

## REVIEW OF THE SCHEME FOR MEMBERS' ALLOWANCES

### Governance Committee - 7 November 2017

Report of	Chief Finance Officer
Status	For Consideration and Decision
Also considered by	Council - 21 November 2017
Key Decision	No

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**Executive Summary:** A Joint Independent Remuneration Panel carried out a review on Members Allowances. The review made a number of recommendations that were presented to the Governance Committee and Council. Council recommended that a working group look at several issues and report back to the Governance Committee.

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**This report supports the Key Aim of Effective Use of Council Resources**

<b>Portfolio Holder</b>	Cllr. Anna Firth
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#### **Recommendation to Governance Committee:**

- (a) That it be recommended to Council that either
  - i) no action is taken;
  - ii) the recommendations in the Members' Allowances Working Group report (Appendix A) be agreed; or that
  - iii) a different recommendation is agreed

#### **Recommendation to Council:**

- (a) That either
    - i) no action is taken;
    - ii) the recommendations in the Members' Allowances Working Group report (Appendix A) be agreed; or that
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iii) a different recommendation is agreed

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**Reason for recommendation:** Section 19 of The Local Authorities (Members Allowances)(England) Regulations 2003 state that before an authority makes or amends a Members' Allowance scheme, the authority shall have regard to the recommendations made in relation to it by the Independent Remuneration Panel.

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## **Background**

- 1 The Joint Independent Remuneration Panel (JIRP) was established jointly by Tonbridge and Malling Borough Council, Tunbridge Wells Borough Council and Sevenoaks District Council in 2001 to make separate recommendations for each Council on their Scheme of Members' Allowances. The JIRP operates under the Local Authorities (Members' Allowances) (England) Regulations 2003. The function of the Panel is to make recommendations to Council in accordance with Statutory Instruments (Primarily 2003 No.1020 and No.1692).
- 2 One of the roles of the Governance Committee is to receive the recommendations of the JIRP and make recommendations for changes to the Members' Allowance Scheme to the Council and, if required, to the JIRP.

## **Introduction**

- 3 The JIRP provides an objective view of the remuneration that should be provided for Members and makes a recommendation to this Council. Legislation requires that before an Authority amends a scheme, the authority shall have regard to the recommendations made to it by the JIRP.
- 4 The Council's current Members' Allowance Scheme is set out in Appendix G of the Constitution.
- 5 The purpose of the JIRP review is to carry out the quadrennial update of Members' allowances required by legislation, taking into account Members' workload, responsibilities and required time commitment and then to recommend a fair level of recompense for those commitments.
- 6 Historically Members have modified the JIRP recommendations to ensure that the final scheme remained within budget.
- 7 If the Governance Committee do recommend an increase above the current budget to Council, if approved, a growth item will be required in the 2018/19 budget process.

## **JIRP's Recommendations**

- 8 The JIRP Report, attached at Appendix C, sets out the details of their work and their recommendations.
- 9 The financial effect of the JIRP's recommendations can be found in Appendix B in the 'JIRP Proposed Scheme 2017/18' scenario.

## **Council - 18 July 2017**

- 10 The JIRP Report was presented to the Governance Committee on 27 June 2017 and then on to Council on 18 July 2017.
- 11 It was resolved that the Council welcomed and thanked the Independent Remuneration Panel for its work, and was particularly pleased with their comments regarding the involvement of members and the important part they played in the success of the authority. However
  - a) before accepting the recommendations contained within the report a working group is set up to look at the following issues:
    - i) the omission of an SRA for the Chair and Vice Chair of the Community Infrastructure Levy Board and at what level any SRA should be;
    - ii) the proposed level of SRA for the Chair and Vice Chair of the Development Control Committee;
    - iii) the budgetary implications of the report and any other proposed changes;
  - b) the working group will report back to Governance Committee and a further recommendation is sent to Full Council, both meetings being in November;
  - c) the Chairman of Governance be delegated authority to determine the size and composition of the working group.

## **Working Group**

- 12 Whilst a working group might normally be constituted of some or all of the relevant committee, the Chairman of the Governance Committee was of the view that such a working group represented a limited range of views, because of its limited membership, and the outcome was likely to be unchanged. Accordingly, after sounding out a wide range of members for their views, the Chair of Governance concluded that the recommendation in Appendix A should be put forward to the Governance Committee and, if thought fit, to Council.
- 13 The recommendation includes some changes starting immediately and some coming in from 2019/20. The financial effects of these changes can be found in Appendix B. The effect of the changes starting immediately can be seen in the 'Working Group Scheme 2018/19' scenario and the effect of the changes coming in from 2019/20 can be seen in the 'Working Group Scheme 2019/20' scenario.

## **Key Implications**

### Financial

In 2017/18, the Council's budget for Members' Allowances is £385,998. Based on current assumptions in the 10-year Budget, this will increase to £389,858 in 2018/19 and £393,757 in 2019/20.

The financial effects of the different scenarios can be found in Appendix B including how much more they could cost compared to the current scheme.

The actual costs will depend on which Member is in each role and the amount unclaimed.

If an increase above the cost of the current scheme is approved, a growth item may be required in the 2018/19 budget process.

### Legal Implications and Risk Assessment Statement.

The Council is required under the Local authorities (Members' Allowances) (England) Regulations 2003 and subsequent amendments to establish and maintain an Independent Remuneration Panel to review and make recommendations to the Council on the range and levels of remuneration for elected Members.

Under the regulations, the Council is required to undertake a full review every four years. A full review was considered by the Council on 20 November 2012, but the Panel was requested to carry out a further review as the Council had adopted revised Governance arrangements in May 2013. The further review was considered by the Council on 1 October 2013.

Remuneration for Members is intended to ensure that there are no avoidable obstacles preventing people from taking part in the work of the Council. The level of remuneration needs to be at an appropriate level. Any deviation from the recommendations should be justified with a written record being made.

### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## **Conclusions**

The basis of the current level of Members' Allowances for Sevenoaks District Council was established by the Panel in December 2001 following guidance issued by central government. Allowances have been revised following later Panel's recommendations to reflect the changing roles of Members. Members are requested to consider the contents of this report and appendices before making a recommendation to Council.

**Appendices** Appendix A - Members' Allowances Working Group report

Appendix B - Financial Effects of Scenarios

Appendix C - A Review of Council Members' Allowances for Sevenoaks District Council (JIRP May 2017)

**Background** [Local Authorities \(Members Allowances\)\(England\) Regulations 2003](#)

**Papers**

[Members' Allowances Scheme set out at Appendix G in the Council's Constitution](#)

Report to Governance Committee on 27 June 2017:

<http://cds.sevenoaks.gov.uk/ieListDocuments.aspx?CId=289&MId=2194&J=1>

**Adrian Rowbotham**

**Chief Finance Officer**