

<b>Report To:</b>	<b>COUNCIL</b>	<b>Date:</b>	<b>23 APRIL 2020</b>
<b>Heading:</b>	<b>THE INDEPENDENT REMUNERATION PANEL'S REVIEW OF THE ASHFIELD DISTRICT COUNCIL'S MEMBERS' ALLOWANCES SCHEME</b>		
<b>Portfolio Holder:</b>	<b>LEADER OF THE COUNCIL, COUNCILLOR JASON ZADROZNY</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>NO</b>		
<b>Subject to Call-In:</b>	<b>NO</b>		

### **Purpose of Report**

To consider the report of the Independent Remuneration Panel on their review of Ashfield District Council's Members' Allowances Scheme, undertaken in October 2019. The Council considers the recommendations of the Independent Remuneration Panel and determines whether to accept them. The recommendations of the Panel are detailed below.

The full report of the Independent Remuneration Panel is appended to this report as Appendix A.

### **Recommendation(s):**

The Independent Remuneration Panel recommends:

1. The Performance Special Responsibility Allowance is discontinued, and the Basic Allowance is reset to £6,717.
2. The Basic Allowance continues to cover the cost of 'incidental' expenses Members may incur while carrying out their duties, such as telephone calls from their home landlines, calls on personal mobile phones, using broadband from home, and printer and IT consumables.
3. The Basic Allowance continues to be deemed to cover in-authority travel and subsistence costs that Members may incur in carrying out their Council duties.
4. The Leader of the Council's Special Responsibility Allowance remains at £19,852.

**Recommendation(s) continued:**

5. There is no change to the following Special Responsibility Allowances:

<b>Role</b>	<b>Number</b>	<b>Recommended SRA</b>	<b>Methodology</b>
Executive Portfolio Holders	7	£11,911	60% X Leader's SRA
<b>Chairs of:</b>			
Overview & Scrutiny Committee	1	£7,941	40% X Leader's SRA
Planning Committee	1	£7,941	40% X Leader's SRA
Audit Committee	1	£3,970	20% X Leader's SRA
Standards & Personnel Appeals Committee	1	£3,970	20% X Leader's SRA
Licensing Committee	1	£3,970	20% X Leader's SRA
<b>Vice Chairs of:</b>			
Overview & Scrutiny Committee	1	£2,978	15% X Leader's SRA
Planning Committee	1	£2,978	15% X Leader's SRA

6. The Special Responsibility Allowance for the two Deputy Leaders is maintained at 75% of the Leader's Special Responsibility Allowance (£19,852), which equates to £14,889.
7. The Special Responsibility Allowance for the Chairs of Scrutiny Panels A and B is reset at 30% of the Leader's SRA (£19,852), which equates to £5,956.
8. The Special Responsibility Allowance for the Vice Chairs of Scrutiny Panels A and B is reset at £1,687.
9. The Special Responsibility Allowance for the Leader of the Main Opposition Group is reset based on two group sized bandings as follows:
- 7 or more Members - £7,941 (40% of Leader's SRA)
  - 2-6 Members - £4,963 (25% of Leader's SRA)
10. If there are two Main Opposition Groups of equal size, then the Main Opposition Group Leader's higher Special Responsibility Allowance is divided equally between each Main Opposition Group Leader, regardless of group size, which equates to £3,713. The same principle should be extended if there are more than two Main Opposition Groups.

**Recommendation(s) continued:**

11. The Special Responsibility Allowance for the Deputy Leader of the Main Opposition Group should be paid only when the Main Opposition Group has seven or more Members.
  - 7 or more Members - £1,191 (15% of Group Leader's SRA)
  - Less than 7 Members – no SRA payable
12. If there are two Main Opposition Groups of equal size, then the Main Opposition Group Deputy Leader's SRA is divided equally between each Main Opposition Group Deputy Leader, regardless of group size, which equates to £595. The same principle should be extended if there are more than two Main Opposition Groups.
13. The Leaders of the Other Opposition Groups continue to receive a Special Responsibility Allowance of £323 per Group Member, if their group reaches the qualifying threshold of having four or more Members.
14. Provision for a Co-optees Allowance at £323 for the Co-optees that may be appointed to the Standards and Personnel Appeals Committee is maintained.
15. The Members' Allowances Scheme is amended to clarify that where a Member is using an electric or hybrid vehicle on an approved duty outside the Authority that they are able to claim mileage at AMAP rates, which is currently 45p per mile.
16. The current rates and terms and conditions for claiming Travel and Subsistence Allowances outside the Authority are maintained.
17. The maximum hourly rate claimable under the childcare element of the DCA is maintained at the National Living Wage, currently £8.21 per hour, and the maximum hourly rate claimable under the other dependents element of the DCA is capped at £15 per hour. This rate may be claimed for dependents who require any kind of specialised care, including children.
18. If it is known that a Member has caring responsibilities, then the DCA is specifically brought to their attention.
19. The current Civic Allowances paid to the Chair (£7,888) and Vice Chair (4,523) is maintained.
20. The Council adopt a policy for when a Member is on long-term paternity/adoption and sickness leave so that the consequences of such leave is clear to any affected Member.

### **Recommendation(s) continued:**

21. The following indices are applied for the legal maximum of four years to the remuneration and allowances paid to Members of Ashfield District Council as follows:

**a. Basic Allowance, Civic Allowance, and Co-optees' Allowance:**

Indexed to the annual percentage salary increase for local government staff (at spinal column 49) as agreed each year by the National Joint Council (NJC) for Local Government Services; to be implemented from the start of the municipal year. Also known as the NJC index

**b. Mileage Allowance (Outside Authority only):**

Members' mileage allowances rates to continue to be indexed to HMRC AMAP rates.

**c. Subsistence Allowances (Outside Authority only):**

The Subsistence Allowances should continue to be indexed to the same rates that are applicable to Officers.

**d. The DCA:**

Childcare: maximum rates to be indexed to the National Living Wage.

Social/Medical Care: maximum rates to be indexed to the annual percentage salary increase for local government staff (at spinal column 49) as agreed each year by the National Joint Council for Local Government Services.

22. The new scheme of Members' Allowances based on the recommendations contained in this report is adopted from the date of the Annual Council meeting on 23 April 2020.

### **Reasons for Recommendation(s)**

To comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003. A revised Members' Allowances Scheme is required every four years. The recommendations above have been put forward by the Independent Remuneration Panel, who were appointed by Council in July 2019.

### **Alternative Options Considered**

The Independent Remuneration Panel considered a wide range of information, options, and evidence as part of the review process; this is detailed further in the full report appended to this report as Appendix A.

## **Detailed Information**

### **Background**

Each local authority is required by the Local Government and Housing Act 1989 to have in place a scheme for Members' Allowances. The Local Authorities (Members' Allowances) (England) Regulations 2003 set out the requirements for the setting of a Members' Allowances Scheme. As Members are aware, before an authority sets or amends a scheme, it must have regard to any recommendations made by an Independent Remuneration Panel. The Independent Remuneration Panel is made up of people independent of the Council. Council approved appointment of the current Independent Remuneration Panel in July 2019, with a review of Ashfield District Council's Members' Allowances Scheme taking place in October 2019.

The Independent Remuneration Panel was chaired by Declan Hall, an independent consultant specialising in allowances and support. In addition, Paula Watkinson and Mark Cawar, from local business and voluntary sectors, also sat on the Panel.

The Independent Remuneration Panel conducted their review on the 24<sup>th</sup> and 25<sup>th</sup> of October 2019, at the Council Offices, Urban Road, Kirkby – in – Ashfield. All Members were given the opportunity to meet with the Panel. A questionnaire addressing the issues the Panel were considering was also circulated to all Members.

In addition, in compliance with the terms of reference agreed by Council in July 2019, the Independent Remuneration Panel met with several Officers for factual briefings on political structures, constitutional changes, and an overview on the main challenges the Council faces. The Independent Remuneration Panel also took cognisance of the range and levels of allowances paid in comparable local authorities.

### **Conclusions**

The primary function of the Council's Members' Allowances Scheme is to provide support to Members, enabling them to carry out their roles and responsibilities. The evidence received during the review indicates that generally, the allowances that Ashfield District Council pays to Members strikes a balance between enabling Members to effectively carry out their roles and responsibilities and attracting prospective Councillors.

The principal role of the Independent Remuneration Panel was to assess what the roles and posts under review are worth, based on the evaluation of evidence collected. The review carried out by the Independent Remuneration Panel was not driven by a need to identify savings. However, the Panel were mindful of reduced local authority funding and the financial situation in Ashfield.

If the recommendations detailed in the full report of the Independent Remuneration Panel are approved by Council, they will result in potential savings of approximately £24,000 per year. The Independent Remuneration Panel concluded that this demonstrates the Council's Members' Allowances Scheme represents value for money, whilst ensuring Members have the necessary support to carry out their roles without being out of pocket themselves.

In consideration of the Council's Civic Allowances for the Chair and Vice Chair of the Council, the Panel acknowledges that this allowance is not and should not be considered as a Special Responsibility Allowance. The Civic Allowances are paid under the Local Government Act 1972 for the purpose of meeting the expense of being a civic head. The Council's Civic Allowances are outside of the Local Authorities (Members' Allowances) (England) Regulations 2003 and are determined by the Council as what it thinks reasonable.

The complete findings of the Independent Remuneration Panel are detailed in the report appended as Appendix A.

## **Implications**

### **Corporate Plan:**

The review of the Independent Remuneration Panel has been carried out in accordance with one of the Council's key purposes as set out in the Corporate Plan 2019 – 2023.

'We will provide good quality, value for money services'.

Effectively reviewing the Council's Members' Allowances Scheme ensures value for money and enables Members to effectively carry out their duties as elected representatives of Ashfield residents.

### **Legal:**

Ashfield District Council has to comply with the requirements set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 and arrange to adopt a revised Members' Allowances Scheme following recommendations from an Independent Remuneration Panel no later than May 2019.

### **Finance:**

The costs of the Independent Remuneration panel undertaking a review of the Council's Members' Allowances Scheme during October 2019, including travel and subsistence, is estimated to be approximately £3,200. This cost will be accommodated within existing budgets. This report also details potential savings of £24,000, if all the recommendations put forward by the Panel are approved.

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	Please see above
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
Ashfield District Council must comply with the requirements set out within the Local Authorities (Members' Allowances) (England) Regulations 2003.	In July 2019, Council approved a new Independent Remuneration Panel with a review of allowances to be conducted in October 2019. The review took place as planned, and recommendations are to be presented to Council in time for the new municipal year.

**Human Resources:**

There are no direct HR implications resulting from this report.

**Environmental/Sustainability:**

The Independent Remuneration Panel considered environmental and sustainability implications as part of the review process. Recommendation 15 regards mileage claims for electric or hybrid vehicles.

**Equalities:**

The Independent Remuneration Panel considered equalities implications as part of the review process, particularly with regard to childcare and dependent care provision.

**Other Implications:**

There are no other implications identified.

**Reason(s) for Urgency**

None.

**Reason(s) for Exemption**

None.

**Background Papers**

None.

**Report Author and Contact Officer**

Shane Wright  
Scrutiny Research Officer  
[s.wright@ashfield.gov.uk](mailto:s.wright@ashfield.gov.uk)  
01623 457232