

POLICY AND RESOURCES COMMITTEE

13 NOVEMBER 2019

Subject: **Review of Councillors' allowances and the re-appointment of the East Kent Joint Independent Remuneration Panel for the period 2019-2023.**

Director/Head of Service: Head of Corporate Governance

Decision Issues: These matters are within the authority of the Council

Classification: This report is open to the public.

CCC Ward(s): All

Summary: *As part of the review of the committee system considered by Council in April 2019, it was resolved that the East Kent Joint Independent Remuneration Panel (EKJIRP) should be invited to undertake a review of the council's Councillors' Allowance Scheme. The recommendations of the review are presented in this report.*

To Recommend to Council: **1. That the recommendations of the East Kent Joint Independent remuneration Panel be accepted, as follows -**

a) That the current Members' Allowances Scheme for 2019/20 be endorsed subject to a recommendation that the remuneration of the Chair of the Audit Committee be increased from £531.95 to £2659.87.

b) That the limit on the number of Special Responsibility Allowances that could be paid to a single member (excluding the group leaders allowance) be maintained.

c) That the rate at which the Carers' Allowance is paid be changed from the National Minimum Wage to the National Living Wage.

d) That the travel and subsistence allowances should continue to remain in line with HMRC approved rates.

2. That the council appoints the East Kent Joint Independent Remuneration Panel to undertake reviews of councillor allowances and associated matters for a further four year period expiring 30

November 2023, and that Mr Ken London, be reappointed as the council's representative on the Panel for the same period.

Next stage in process: The recommendations of this committee will be referred to Council for a final decision.

SUPPORTING INFORMATION

1. Introduction

This review arises out a requirement under the Local Authorities (Members' Allowances) (England) Regulations 2003, to establish and convene an advisory Independent Members' Allowances Remuneration Panel to make recommendations on certain associated allowances such as Basic Allowance and Special Responsibility Allowances (SRAs), travel and subsistence and co-optees' allowances for Councillors.

The regulations require the council to conduct a review at least once every four years to ensure that there is periodic public scrutiny of Members' Allowances. The Council has to take the report into account when setting Allowances, but, having considered it, can then take its own decision having considered all relevant factors.

In recent years the council has invited the East Kent Joint Independent Remuneration Panel to undertake this role. The Panel is formed in collaboration with our East Kent partners in Dover and Thanet district councils, and means we benefit from economies of scale by sharing the cost of appointments and secretariat support for the panel by Dover DC on behalf of the partners.

The background to the operation of the Panel and the Terms of Reference are included in Appendix 1.

2. Detail

Following the decision of Council in April, and the announcement of the Chief Executive to Council in July 2019, a report was prepared for the Panel by the Head of Corporate Governance. The report posed two questions, firstly what would the Panel recommend working within the existing budget envelope and secondly, what it would recommend if there were no budget cap?

The Panel met twice in September 2019 to consider the report. The minutes of the meetings are attached as Appendix 2 and a copy of the full report submitted to the Panel is included as Appendix 3.

The review enabled the Panel to reflect on how the committee system has operated in the four years since the last review, referencing the council's own four year review considered by the Governance Committee earlier this year. It also considered benchmarking data produced independently by South East Employers comparing the allowances in Canterbury with those paid elsewhere.

The recommendations of the Panel were as follows: -

Based upon a reappportionment of the existing budget

(a) That it is recommended:

- (i) That the current Members' Allowances Scheme for 2019/20 be endorsed subject to a recommendation that the remuneration of the Chair of the Audit Committee be increased from £531.95 to £2659.87. This was based upon the number of meetings involved and the importance and complexity of the work of the Audit Committee. For future benchmarking this would be in line with the allowance for the Vice-Chair of the Policy and Resources Committee.
- (ii) That the limit on the number of Special Responsibility Allowances that could be paid to a single member (excluding the group leaders allowance) be maintained.
- (iii) That the rate at which the Carers' Allowance is paid be changed from the National Minimum Wage to the National Living Wage.
- (iv) That the travel and subsistence allowances should continue to remain in line with HMRC approved rates.

The Panel acknowledged that these recommendations would result in a small increase in the existing budget but it did not see scope for reducing other areas of remuneration.

Based on no budget cap being applied

- (b) That, based on what it would suggest if there were no budget cap applied to the Members' Allowance Scheme, it was the recommendation of the Panel that given its view that the current Members' Allowances Scheme was appropriate for an authority of Canterbury City Council's size and noting the comparison with similar authorities operating a committee system, that it would only recommend increasing the level of Basic and Special Responsibility Allowances in line with the annual pay award for officers, which is in line with current practice.

On the basis that their review represents an independent assessment of the Allowance Scheme, the report recommends that their proposals be adopted.

In relation to the reappointment of the Panel, the committee it is recommended that the EKJIRP continue to act as the council's independent Panel in relation to councillors allowances for the next four years, ending on 30 November 2023 and that the council's current representative, Mr Ken London, who is the current chairman of the Panel, be reappointed for a further four year term, after which the post will be readvertised. Mr London is a retired civil engineer who spent most of his career in local government followed by a short period in insurance litigation with a city law firm. He is clerk to an educational trust in Elham, lead trustee of a community trust also in Elham and an Independent Person dealing with code of conduct matters for Folkestone and Hythe District Council.

3. Relevant Council Policy/Strategies/Budgetary Documents

Medium term financial strategy

Constitution

4. **Consultation planned or undertaken**

The report will be considered by this committee and a recommendation made to Council.

5. **Options available with reasons for suitability**

Recommendation 1 - in relation to the Councillors Allowances:

Option 1 - To accept the findings of the report [recommended]

Option 2 - To consider whether, in light of the report to the panel and the recommendations of the EKJIRP, alternative recommendations should be put to Council. As stated earlier, the council is required to take the recommendations into account but is not bound by them.

Option 3 - To reject the recommendations.

Recommendation 2 - in relation to the appointment of the East Kent Joint Independent Remuneration Panel:

Option 1 - To confirm the Council's continued participation in the East Kent Joint Independent Remuneration Panel with Dover District Council and Thanet District Council. [recommended]

Option 2 - To form an Independent Remuneration Panel for Canterbury City Council only.

Option 3 - To instruct the Head of Corporate Governance to investigate alternative arrangements for an Independent Remuneration Panel, accepting that the authority will have no Panel in place until such alternative arrangements are approved.

6. **Reasons for supporting option recommended, with risk assessment**

Recommendation 1 - Option 1 is recommended on the basis that the allowances have been objectively assessed by the Panel, taking into consideration the internal and external factors presented in the accompanying report.

Recommendation 2 - Option 1 is recommended as the existing arrangements are fit for purpose and enable the council to benefit from the resulting economies of scale. Options 2 and 3 are not recommended as they would take longer to implement and would lose the benefits gained through sharing a Panel.

7. **Implications**

(a) Financial - Option 1 would result in an additional cost to the allowance scheme of £2127.92, plus a modest uplift in the carers allowance paid to those who are engaged by councillors in order that they can attend approved duties.

(b) Legal - None

- (c) Equalities - The increase in the carers allowance to National Living Wage would bring this policy into line with the council's own policy on appointments.
- (d) Environmental including carbon emissions and biodiversity - None

8. Conclusions

The last time the panel considered Canterbury's allowance scheme was in 2015, when we were in the middle of the transition period between the old Leader/Cabinet system and the committee system. With the benefit of four years experience the Panel were able to understand more clearly the responsibilities placed upon councillors and as a result they were able to make a more informed judgement on the Allowance Scheme they would recommend for future years.

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Appendices

Appendix 1 - EKJIRP background and Terms of Reference [[available online](#)]

Appendix 2 - Minutes of the EKJIRP meetings held in September 2019 [[available online](#)]

Appendix 3 - The accompanying report submitted to the EKJIRP by CCC [[available online](#)]