

**Report of the Independent Remuneration Panel – Members' Allowance Scheme**

<b>Final Decision-Maker</b>	Council
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Lead Officer and Report Author</b>	Lara Banks, Principal Democratic Services Officer
<b>Classification</b>	Public
<b>Wards affected</b>	ALL

**Executive Summary**

This report provides the recommendations of the Independent Remuneration Panel for a new Members' Allowance Scheme for Maidstone Borough Councillors, to reflect the change in governance arrangements.

**Purpose of Report**

Decision

**This report makes the following recommendations to Council:**

1. That the Members' Allowance Scheme recommended by the Independent Remuneration Panel, with the exception of the SRA for the Leader of the Opposition, be adopted and added to the Constitution, as set out in Appendix B to the report.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Council	21 May 2022

# Report of the Independent Remuneration Panel – Members’ Allowance Scheme

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	The Members’ Allowance Scheme supports and recognises the work of the Councillors.	Democratic and Electoral Services Manager
<b>Cross Cutting Objectives</b>	The Scheme gives clarity to the payments made to Councillors.	Democratic and Electoral Services Manager
<b>Risk Management</b>	Refer to section 5 of the report.	Democratic and Electoral Services Manager
<b>Financial</b>	<p>Implementing the recommendations of the Independent Panel in full would give rise to an additional annual cost of £118,000 plus approximately £6,000 Employer National Insurance, arising mainly from the higher basic member allowance and the additional posts that will now attract a special responsibility allowance. There is potential for this amount to reduce if individual members cover more than one role. The cost may also change if the planned six month review of the Constitution gives rise to a reduction in the number of posts that attract a special responsibility allowance.</p> <p>The additional cost may be met from the Council’s balances in the current financial year. As an ongoing cost, provision would need to be built into the budget for future years and this will be addressed as part of the forthcoming budget process for 2023/24.</p>	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Democratic and Electoral Services Manager

<p><b>Legal</b></p>	<p>The legal framework for Members' Allowances is established under the Local Government and Housing Act 1989, section 18. This gave the Secretary of State the power to make regulations authorising or requiring local authorities to pay a basic allowance to each councillor and special responsibility allowances to councillors with special responsibilities.</p> <p>The section was amended by the Local Government Act 2000, section 99 to allow the Secretary of State to make regulations providing for the payment of pensions, allowances and gratuities to Members and the payment of carers allowances.</p> <p>Under the Local Authorities (Member Allowances) (England) Regulations 2003, before a local authority makes or amends a scheme for Members' Allowances, it must have regard to the recommendations made to it by an independent remuneration panel.</p>	<p>Interim Deputy Head of Legal partnership and Monitoring Officer</p>
<p><b>Privacy and Data Protection</b></p>	<p>No impact.</p>	<p>Democratic and Electoral Services Manager</p>
<p><b>Equalities</b></p>	<p>The review and changes made to the scheme make it more accessible to all groups. It addresses areas where a protected characteristic could have been a barrier previously. This has been achieved through an increase in basic allowance reflecting real living wage increase, parental leave, childcare reimbursement and dependent carers allowance.</p>	<p>Policy &amp; Information Team</p>
<p><b>Public Health</b></p>	<p>We recognise that the recommendations will not negatively impact on population health or that of individuals.</p>	<p>Democratic and Electoral Services Manager</p>

<b>Crime and Disorder</b>	No impact.	Democratic and Electoral Services Manager
<b>Procurement</b>	No impact.	Democratic and Electoral Services Manager
<b>Biodiversity and Climate Change</b>	No impact.	Democratic and Electoral Services Manager

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The Independent Remuneration Panel (IRP) met on the 8<sup>th</sup> and 22<sup>nd</sup> February 2022 to review the Members' Allowance Scheme. The report of the IRP can be found at Appendix A to this report.
- 2.2 The review was undertaken due to the change in governance structure due to take effect from 21 May 2022, from a Committee Model to an Executive-led Leader and Cabinet Model.
- 2.3 The last review of the Members' Allowance Scheme was undertaken by the IRP in April 2019. The motion at the meeting of the Council on 17 July 2019 to approve the scheme was not carried, and so the existing arrangements, agreed in July 2018, remained in place.
- 2.4 It should be recognised that the IRP continue to recommend the 'One SRA Only Rule', whereby no Member should receive more than one Special Responsibility Allowance (SRA). This is common practice for many councils.
- 2.5 The report of the IRP notes that:

*'special responsibility allowances are used to recognise the **significant** additional responsibilities which attach to some roles'*

Therefore as the role of the Leader of the Opposition does not have responsibilities for specific functions within the Constitution, it is proposed that the SRA associated with this role is not implemented.

- 2.6 The updated Members' Allowance Scheme, should the IRP's recommendations be adopted, is attached at Appendix B to the report, with the changes denoted in red. The adopted scheme will form Part F1 of the Constitution if adopted.
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### **3. AVAILABLE OPTIONS**

- 3.1 Do nothing. This option is not recommended as any new roles within the new governance model would not receive SRAs.
  - 3.2 Adopt the Members' Allowance Scheme recommended by the Independent Remuneration Panel and add this to the Constitution.
  - 3.3 Adopt the Members' Allowance Scheme recommended by the Independent Remuneration Panel, with the exception of the SRA for the Leader of the Opposition, and add this to the Constitution, as set out in Appendix B to the report.
  - 3.4 Adopt an amended version of the Members' Allowance Scheme and add this to the Constitution.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 It is recommended that the Members' Allowance Scheme recommended by the Independent Remuneration Panel, with the exception of the SRA for the Leader of the Opposition, is adopted and added to the Constitution, as set out in Appendix B.
  - 4.2 The Scheme has been formulated by an independent panel and underpinned by the Public Service Principle and the Fair Remuneration Principle, as outlined in Appendix A.
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### **5. RISK**

- 5.1 An increased budget will need to be allocated to Members' Allowances. The additional cost may be met from the Council's balances in the current financial year. As an ongoing cost, provision would need to be built into the budget for future years and this will be addressed as part of the forthcoming budget process for 2023/24.
- 5.2 The risk of not approving an updated Members' Allowance Scheme is that the current scheme does not match the new model of governance, and so any new roles would not receive remuneration, where existing roles would continue to receive SRAs. This would create inconsistency and give rise to unfairness within the scheme.
- 5.3 Additionally, the IRP calculated the basic allowance to ensure it would not constitute a barrier to candidates from all sections of the community standing or re-standing for election as councillors. Therefore the risk of a barrier existing is managed by adopting the recommendations of the IRP.

### **6. CONSULTATION RESULTS AND PREVIOUS FEEDBACK**

- 6.1 As part of the review, the IRP interviewed ten Maidstone Borough Councillors using a structured questioning process.

- 6.2 A questionnaire was also sent to all 55 Members, with 20 responses received and one email response to the Panel.
- 6.3 The results of both consultations were taken into account by the IRP when formulating their recommendations.
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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 If a new Members' Allowance Scheme is adopted by the Council, the new scheme would be added to the Constitution, as per Appendix B to the report, and advertised in the local newspaper in line with The Local Authorities (Members' Allowances) (England) Regulations 2003.
- 7.2 The new scheme would come into effect from 21 May 2022.
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## **8. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix A: The report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Maidstone Borough Council
  - Appendix B: Updated Members' Allowance Scheme
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## **9. BACKGROUND PAPERS**

None.