Report of Managing Director

Members’ Allowances – report of Independent Remuneration Panel

1  Purpose of report

For Council to consider the findings of the Independent Remuneration Panel (IRP) on the review of special responsibility allowances.

2  Executive summary

2.1 The council is required to adopt a scheme of Members' Allowances that adequately supports members in fulfilling the council’s priorities.

2.2 The IRP was asked to consider the additional work that had been undertaken by the leader and deputy leader of the council and the leader of the opposition during the last year moving towards the creation of North Northamptonshire Council.

3  Appendix


4  Proposed Action:

Council is invited to RESOLVE to approve that:

4.1 The Special Responsibility Allowance of the leader of the council should be increased to £11,405 for the year 2019-20 and backdated to the start of the municipal year.

4.2 The Special Responsibility Allowance of the deputy leader of the council should be increased to £5,125 for the year 2019-20 and backdated to the start of the municipal year;

4.3 As a result of the postponement of the May 2020 elections, the above allowances if agreed should continue to be paid until April 2021;

4.4 The Panel should be reconvened if it is felt that the above recommendation requires reconsideration.

5  Background

5.1 Members’ allowances were last reviewed in 2018 and an increase was awarded. Since then the leading councillors have been involved in an increase in workload with the local government reform taking place in Northamptonshire.
5.2 In January 2020, the council approached its appointed Independent Remuneration Panel Members, Stephen Leach, Andrew Page and Martin Wheatley to carry out an interim and small scale review.

5.3 The Panel was convened on 5 February 2020 under the legislation noted later within the report.

5.4 The leader, deputy leader and leader of the opposition were invited to meet with the panel.

6 Discussion

6.1 The Panel undertook a limited review of members’ allowances, with focus on the increased responsibilities and time demands experienced by a small number of the leading members of the council involved in the work programme preparing for the move to a North Northamptonshire Unitary Authority in 2021.

6.2 The panel was asked to explore whether an increase in the Special Responsibility Allowances paid to members would be justified. There was no expectation that it would conduct a review of other aspects of the current allowances scheme, which would in any event become redundant by May 2021.

6.3 Details of the findings of the panel are appended to this report.

7 Legal powers

The Panel has been convened under The Local Authorities (Members’ Allowances) (England) Regulations 2003 (SI 1021). The regulations require all local authorities to maintain an advisory Independent Panel to review and provide advice on Members’ Allowances. All Councils are required to seek the Independent Panel’s advice before they make any changes or amendments to their allowances scheme and they must pay regard to the Panel’s recommendations before setting a new or amended Member’s Allowances Scheme.

8 Financial and value for money implications

Although the Independent Remuneration Panel is not expected to consider the financial implications of its recommendations, the Council will need to be aware of (and consider) the budgetary implications when making their decision about the scheme.

The financial implications of the proposals are outlined in Appendix A to the report. This analysis is based on the recommendations of the Panel and demonstrates the impact of the proposals if implemented for the full or part of the current year and for 2019-20.

The current budget for Members’ allowances is set at £190,000 with a forecast outturn of £207,650. An increase as recommended by the Panel with effect from 1 April 2019 would create additional expenditure of £2,847 in 2019/20.
9 Risk analysis

The risk of not having an up to date scheme may impact on attracting individuals to become involved in civic leadership or retaining existing elected members.

10 Implications for resources

There are no implications identified for resources, other than applying any agreed changes to the scheme.

11 Author and contact officer

Liz Elliott, Managing Director

12 Consultees

Independent Remuneration Panel
Shaun Darcy, Director
Karen Denton, Assistant Director

13 Background papers

Information published on the website of allowances paid to members.
APPENDIX A

BOROUGH COUNCIL OF WELLINGBOROUGH
REVIEW OF MEMBERS ALLOWANCES
REPORT OF THE INDEPENDENT REVIEW PANEL MARCH 2020

Introduction

In January 2020, the Independent Review Panel was asked by the council to undertake a limited review of members’ allowances, focussing on the increased responsibilities and time demands experienced by a small number of the leading members of the council involved in the work programme preparing for the move to a North Northamptonshire Unitary Authority in 2021. It was asked to explore whether an increase in the Special Responsibility Allowances paid to the members involved would be justified. There was no expectation that it would conduct a review of other aspects of the current allowances scheme, which would in any event become redundant by May 2021.

On this occasion, the panel comprised the Chair, Steve Leach (Emeritus Professor of Local Government, De Montfort University), Martin Wheatley (advisor and researcher on housing and public services) and Andrew Page (remuneration consultant). It met on February 5th 2020 at Swanspool House, where interviews were held with the leader and deputy leader of the Council. The leader of the opposition was interviewed by phone a few days later. No other interviews with councillors were felt to be necessary, given the limited scope of the Panel’s remit.

Analysis

The formal machinery which has been set up to oversee the above-mentioned work programme consists of the following elements:

* A county-wide joint committee on which DHCLG representatives and county and district leaders sit, which acts as the liaison mechanism between central government and the local authorities involved. It holds monthly evening meetings

* A North Northamptonshire Joint Committee, on which leading members of the county and the four districts involved sit, which oversees progress on the work programme. It also holds monthly meetings in the evening. It is chaired by the leader of Wellingborough Council.

* A North Northamptonshire Leaders Meeting, supported by senior officers, which undertakes the detailed work involved in the move towards North Northamptonshire UA. It holds day-long meetings on a weekly basis.

* A series of task groups which meet to investigate specified issues in more detail, and which may involve councillors other than the leaders.
Of the three councillors interviewed, the leader attends all the first three of these arenas on a regular basis. The deputy leader attends the North Northamptonshire Joint Committee and occasionally deputises for the leader at other formal meetings as and when required. The opposition leader attends the first two of these forums.

It was clear from the interviews carried out and from considering the time commitments involved in the above patterns of attendance that the main burden of responsibility and time commitment falls to the leader. In the panel’s 2018 report it was noted that ‘the responsibilities of the council leader have undoubtedly increased significantly over the past eight years…..the current leader has clearly been pro-active and conscientious in carrying out these responsibilities.’ From the spring of 2019, when the preparations for the move to the new unitary authority began, the leader’s workload, already approaching a full-time commitment, has been increased by at least two full days a week, as far as the panel can judge. It is right that this increase should be reflected in an increase in his SRA for the 2019-20 municipal year.

But at what level should this increase be set? In the 2018 report, it was pointed out that the 50% increase in the SRA recommended for the leader, which raised it to 8,769 (now uprated to 9,123) meant that his SRA was still well below the average for leaders in comparable authorities (including the Northamptonshire districts, but excluding Northampton). If the leader’s SRA were to be increased by 25%, it would take it to £11,405, which would bring it close to, but still slightly below the average for comparable authorities. The Panel felt that this increase would be entirely justified. It is clear that the leader’s responsibilities and time commitment are just as demanding as in the comparators, probably more so, given his role as chair of the North Northants Joint Committee.

The deputy leader is also heavily involved in the work programme, but in a different way. Although he occasionally deputises for the leader in the formal machinery, his main role is to keep the Conservative group fully briefed about the progress of the move towards the unitary authority, and to deal with the numerous questions which invariably emerge. This is an informal role rather than a formal one, but of undoubted importance in ensuring that there is a collective understanding within the majority group of the decisions that have been taken in the formal arenas and the reasons for them.

The panel was of the view that the increase in the workload of the deputy leader did merit an increased SRA, but not of the same magnitude as that recommended for the leader. An increase of 12.5% was felt to be an appropriate figure. This would increase the deputy leader’s SRA to £5,125, which brings it closer to the average figure for comparable authorities.

The workload of the opposition leader has been increased as a result of the work programme, but not to the same extent as that of the council leader (in particular) nor the deputy leader. He attends the monthly meetings of the county-wide joint committee and the North Northants Joint Committee and
also briefs the Labour group on progress. The panel's judgement, supported by the evidence provided to it, was that any justifiable increase in SRA would be small, and that, on balance, to maintain the status quo was a more sensible option.

The panel wishes to make it clear that it sees the increases recommended to the SRAs of the leader and deputy as 'temporary supplements' to be paid for 2019-20 only. In May 2020 elections to the North Northamptonshire Shadow Authority are due to be held. If either or both of the leader and his deputy were to be elected to the shadow authority, then whether or not these supplements should continue would need to be re-assessed. The panel's preliminary view is that if elected to the shadow authority, but not subsequently elected to a position of responsibility thereon (as a result of which they would qualify for the basic allowance, but not an SRA), their supplements should be retained for a further year, until Wellingborough Council ceased to exist. If, on the other hand, either or both were to be elected to a position qualifying for an SRA, then their 2019-20 supplements should cease to be paid. It may be necessary for the panel to be reconvened when the composition of the shadow authority is known to consider whether this preliminary view remains valid.

**Recommendations**

*The SRA of the leader of the council should be increased to £11,405 for the year 2019-20 and backdated to the start of the municipal year.*

*The SRA of the deputy leader of the council should be increased to £5,125 for the year 2019-20 and backdated as above.*

*If the leader and/or the deputy leader are elected to positions of responsibility on the North Northamptonshire Shadow Authority in May 2020, then the supplements recommended above should cease to be paid. Otherwise they should continue to be paid until April 2021.*

*The Panel should be reconvened in May 2020 if it is felt that the above recommendation requires reconsideration.*

24 February 2020