

Report to:	Full Council
Date:	22 February 2023
Title:	Members' Allowances Scheme – Report of the Independent Remuneration Panel (IRP) Revisit
Report of:	Simon Russell, Head of Democratic Services and Deputy Monitoring Officer
Ward(s):	All
Purpose of report:	To revisit the Independent Remuneration Panel's recommended changes to the Council's Allowances Scheme, as per the Full Council resolution in November 2020.
Officer recommendation(s):	<p>(1) To reconsider the recommendations of the Independent Remuneration Panel as set out at appendix 1 to the report and decide on one of the following options:</p> <p style="padding-left: 40px;">(a) To accept the Panel's recommendation in full in relation to the levels of Basic Allowance, Special Responsibility Allowances and IT Allowance.</p> <p style="padding-left: 40px;">(b) To partially accept the Panel's recommendation in relation to allowances with compelling reasons for doing so.</p> <p style="padding-left: 40px;">(c) To reject the Panel's recommendation in full with compelling reasons for doing so.</p> <p>(2) That the Head of Democratic Services be authorised to make the necessary amendments (if approved) to the Council's Members' Allowances Scheme to come into operation on 1 April 2023.</p>
Reasons for recommendations:	To meet the statutory requirement for Council to have regard to the recommendations made to it by the Independent Remuneration Panel.
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1 Introduction

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to the recommendations made to it by an Independent Remuneration Panel (IRP) before it agrees its Members' Allowances Scheme.

1.2 In accordance with regulation 20.2 (a) of the above regulations, an IRP comprising a minimum of three members, was appointed and tasked with carrying out a review of the Council’s Allowances Schemes and this took place during 2020.

1.3 The Panel for the review comprised the following members:-

Mr Mark Palmer (Chair) – Development Director at South East Employers. Has strong experience undertaking and chairing IRPs for a variety of Councils.

Mr Ian Buckingham – Is a senior cross-industry “Business and Brand Transformation, Change Communication and Engagement Specialist”. Has previously served on an IRP for Decorum District Council.

Ms Daphne Bagshaw – Previously an East Sussex County Councillor (around 1997-2005) serving on the Cabinet including in a Finance Portfolio. No longer actively involved in politics. Also appointed to another IRP.

2 Recommendations made by the Panel

2.1 Under the regulations the Council is required to have regard to the advice of their IRP. The phrase “ shall have regard to the recommendations made...” is used in the regulations. Should the Council wish to implement arrangements not fully in accordance with the Panel’s recommendations they will need to give compelling reasons for doing so. In addition, it should be noted that details of any variations between the Panel’s recommendations and the Council’s final decision must be detailed in a public notice.

2.2 The full recommendations of the Panel are detailed in their report but a summary is set out below:

- **Basic allowance** (payable to all 27 Councillors): **£3,732**
- **Special responsibility allowances (SRA)** (no councillor shall be entitled to receive at any time more than one SRA):

	Full Year Total:
Mayor	£3,732
Deputy Mayor	£1,866
Leader of the Council	£7,464
Deputy Leader of the Council	£3,732
Other Cabinet Member	£3,732
Chair of Planning Committee	£2,986
Other Members of Planning Committee	£1,866
Reserve Member of Planning Committee	No SRA
Chair of Audit and Governance Committee	£1,866
Chair of Licensing Committee	£1,866
Chair of Scrutiny Committee	£2,986
Leader of the Largest Opposition Group	£3,732
Deputy Leader of the Largest Opposition Group	No SRA
Chair of the Joint Staff Advisory Committee	£1,116

Chairman of a Licensing Sub-Committee	£100 per meeting
Ordinary Member of a Licensing Sub-Committee	£65 per meeting

➤ **Travel and subsistence allowance:-**

No change to current scheme

➤ **Dependants' carers' allowances (DCA):-**

DCA to be based on two rates:

Rate 1: Childcare at market rate with no monthly maximum claim

Rate 2: Specialist care based at cost

➤ **Information technology allowance:-**

£429 per annum.

➤ **Indexing of allowances:-**

The basic allowance, SRAs and IT allowance to be increased annually in line with the percentage increase in staff salaries until 2024, at which time the allowances scheme shall be reviewed again by an IRP.

➤ **Implementation of new scheme of allowances:-**

Recommended to be implemented with effect from the beginning of the 2020-21 financial year.

3 Full Council determination

3.1 Full Council, at its meeting on 18 November 2020 considered the recommendations of the IRP and passed the following resolution:

(1) Having considered the recommendations of the Independent Remuneration Panel (IRP), the Council is grateful to the Panel for its work, but determines that it would not be in the best interest of the Council or the Town to accept them in full given the current financial challenges facing the Council whilst responding to the Covid 19 pandemic;

(2) The Council resolves as follows in relation to the recommendations:

(a) That the basic allowance and special responsibilities allowances be as set out in the current scheme of allowances, and uplift recommended by the IRP be rejected;

(b) To accept the recommendation that no Councillor shall be entitled to receive at any time more than one Special Responsibility Allowance and that this One SRA Only Rule be adopted into the Scheme of

Allowances;

(c) To accept the Panel's recommendations in relation to travelling and subsistence allowances, Dependent Carers Allowances, the proposed policy to support parental leave, and the continuation of the current IT allowance;

(d) To agree that the above changes made to the allowances scheme will be implemented with effect from the beginning of the 2020-21 financial year, and to revoke the current scheme of allowances from the same date.

(3) That the Head of Democratic Services be authorised to make the necessary amendments to the Council's Members' Allowances Scheme;

(4) That the report and recommendations of the IRP be re-considered by Full Council at the end of the current administration in February 2023; and

(5) That thanks be conveyed to the Panel for the work undertaken and report produced.

3.2 As per the above resolution, Full Council is now required to revisit the IRP's recommendations and determine whether:

(a) To accept the Panel's recommendation in full in relation to the Basic Allowances, Special Responsibility Allowances and IT Allowance.

(b) To partially accept the Panel's recommendation in relation to the level of allowances with compelling reasons for doing so.

(c) To reject the Panel's recommendation in full with compelling reasons for doing so.

3.3 It is recommended that any further changes in the Members Allowances Scheme, as determined by Full Council, be implemented from **1 April 2023**.

3.4 The next scheduled review of Members' Allowances will be 2024, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003

4 Financial appraisal

4.1 If the Council was to accept the Panel's recommendations in full, the budget for Members' basic and special responsibility allowances for 2023/24 would be approx. £174,857 (currently £133,731). This would be an increase of £41,126 for the basic, SRA and IT allowances in the current year. The current Members' Allowances budget will not be sufficient to fund the proposed changes detailed in Appendix 1 (IRP's report).

4.2 Therefore, the additional cost of implementing the Independent Remuneration Panel recommendations as set out within the Appendix 1 to the report for a full year

of £41,126 would be met from the 2023/24 provision of £50k set aside for the increase in Members allowances.

5 Legal implications

- 5.1 It is a statutory requirement under regulation 19(1) of the Local Authorities (Members' Allowances) (England) Regulations 2003 that a local authority has regard to the recommendations of an IRP before it makes or amends a members' allowances scheme.
- 5.2 By regulation 2(5) of The Local Authorities (Functions and Responsibilities) Regulations 2000, the function of making any scheme authorised or required by regulations under section 18 (schemes for basic, attendance and special responsibility allowances for local authority members) of the Local Government and Housing Act 1989, or of amending, revoking or replacing any such scheme, is not to be the responsibility of an executive of the authority.

Accordingly, the power to implement the officer recommendations in this report, as set out on the front sheet and reiterated at paragraph 3.2 above, is conferred solely on the Full Council.

Date of legal input: 20.12.22

Legal ref: 011677-EBC -OD

6 Risk management implications

- 6.1 There are none.

7 Equality analysis

- 7.1 The scheme as a whole is intended to assist the objective of overcoming any financial and other disincentive that an individual might experience in being a councillor and encourage persons from all sections of the community to become and remain councillors.
- 7.2 The Panel have given consideration to the subject of equalities in their report.

8 Environmental sustainability implications

- 8.1 There are no implications arising from this report.

9 Appendices

- Appendix 1 – Report from the Independent Remuneration Panel of May 2020.

10 Background papers

- None