

Report to:	Full Council
Date:	21 February 2022
Title:	Members' Allowances Scheme – Report of the Independent Remuneration Panel (IRP)
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> <ul style="list-style-type: none"> (a) To accept the Panel's recommendation in full in relation to the levels of Basic Allowance, Special Responsibility Allowances and IT Allowance. (b) To partially accept the Panel's recommendation in relation to allowances with compelling reasons for doing so. (c) To reject the Panel's recommendation in full with compelling reasons for doing so. <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 2022.</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 of 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 this 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 to be undertaken this year.

1.4 Notification of the review was given to each Town and Parish Council within the District. No specific matters were raised in response and therefore the IRP was not requested to review and/or make recommendations on the current allowances of any such Town or Parish Council.

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 41 Councillors):- **£3,964**
- **Special responsibility allowances (SRA)** (no councillor shall be entitled to receive at any time more than one SRA):-

	Full Year Total:
Leader of the Council	£14,865
Deputy Leader of the Council	£8,919
Members of the Cabinet with Portfolio	£6,689
Members of the Cabinet without Portfolio	No SRA
Chair of the Council	£2,973
Deputy Chair of the Council	No SRA
Chair of Planning Applications Committee	£4,460
Vice Chair of Planning Applications Committee	£892
Other Members of Planning Applications Committee	£669
Chair of Policy & Performance Advisory Committee	£4,460
Chair of the Audit and Standards Committee	£4,460
Leader of the Largest Opposition Group	£5,203
Deputy Leader of the Largest Opposition Group	No SRA
Chair of the Joint Staff Advisory Committee	£1,116

Chair of the Licensing Committee	£65 per meeting
Chairman of a Licensing Sub-Committee	£65 per meeting
Ordinary Member of a Licensing Sub-Committee	0-12 meetings (£0 per annum) 13-26 meetings (£575 per annum) 27-40 meetings (£861 per annum)
Member of Standards Panel	£33 per meeting (maximum of £160 per annum)

- **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 23 November 2020 considered the recommendations of the IRP and passed the following resolution:

1) Having considered the recommendations of the Independent Remuneration Panel (IRP) as set out at Appendix 1 to the report, the Council is grateful to the Panel for its work and recognises the logic of the recommendations put forward, but is unable to accept them in full in light of the current financial challenges facing the Council whilst responding to the Covid 19 pandemic;

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

a) To set the basic allowance payable to all members of Lewes District Council at the current level of £3,260 per annum for April 2021 onwards, and to review the IRP's report again in February 2022 to consider if it would be possible to adopt the higher level of basic allowance recommended from April 2022 subject to any future indexation that may apply;

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 retain the current levels of remuneration for all Special Responsibility Allowances, and to review the IRP's report again in February 2022 to consider if it would be possible to adopt the IRP's recommendations in relation to the Special Responsibility Allowances from April 2022 subject to any future indexation that may apply;

d) That further to c) above, to retain the existing allowance for the Scrutiny Committee Chair and attribute it to the Chair of the Policy, Performance and Advisory Committee and retain the existing allowance for Employment Committee and attribute it the Chair of the

Joint Staff Advisory Committee in the years in which this Joint Committee is chaired by a Lewes District Councillor;

e) To accept the recommendation that travelling and subsistence allowances should continue to be payable to Councillors and any co-opted members in connection with any approved duties in accordance with the current scheme of allowances;

f) To accept the recommendation that the Dependants Carers' Allowance should be based on two criteria. Rate one for Childcare should be at the market rate, reimbursed upon production of receipts, with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required. There should also be no monthly maximum claim;

g) To accept the recommendation that no change should be made to the current eligibility conditions for receipt of the Dependants Carers' Allowance, except that the duties for which this allowance is payable should be in accordance with the list of approved Councillor duties. The Council should also actively promote the allowance to prospective and new Councillors both before and following an election;

h) To accept the recommendation that the recommended duties for Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable should be in accordance with the Approved Councillor Duties;

i) To accept the recommendation in relation to the approach to be adopted as a policy to support parental leave for Councillors;

j) To accept the recommendation that an IT Allowance for Councillors of £429 per annum be introduced from April 2021, subject to any future indexation that may apply and subject to it being reviewed again at the same time as the Council is scheduled to revisit the question of Councillor allowances overall in February 2022;

k) To accept the recommendation that the level at which the Council sets the basic allowance, each of the SRAs and the IT allowance, be increased on 1 April annually in line with the percentage increase in staff salaries up until 2024; and

l) To agree that the changes made to the allowances scheme will be implemented with effect from the beginning of the 2021-22 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 (if approved) to the Council's Members' Allowances Scheme; and

4) 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 in relation to the Basic Allowance, 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 changes in the Members Allowances Scheme be implemented from 1 April 2022.

4 Financial appraisal

4.1 The cost of the review has been met within an existing budget.

4.2 The current Members' Allowances budget will not be sufficient to fund the changes proposed in this report, and as detailed at Appendix 4 to the IRP's report, its recommendation would result in an increase in basic allowance, SRA and IT allowance totalling £56,307 on the current cost. The current budget was set at £236,900 which is 6% more than the current cost, but still £13,460 less than the proposed cost.

4.3 If the recommendations were approved, this would create a budget pressure of £56,307 for 2022/23 and additional growth within future budgets. Any changes agreed to the allowances scheme in February will come into effect from 1 April 2022 and will not be backdated to April 2020. Any additional cost will need to be funded through other available corporate resources and/or contingency budget. This pressure will be reflected within the draft budget for 2022/23, and for the Council to identify savings in order to fund this additional cost.

5 Legal implications

5.1 It is statutory requirement that a local authority has regard to the recommendations of an IRP before it makes or amends a members' allowances scheme

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