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NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY**SHADOW AUTHORITY MEETING****20th August 2020****Report of the Chair of the Governance Task & Finish Group**

Report Title	Members' Allowance Scheme 2020/2021 – Report from the Independent Remuneration Panel
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1. Purpose

1.1 The purpose of this report is to receive the recommendations of the Independent Remuneration Panel (IRP), established by the Shadow Authority, in relation to the adoption of a Members' Allowance Scheme for 2020/2021.

2. Recommendations

It is recommended that the Shadow Authority:

- i) Approve the recommendations contained within the Independent Remuneration Panel's report; and
- ii) Note that the Panel will commence work on drawing-up recommendations for a Members' Allowances Scheme for North Northamptonshire Council, as required by the Structural Changes Order (as amended).

3. Issues and Choices

3.1 Report Background

3.2 Members are aware that allowances are payable to those elected as local councillors and that these are paid in accordance with a scheme of allowances approved by the council of which they are a member. Since councils approve the scheme of allowances payable to their members, regulations have been made by Parliament which set rules about the allowances, including requiring councils to have regard to recommendations made by a panel of independent persons when setting those allowances.

3.3 The Northamptonshire (Structural Changes) Order 2020 (as amended) contained specific provisions regarding members' allowances for the Shadow

Authority, and for the new North Northamptonshire Council following Vesting Day on 1st April 2021.

- 3.4 The Structural Changes Order applied the regulations relating to members' allowances to the Shadow Authority with modifications. The Order as amended required the Shadow Authority to:
- i) Formulate proposals for the scheme of members' allowances to be adopted by the Shadow Authority;
 - ii) Prepare and adopt a scheme for the payment of such allowances; and
 - iii) Formulate proposals for the scheme of members' allowances to be adopted by the North Northamptonshire Council.
- 3.5 Importantly the Order required the Shadow Authority, when taking the steps at 3.4, to appoint an Independent Remuneration Panel (IRP) and to have regard to the recommendations made in a report by that Panel.
- 3.6 At its meeting on 4th June 2020, the Shadow Authority agreed to the establishment of a Panel consisting of –
- Professor Steve Leach – Emeritus Professor of Local Government at De Montfort University and an experienced chair of IRPs.
 - Ms Sue Watts – of Age UK, a representative of the voluntary sector and experienced IRP member.
 - Gerard Dempsey JP – a background in financial management, a lay member of the Lord Chancellor's Advisory Committee and experienced IRP member.
- It was further agreed by the Shadow Authority that Professor Steve Leach be appointed as Chair of the IRP.
- 3.7 The Panel's initial task was to formulate recommendations for the Shadow Authority in relation to a Members' Allowance Scheme for 2020/2021 (the "Shadow Period").
- 3.8 A second review to consider the role of members of the new North Northamptonshire Council, including special responsibilities, will be undertaken.
- 3.9 There was clearly a distinction to be made between the role(s) of members in the Shadow Authority, and the role(s) of members in the new North Northamptonshire Council. The IRP took this into account when formulating its proposals.
- 3.10 A copy of the Panel's final report is attached as Appendix A. The key recommendations forwarded by the Panel are –
- A basic allowance of £1,000 should be allocated to the members of the shadow authority.
 - A special responsibility allowance of £6,000 should be allocated to the authority's leader.

- A special responsibility allowance of £4,000 should be allocated to the other members of the executive
 - A special responsibility allowance of £2,000 should be allocated to the chairs of the Overview and Scrutiny Committee and Appointments Committee respectively.
 - A special responsibility allowance of £4,000 should be allocated to the chair of the Shadow Authority
 - All allowances should be backdated to the date of the inception of the Shadow Authority.
 - All travel and subsistence expenses and carers allowances should be met by the five participating local authorities.
- 3.11 It should be noted under the Structural Changes Order (as amended), a Shadow Member may receive a basic allowance from the Shadow Authority OR continue to receive a basic allowance from their sovereign council, but cannot receive both.
- 3.12 It should be noted under the Structural Changes Order (as amended), a Shadow Member may receive one special responsibility allowance from the Shadow Authority OR where applicable, continue to receive a special responsibility allowance from their sovereign council, but cannot receive both.

4. Implications (including financial implications)

4.1 Policy

4.1.1 None specific to this report.

4.2 Resources and Risk

4.2.1 It should be noted, that the proposed scheme fully costed totals £202,000 if all proposed allowances were claimed. Given that the level of basic allowance and the proposed special responsibility allowances are far less than currently approved within sovereign councils, it is expected any cost to the Shadow Authority would be nil or minimal.

4.3 Legal

4.2.1 Local Authorities must follow the process set out in the Local Authorities (Members Allowances) (England) Regulations 2003 when setting the scheme of allowances payable to their members. Those provisions apply to the Shadow Authority as modified by the Structural Changes Order (as amended). The body of this report sets out the relevant provisions of both and recommends the appropriate steps to take to comply with these.

4.4 Equality and Health

4.4.1 None specific to this report.

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