

Report subject	Members' Allowances Scheme 2020-2021
Meeting date	24 November 2020
Status	Public Report
Executive summary	<p>This report incorporates the recommendations of the Independent Remuneration Panel (IRP) on their review of the Members' Scheme of Allowances for 2020/21.</p> <p>The report was deferred for consideration from the meeting of Council in June 2020 by the Chairman of Council due to the Coronavirus pandemic.</p> <p>Following the change of political administration a further review was commissioned and undertaken by the same IRP to consider the role of the Lead Members. This forms part of a supplementary report.</p> <p>The full year impact of implementing the IRP recommendations is £141,900.</p>
Recommendations	<p>It is RECOMMENDED that:-</p> <p>(a) Council considers the attached reports and Appendix 1 and 2, adopts the proposed Scheme of Members' Allowances for BCP Council, subject to any amendments Council may wish to agree, and determines an effective date for implementation;</p> <p>(b) the Scheme of Members' Allowances for 2020/21 be amended to transfer the entitlement of a special responsibility allowance to an elected vice-chairman where the relevant chairman is permanently unavailable to perform their duties.</p>
Reason for recommendations	To ensure that BCP Council has a Scheme of Members' Allowances as required by the relevant legislation.

Portfolio Holder(s):	Councillor Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Susan Zeiss, Director for Law and Governance and Monitoring Officer Richard Jones, Head of Democratic Services
Wards	Council-wide
Classification	For Decision

Background

1. The Local Authorities (Members' Allowance) (England) Regulations 2003 (the Regulations) require a relevant authority to make a scheme providing for the payment of a basic allowance (BA) to each member of that authority. The BA must be the same for each member of the authority.
2. The mechanism with which Councils consider allowances is by way of appointment of an Independent Remuneration Panel. This Panel considers the level of Member Allowances to be operated by a Council under the Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2003.
3. A panel was appointed for these purposes in order to recommend a scheme of allowances for the new BCP Council.
4. On the 21 February 2019 the Shadow Authority approved a scheme of allowances that had been recommended by the Independent Remuneration Panel for the new BCP Council.
5. As part of these recommendations it was acknowledged that a further review would be required during the first twelve months of the new Council's existence once the roles within the BCP Council were fully established and the work and responsibilities had been fully identified.
6. On 5 November 2019 Council resolved that the recruitment and appointment of an Independent Remuneration Panel for BCP Council be delegated to the Monitoring Officer, in order that a review of the allowances could take place with the anticipation that this would report back to Council at meeting in early 2020.
7. An Independent Remuneration Panel was subsequently appointed to carry out a review of the current scheme of allowances.
8. Due to the outbreak of the Coronavirus pandemic and the required cancellation of scheduled meetings, the Chairman of Council determined that this report would be deferred for consideration by Council at a meeting no sooner than October 2020.
9. Furthermore, following the successful challenge to the Council leadership and the change in administration and the subsequent introduction of Lead Members, a further review was commissioned to consider whether these new roles warranted a Special Responsibility Allowance.

Consultation and Engagement

10. A questionnaire was sent to all Members, inviting comments in respect of the scheme of Members allowances.
11. In addition, the Independent Remuneration Panel interviewed eight Members of BCP Council and four Officers.
12. Full details of the consultation undertaken are contained in the Report attached at Appendix 1.
13. Further engagement was undertaken more recently in relation to the introduction of Lead Members and this is detailed in the supplementary report at Appendix 2.

Options Appraisal – Recommendations of the Independent Remuneration Panel

14. The Panel's recommendations are detailed in the attached reports at Appendices 1 and 2. The following paragraphs provide a summary of the proposed changes to the existing Scheme of Allowances. The existing allowance are shown in *[italicised square brackets]*:

- (a) ***no members be entitled to a pension;***
- (b) ***the basic allowance be increased to £13,500 per annum [£12,500];***
- (c) ***that the following special responsibility allowance be paid in recognition of the additional workload and levels of responsibility and accountability placed upon members appointed to these roles:***
 - i. **Leader - £30,000**
 - ii. **Cabinet Members (including Deputy Leader) - £20,000**
 - iii. **Lead Members - £5,000 [NEW]**
 - iv. **Chairman of the Council - £10,000**
 - v. **Vice-Chairman of the Council - £5,000**
 - vi. **Chairman of Audit and Governance Committee - £10,000**
 - vii. **Chairman of Planning Committee - £10,000**
 - viii. **Chairman of the Overview and Scrutiny Board - £10,000**
 - ix. **Chairman of the Children's Services Overview and Scrutiny Committees - £7,500 [£10,000]**
 - x. **Chairman of the Health and Adult Social Care Overview and Scrutiny Committees - £7,500 [£10,000]**
 - xi. **Chairman of Licensing Committee - £5,000**
 - xii. **Vice-Chairman of Licensing Committee - £2,500 [NEW]**
 - xiii. **Chairman of Appeals Committee - £3,000**
 - xiv. **Chairman of Standards Committee - £3,000**
 - xv. **Group Leaders - £3,000**

(Note: Groups must have a membership of no fewer than 5 for their Leader to receive an SRA)

- (d) *no SRAs be paid to vice-chairmen of committees (with the exception of the vice-chairman of Council and the Licensing Committee);*
- (e) *members may not receive more than one SRA (and may elect which SRA to receive) with the exception that a Group Leader's SRA can be payable as a second SRA [NEW];*
- (f) *these allowances continue to be paid at these rates until such time as a further review is undertaken;*
- (g) *travel allowances continue to be paid to members in line with MAP for undertaking official business;*
- (h) *travel allowances be paid to members travelling to the BCP Council Offices for meetings and official business as set out in paragraph 12A of the current scheme of allowances;*
- (i) *subsistence allowances be paid to members as set out within paragraph 11.3 of the appended report;*
- (j) *carers' allowance be paid to recompense the actual cost expended as set out within paragraph 12.2 of the appended report (and is not payable to a member of the claimant's own household subject to the Monitoring Officer having the discretion to approve claims on a case by case basis);*
- (k) *an allowance of £1000 per annum be paid to co-optees and independent members as set out in paragraph 13.1 of the appended report.*

Acting Chairman

15. The Coronavirus restrictions on convening meetings and the consequential extended period between ordinary scheduled meetings has highlighted an issue where an elected office-holder (e.g., Chairman of council, committee or board) becomes permanently unavailable to perform their duties. Ordinarily, the elected vice-chairman assumes all responsibilities as acting Chairman for a short-period until the next ordinary meeting.
16. The Scheme of Members' Allowances is silent on whether the vice-chairman should receive the special responsibility allowance for the performing the duties in an acting capacity for the intervening period and as a consequence no allowance can be made.
17. This is not considered to be fair and equitable and it is proposed to amend the Scheme of Allowances to transfer the entitlement to a special responsibility allowance to an elected vice-chairman where the relevant chairman is permanently unavailable to perform their duties.

Summary of financial implications

18. The table below illustrates the impact of the proposed changes to the allowances upon the budget for both the full-year and part-year if the changes were implemented from the date of council.

Allowance	Full Year Budget Impact	Forecast 2020/21 – including part Year Impact from May 2020	Forecast 2020/21 including part Year Impact from 25 November 2020
Increase Basic Allowance	£76,000	£69,700	£26,600
New Lead Member SRA	£30,000	£10,500	£10,500
New Vice-Chairman Licensing Committee SRA	£2,500	£2,300	£900
Decrease Chairmen of O&S Committee SRA	- £5,000	- £1,750 (should not be backdated)	-£1,750
National Insurance and other budget adjustments	£38,400	£33,150	£26,350
Total	£141,900	£113,900	£62,600

19. The current Members Allowance budget for 2020/21 is expected to have an underspend of approximately £2,300 based on the existing scheme of allowances. Backdating the recommendations proposed by the IRP would result in an in-year budget shortfall of £113,900, or a part-year shortfall of approximately £62,600 if implemented from 25th November. Members' Allowances attract a National Insurance Contribution requirement which for the full year amount would be £14,300.
20. The budget modelling for 2021/22 includes an additional £25,000 budget based on a 2% increase. This would still leave a full-year budget shortfall of approximately £116,900 if all the recommendations were supported.
21. If the recommendations were approved this would create a budget pressure for 2020/21 and additional growth in the budget for 2021/22 for the increases in basic, SRA and national insurance contributions.

Summary of legal implications

22. The Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2003 govern the establishment of the Scheme necessary to determine the operation of allowances Members.
23. The process undertaken, and the proposed Scheme accords with the requirements of the legislation.

Summary of human resources implications

24. There are no specific Human Resources implications arising from the report.

Summary of sustainability impact

25. There are no specific issues arising in respect of this report.

Summary of public health implications

26. There are no specific issues arising in respect of this report.

Summary of equality implications

27. The needs of councillors with dependents, including those who are carers, have been considered and taken account of through the process and inclusion of specific allowances.

Summary of risk assessment

28. There are no specific risks arising from this report.

Background papers

None

Appendices

Appendix 1 – Report of the Independent Remuneration Panel

Appendix 2 – Supplementary Report of the Independent Remuneration Panel

Appendix 3 – Lead Member Role Description