

<b>COUNCIL</b>	AGENDA ITEM No. 10(a)
<b>27 JANUARY 2021</b>	<b>PUBLIC REPORT</b>

Report of:	Fiona McMillan, Director of Law and Governance and Monitoring Officer	
Cabinet Member(s) responsible:	Councillor Farooq, Cabinet Member for Digital Services and Transformation	
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## **REVIEW OF PETERBOROUGH CITY COUNCIL'S MEMBERS' ALLOWANCES SCHEME – REPORT OF THE INDEPENDENT REMUNERATION PANEL**

RECOMMENDATIONS	
<b>FROM: Independent Remuneration Panel</b>	<b>Deadline date: N/A</b>
<p>It is recommended that Council:</p> <ol style="list-style-type: none"> <li>1 Consider the report and recommendations of the Independent Remuneration Panel, as set out in <b>Appendix 1</b> and summarised in paragraph 2 below;</li> <li>2 Decide whether to adopt the recommendations of the panel in relation to the Member Allowance Scheme.</li> </ol>	

### **1. PURPOSE AND REASON FOR REPORT**

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.2 This Panel's function is to provide the local authority with advice on its Members' Allowances Scheme and the nature and level of allowances to be paid based on the 2003 Regulations together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003).
- 1.3 The Council is requested to consider the report and recommendations of the Independent Remuneration Panel, following its review of the Council's current Members' Allowances Scheme. The panel's report is set out in **Appendix 1** and its recommendations are summarised in paragraph 2 below.
- 1.4 The Council must 'have regard' to the Panel's recommendations but may then determine what actions, if any, it wishes to take.

### **2. BACKGROUND AND KEY ISSUES**

- 2.1 The Panel met on two consecutive days during November 2020 in order to review the current Members' Allowances Scheme. This was held virtually due to the ongoing COVID-19 pandemic. The Panel's report, which is attached at **Appendix 1**, sets out its findings and recommendations.

- 2.2 All Members of the Council were invited to make representations to the Panel, either in writing or in person, and the recommendations arising from the review were informed from a number of sources including those representations received
- 2.3 Allowances, in their basic form, are paid to Councillors to 'cover all expenses and time incurred by a City Councillor in carrying out his/her duties for the Council'. The last review of councillors' allowances was undertaken by the IRP for both Councils in July 2016.
- 2.4 The Scheme currently provides that all councillors are each entitled to a total basic allowance of £10,508 per annum and in addition, some councillors receive special responsibility allowances for undertaking additional duties. Councillors may also claim the cost of travel and subsistence expenses and for expenditure on the care of children or dependants whilst on approved duties.

**SUMMARY OF RECOMMENDATIONS**

2.4 The Independent Panel has made the following recommendations:

2.4.1 Basic Allowance

The Panel wished to ensure the level of basic allowance does not constitute a barrier to candidates from all sections of the community standing, or re-standing, for election as councillors. The Panel was of the view that the 2016 review had begun to make recommendations to ensure that the current basic was in accordance with the principle of fair remuneration and the 2020 review has consolidated this approach.

The Panel wished to introduce a formula for determining the level of basic income. This was based on guidance which identified factors that an Independent Remuneration Panel needed to keep in mind. For the basic allowance the Panel considered three variables in the calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration.

After determining the amount of time required each week to fulfil the role (25 hours), the level of PSD to be applied (40%) and the hourly rate to be used (£13.67), this calculated the basic allowance as follows:



This equated to a recommendation for the basic allowance payable to all Councillors as £10,663 per annum.

2.4.2 Special Responsibility Allowance (SRA)

The Panel agreed that the SRA's should be based on a percentage of the Leader's allowance, and the Leader's allowance should remain as now, as a multiple of the basic allowance. The report of the Panel has divided the levels of SRA into a number of different tiers and this is outlined in detail in the Panel's report. Below is an outline of the Panel's recommendations:

- (a) That Members continue to be restricted to one SRA.
- (b) That the Leader's SRA remains at the current multiple of the Basic Allowance, this being three times.
- (c) That the Deputy Leader's SRA should be paid at the rate of 60% of the Leader's SRA to recognise the role of Deputy in addition to the post holder's Cabinet responsibility. This was a reduction from 66.67% of the Leader's allowance
- (d) That Cabinet Members should continue to receive an SRA which is 50% of that paid to the Leader of the Council.

- (e) That Cabinet Advisors should continue to receive an SRA which is 25% of the Leader's SRA.
- (f) That the Chair of the Planning and Environmental Protection Committee should continue to receive an SRA which is 30% of the Leader's SRA
- (g) That the Chair of the Audit Committee, Licensing Committee and Corporate Parenting Committee continue to receive an SRA which is 25% of the Leader's SRA.
- (h) That the Chair of the Employment Committee receives an SRA which is 10% of the Leader's SRA this is an increase from 6.25%.
- (i) That the Chair of the Constitution and Ethics Committee receives an SRA which is 10% of the Leader's SRA (this is a new Chair position)
- (j) That the SRAs payable to Chairs of Scrutiny Committees be paid at 25% of the Leader's allowance.
- (k) That no allowance was payable to the Chair of the Shareholder Cabinet Committee as this was a sub-committee of Cabinet and the Chair would be a Cabinet Member already receiving an SRA.

#### 2.4.3 Leaders of Opposition Groups

To be paid at 25% of the Leader's SRA, to be divided pro rata as at present and in accordance with existing conditions.

#### 2.4.4 Co-opted Members

It is recommended that Co-opted Members are continued to be paid a small allowance of £250 a year to cover their expenses for this role. There will continue to be entitlement to receive travel and subsistence in line with Councillors.

#### 2.4.5 Council's Independent Person

It is recommended that the Council's Independent Person continues to receive an allowance of £1,000 per annum. There will continue to be entitlement to receive travel and subsistence in line with Councillors.

The Deputy Independent Person will be entitled to receive an allowance of £500 per annum and also entitled to receive travel and subsistence in line with Councillors.

#### 2.4.6 Travel and Subsistence

The Panel agreed to recommend that all travel and subsistence continues to be paid at the same level as before.

#### 2.4.7 Child and Dependant Carers Allowance

The Panel recommended that the Child and Dependant Carers' Allowance should continue as outlined in the current Scheme of Allowances and be based at cost upon production of receipts and in the case of specialist care a requirement of medical evidence that this type of care be required, the allowance should have no monthly maximum claim when undertaking Approved duties.

The Panel also recommended that the Council should also actively promote the allowance to prospective and new councillors both before and following an election. This may assist in supporting greater diversity of councillor representation.

#### 2.4.8 Parental Leave Policy

The Panel recommended that the Members' Scheme of Allowances was amended to include information on Parental Leave (further details are set out in the body of the report).

Should a policy on Parental Leave for Councillors be approved it should be actively promoted to prospective and current Councillors alongside the Dependants' Carers Allowance. This should

form part of a wider 'Be A Councillor' (LGA led initiative) programme led by the Council and supported by political groups; to enhance and increase the diversity of councillor representation.

#### 2.4.9 Indexing of allowances

The Panel recommended that that the basic allowance, each of the SRAs and the Co-Optees/Independent Persons Allowance be increased annually in line with the percentage increase in staff salaries from May 2022 for a period of up to three years. After this period, the Scheme shall be reviewed again by an Independent Remuneration Panel.

### **3. CONSULTATION**

- 3.1 All Members were invited to make written representation to the Panel and offered the opportunity to address the Panel in person. The Panel has considered all submissions in detail.

### **4. IMPLICATIONS**

#### **Financial Implications**

- 4.1 There will be some additional costs if all the new allowances are agreed.

#### **Legal Implications**

- 4.2 The legal implications are referred to within the report.

#### **Equalities Implications**

- 4.3 There are no equalities implications arising from the report.

#### **Carbon Impact Assessment**

- 4.4 There is no carbon impact arising from the report.

### **5. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 5.1 None.

### **6. APPENDICES**

- 6.1 Appendix 1 - The report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Peterborough City Council  
Appendix 2 – Peterborough City Council questionnaire to members  
Appendix 3 – Members allowances survey