

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW AUTHORITY MEETING

Thursday 25 February 2021

Report Title	Scheme of Members' Allowances – Report of the Independent Remuneration Panel
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List of Appendices

- 1 & 1(a) - Report of Independent Remuneration Panel
- 2 - Draft Scheme of Members' Allowances

1. Purpose of Report

- 1.1 To receive the recommendations of the Independent Remuneration Panel (IRP) set up by the Shadow Authority and approve a scheme of members' allowances for North Northamptonshire Council to take effect from 1st April 2021 until the scheme is amended or revoked by the Council.

2. Recommendations

- 2.1 The IRP recommendations are approved and agreed as the Members' Allowance Scheme for North Northamptonshire from 1st April 2021 in that: -

- (1) The basic Allowance in North Northamptonshire should be set at £12,500.
- (2) Special Responsibility Allowances should be allocated as follows.

Leader of the Council:	£27,000
Deputy Leader of the Council:	£18,000
Member of the Executive:	£13,500
Leader of the largest opposition party:	£10,000
Deputy leader of the largest opposition party: (if group size is 15 or over)	£ 4,000
Leader of a party with 10 or more members:	£7,000
Leader of a party with 4-9 members:	£4,000
Chair of the Scrutiny Committee: (see recommendation (3) below)	£13,500
Chair of the Strategic Planning Committee:	£7,500
Chair of an Area Planning Committee:	£3,750
Chair of the Licensing & Appeals Committee: (see recommendation (4) below)	£7,500
Chair of the Audit and Governance Committee: (but see para 2.33 of the report)	£7,500

Chair of the Democracy and Standards Committee:	£7,500
Chairs of the Employment Committee, the Police and Crime Panel and the Health and Well-being Board:	£4,000

- (3) A total allowance of £40,000 should be allocated to the Scrutiny function to be distributed within this financial envelope.
- (4) A total allowance of £10,000 should be set aside and allocated amongst members chairing Licensing Panels of major significance during a municipal year.
- (5) The personal civic allowance paid to the Chair of the Council should be set at £10,000 and that of the Deputy Chair, £5,000.
- (6) SRAs should not at the present time be allocated to the vice-chairs of the committees and boards listed. This recommendation should be reviewed at the end of the 2021-22 municipal year.
- (7) An attendance allowance of £400 per meeting should be paid to non-council members who have been co-opted on to council committees such as Audit and Governance and Democracy and Standards, to the Parent Governor representative on the Scrutiny Committee and to any other co-optees subsequently appointed.
- (8) No hourly rate should be specified for the childcare and dependant's carers' allowance. Payment should be made on the production of receipts, within a maximum ceiling of £6,500 per municipal year for any one councillor.
- (9) The criterion used for the annual updating of members allowances should be the NJC pay award to officers.
- (10) Travel and subsistence allowances should be in accordance with HMRC specified mileage allowances and the LGA recommended travel and subsistence payments. These rates should be equally applicable to co-opted members.
- (11) No additional allowance for IT equipment and use should be paid to members. The Basic Allowance has been set to incorporate an IT element.
- (12) The allowances scheme should be reviewed in a year's time, when experience of operating the new decision-making structure will have accumulated.
- (13) If the size of the executive is reduced, then the total allocation to the executive members should be redistributed within the same financial envelope, unless the change involves a substantial delegation of executive responsibilities to officers.
- (14) If a councillor holds two positions for which SRAs are payable, it is only the higher of these SRAs which can be claimed.

- (15) A 'diversity strategy' aimed at encouraging a wider range of groups to stand for council election should be a priority for the new council.
- (16) That where appropriate, those individuals who are Members of North Northamptonshire Council from 1st April 2021 will receive pro rata payments of Basic and SRA Allowances for the period up to 10th May 2021 (to be known as the "Interim Arrangement").
- 2.2 The Council is required to determine how the total allowance of £40,000 allocated to the Scrutiny function should be distributed (*see recommendation (3) above*). It is proposed that this will be determined by the new Council early in the municipal year by Members.
- 2.3 The Council is required to determine how the total allowance of £10,000 allocated to the Licensing function should be distributed (*see recommendation (4) above*). It is proposed that this will be determined by the new Council early in the municipal year by Members.
- 2.4 That Council adopt a Scheme of Members' Allowances for North Northamptonshire Council with effect from 1st April 2021 until the scheme is amended or revoked by the North Northamptonshire Council, and that the draft Scheme attached as Appendix 2 be approved.

Reasons for Recommendations

The recommendations are based on the proposals submitted by the Independent Remuneration Panel established to consider Members' Allowances for the new North Northamptonshire Council, effective from 1st April 2021.

The report of the IRP is attached as Appendix 1 together with a benchmarking table as Appendix 1(a). The draft Schedule is attached as Appendix 2.

3. Report Background

- 3.1 Members will be 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. Although councils approve the scheme of allowances payable to their members, regulations have been made by Parliament including requiring councils to have regard to recommendations made by a panel of independent persons when setting those allowances.
- 3.2 The Northamptonshire (Structural Changes) Order 2020 (as amended) contains specific provisions regarding members' allowances for both the Shadow Authority and for the new North Northamptonshire Council following vesting day on 1st April 2021. The Order required the Shadow Authority to formulate proposals for a scheme of members' allowances to be adopted by the Shadow Authority and prepare and adopt a scheme for the payment of such allowances.
- 3.3 At its meeting on 4th June 2020, the Shadow Authority agreed to establish an IRP 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.

- 3.4 The IRP’s initial task was to formulate recommendations for the Shadow Authority in relation to a members’ allowance scheme for 2020/2021 (the “Shadow Period”). The recommendations were considered by the Shadow Authority on 20th August 2020 and a scheme of members’ allowances for the Shadow Authority was adopted.
- 3.5 The Structural Changes Order (as amended) also requires the Shadow Authority to formulate and adopt proposals for a scheme of members’ allowances for North Northamptonshire Council. The IRP has now conducted a second review to consider the role of members of the new North Northamptonshire Council, including special responsibilities. 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 has taken this into account in formulating its proposals.
- 3.6 The Draft Scheme of Members’ Allowances for North Northamptonshire Council is attached as Appendix 2.
- 3.7 It should be noted that the Panel have based their recommendations on the information regarding the proposed governance structure available at that time. Since the Panel have provided their report, proposed amendments to the governance structure have been made following Member feedback and discussions at the Governance Task and Finish Group.
- 3.8 In relation to the Planning Authority’s responsibility for development control/management, the Panel’s assessment was based upon two Area Planning Committees. The recommendation is now for four Area Committees. In consultation with the Chair of IRP, it is proposed that the Chair’s allowance for each Area Committee be £3,750. Members should note that “major” and some other applications (meeting certain criteria) will now be referred to the Strategic Planning Committee, whose responsibilities cover the whole of North Northamptonshire.
- 3.9 Since the IRP discussions, there have been suggestions that the number of Scrutiny committees be increased. Allowance has been made in the IRP proposals for an additional £40k to cover associated scrutiny allowances, therefore there is some inbuilt flexibility on this issue. Members do need to be mindful that the IRP proposal was based on one Scrutiny Committee, with one Chair on an allowance of £13,500. If the number of scrutiny committees is

increased, then the area of responsibility for the original scrutiny committee is reduced. Members may feel that this may be an area for review in the future.

4. Implications (including financial implications)

4.1 Resources and Financial

The Panel's estimate of the overall budget figure required for members allowances for a full municipal year is £1,260,000. This estimated total excludes:

- the proposed personal civic allowances
- any claims made under the proposed carers' allowance
- any claims made by Independent Persons
- any claims made under travel & subsistence allowance
- additional IT equipment that may be provided by North Northamptonshire Council. Whilst an element of the Basic Allowance may cover some IT costs, there may be a need to consider the provision of additional equipment in some cases.
- The exact political representation on the Council, particularly in relation to the number and size of Opposition Groups. The estimate is based upon one claim against each Opposition Group category.

4.2 Legal

4.2.1 The Northamptonshire (Structural Changes) Order 2020 (as amended).

4.2.2 The Local Government and Housing Act 1989 (as amended by the Local Government Act 2000)

4.2.3 The Local Authorities (Members' Allowances) (England) Regulations 2003

4.2.4 Under the provisions of legislation, local authorities are required to:

- make a scheme of members' allowances, and can exercise local discretion as to the amounts to be paid under their scheme
- establish and maintain an IRP to make recommendations to the council on allowances matters
- appoint an IRP to review the scheme of members' allowances at least every four years
- have regard to the recommendations of its independent panel in determining allowances matters.

4.3 Risk

There are two main risks:

- (i) The Council does not have a valid allowance scheme for Councillors.
(This risk is mitigated by the appointment of an IRP and the formal consideration of its findings at this meeting)
- (ii) the levels of allowances are inappropriate.

(This risk is mitigated by the fact that the IRP members are independent of the Council and have considered evidence, undertaken research, and carried out benchmarking of other councils.)

4.4 Consultation

4.4.1 All members of the Shadow Council, Independent Persons and Chairs of the sovereign councils' Standards committees were invited to make representations to the IRP prior to its meeting on 5th February 2021. The Shadow Executive and Governance Task and Finish Group met with the Panel via Zoom on 2nd February 2021.

4.4.2 Publicity for the review was via a media release and information about the review was included on the Future Northants North Website as a news item, including an opportunity for members of the public to make representations to the IRP.

4.4.3 In accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003 a public notice has been published in a newspaper circulated in the area which: -

- (i) states that the Council has received recommendations from an independent remuneration panel in respect of the scheme;
- (ii) describes the main features of the panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of the authority;
- (iii) states that copies of the panel's report are available upon request for inspection by members of the public. *(NB. due to coronavirus restrictions members of the public cannot attend the registered office to view the recommendations in person, but the notice sets out alternative methods for members of the public to inspect the panel's report.)*
- (iv) specifies the address of the principal office of the authority.

4.5 Climate Impact

The draft scheme of members' allowances at Appendix 2 takes account of existing national and local policies and guidance in respect of climate change. The increased use of new technology for public and or internal meetings may minimise the number of mileage and subsistence claims being received.

4.6 Community Impact

IRPs have an important role in highlighting how barriers to people becoming councillors can be removed. The IRP has recommended that a 'diversity strategy' aimed at encouraging a wider range of groups to stand for council election should be a priority for the new council. Remuneration for Councillors is intended to ensure that there are no significant financial barriers preventing people taking on the role of Councillor and therefore needs to be at an appropriate level which enables Councillors to undertake their role effectively.

4.7 Equality and Health

Under the general equality duty as set out in the Equality Act 2010, local authorities are required to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as advancing equality of opportunity and fostering good relations between people who share a protected characteristic and those who do not. It is important to ensure that the Scheme of Members' Allowances does not discriminate unlawfully against any particular group of people.

5. Background Papers

Briefing Pack for IRP – January 2020
