of the IRP in its supplementary Report (at Appendix 2) regarding a Co-optees allowance for an independent co-opted Chair of Audit Committee.]

3.2 Decision details

3.2.1 The Panel having been constituted, has now concluded its review of Northampton Borough Council's Members' Allowances Scheme and has prepared a Report. The Panel's Report explains how it undertook their review, details the information it considered and sets out its recommendations in relation to the Council's Members' Allowances Scheme. The Panel's Report is at **Appendix 1**. The Panel's supplementary report arising from conclusion of its mini review in May 2017 is at **Appendix 2**.

3.2.2 Full Council is asked to consider the Panel's recommendations.

3.2.3 The recommendation of this report is that the Panel's recommendations should be accepted and incorporated into the Council's Members' Allowances Scheme in the Constitution.

3.2.4 The decision as to whether the Council's Members' Allowances Scheme should be amended, as recommended by the Panel's Report, is a matter for Full Council. However, Regulation 19 of the 2003 Regulations, states that before Council makes or amends a Scheme, it shall have regard to the recommendations made in relation to it by an Independent Remuneration Panel. Full Council therefore has a legal duty to have regard to the Panel's recommendations.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council has discretion as to whether or not it accepts any of the recommendations proposed in the Panel's Report.

4.2 Resources and Risk

4.2.1 If the recommendations of the Panel are accepted the allowances payable for the municipal year 2017/18 would be as follows:

Allowance	Number of Recipients	Recommended Amount	Proposed Percentage of Leader's SRA	With 1% indexation (Paid 17/18)
Basic Allowance	45	6692.26	N/A	6759.18
SPECIAL RESPONSIBILITIES				
Leader's SRA	1	17227.74	N/A	17400.02
Deputy Leader's SRA	1	10,336.64	60%	10440.01
Cabinet Member	5	9475.26	55%	9570.01
Chair of Overview and Scrutiny	1	6029.71	35%	6090
Leader of the Main Opposition	1	6029.71	35%	6090
Chair of the Planning Committee	1	5168.32	30%	5220
Chair of the Licensing Committee	1	5168.32	30%	5220
Leader of the Third Group	1	3445.55	20%	3480.01
Councillor appointed to the West Northants Joint Strategic Planning Committee	4	1722.77	10%	1740
Chair of Standards Committee	1	2584.16	15%	2610
CO-OPTEE'S ALLOWANCES				
Independent Co-opted Chair of Audit Committee	1	4306.94	N/A	4350.01
Parish Councillor Co-optee to Standards Committee	2	500	N/A	£505
Independent Member Co-optee to Standards Committee	2*	500	N/A	£505
TOTALS:				£421,893.20

As shown in the Budgetary Implications section and Summary of Recommendations table in the Panel's supplementary Report at Appendix 2, this would equate to a net increase of £8,809.30 from the current municipal year.

4.2.2 Whilst Council has discretion to resolve to make alterations to the Members' Allowances Scheme different to those recommended by the Panel, it has a duty to have regard to the recommendations of the Panel in doing so. Members should give thorough consideration to the recommendations of the Panel in full Council to achieve compliance with this duty.

4.2.3 Regulation 10(4) of the Regulations permits a Members' Allowance Scheme to make provision for an annual adjustment of allowances by reference to an index. Regulation 10(5) provides that an authority must not rely on such an index for a period of longer than four years before seeking a further recommendation from the Panel.

4.3 Legal

4.3.1 The Council must establish an Independent Remuneration Panel whose function is to make recommendations to the Council concerning allowances payable to Members. The Council must have regard to the Panel's recommendations prior to amending or making a Members' Allowances Scheme.

4.3.2 Regulation 16 of the 2003 Regulations states that after receiving a report from the Independent Remuneration Panel which sets out the Panel's recommendations, local authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after they receive the report, publish a notice which:

- a) states that the authority has received recommendations from an Independent Panel in respect of its scheme of allowances;
- b) describes the main features of the Panel's recommendations including the amounts of allowances that the Panel has recommended should be payable to Members;
- c) states that copies of the Panel's report are available at the authority's principal office and specifies the address of the principal office.

4.4 Equality

4.4.1 The proposals are considered to have a neutral impact in terms of equality issues.

4.4.2 An Equality Impact Assessment has been carried out.

4.5 Other Implications

4.5.1 None specifically.

5. Background Papers

5.1 None

Francis Fernandes
Borough Secretary and Monitoring Officer