

**South Lakeland District Council**  
**Council**  
**Tuesday, 15 December 2020**  
**Report from the Independent Remuneration Panel**  
**For 2021/2022 to 2024/2025**

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**Portfolio:** Not Applicable

**Report from:** Helen Smith - Finance Lead Specialist (Section 151 Officer)  
Linda Fisher - Legal, Governance and Democracy Lead Specialist (Monitoring Officer)

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**Wards:** (All Wards);

**Forward Plan:** Not Applicable

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**1.0 Expected Outcome**

1.1 That Members consider the recommendations of a Report received from the Independent Remuneration Panel (IRP) for Members' Allowances.

**2.0 Recommendation**

- 2.1 Council is asked to consider and approve the recommendations of the Independent Remuneration Panel for Members' Allowances to be adopted with effect from 1 April 2021.
- 2.2 For Council to approve a four year Term of the Members Allowances Scheme (the Scheme) subject to any request to review the Scheme as outlined in the Scheme.
- 2.3 For the period from 01 April 2021 to 31 March 2025, Council agree that the uplift for Basic Allowances be in line with the agreed public sector staff pay award for each year of the Scheme.
- 2.4 A detailed review and report by the Independent Remuneration Panel will be presented to the Council meeting in December 2024 for implementation for the next 4 years effective from 1 April 2025.
- 2.5 To reduce the number of Independent Remuneration Panel members from 5 to 4 effective from 01 April 2021 and that the Chairman of the Panel be given power to exercise the casting vote if ever required; the Independent Remuneration Panel Terms of Reference are amended accordingly.
- 2.6 Co-optees Allowance is uplifted in line with the agreed public sector staff pay award for each year of the Scheme.
- 2.7 Planning Committee Substitutes Members continue to receive £250 allowance.

## **2.8. To agree the draft advert and job description for recruiting IRP members.**

### **3.0 Background and Proposals**

3.1 The Council considered a Report from the Independent Remuneration Panel at its meeting on 25 February 2020. Since that meeting, intervening events such as the Coronavirus Pandemic has meant that it has now been considered necessary for amendment to be made by the Independent Remuneration Panel to the Council's Members' Allowance Scheme ('the Scheme').

3.2 A copy of the Report of the Independent Remuneration Panel, together with a revised Members' Allowance Scheme that is being put forward as part of the Panel's recommendations, is attached to this report at **Appendix 1**. A copy of the current Members' Allowances Scheme is set out in the Council's Constitution.

#### **Proposed 4 year Members Allowances Scheme**

3.3 The difference between the Scheme which was approved by Council at its meeting on 25 February 2020 and the revised Scheme contained in this Report is that the Council's Members' Allowance Scheme moving forward, would be in place for a four (4) years period. During the four (4) years period, Members' Allowances will be uplifted annually in line with the agreed public sector staff pay award for each year. The next full review of the Council's Scheme for Members' Allowances would be conducted in the year 2024/2025 for another four (4) years' term.

3.4 During the four years term of the revised Scheme, the IRP Panel will continue to meet at least once a year to review the index levels used in calculating the Scheme in each year. Council Members, Officers and IRP Panel will be able to request a review of the Scheme during the four years term if there are reasonable grounds for doing so. Reasonable grounds would include changes to Member's roles, creation of new roles, revision or additional Member's Portfolio roles or, due to Local Government Re-organisation.

3.5 Under the Local Authorities (Members Allowances) (England) Regulations 2003 ("the Regulations"), before making or amending its allowance scheme, the Council has a duty to have regard to the recommendations made in relation to it by the Independent Remuneration Panel. Once the report is received, the Council is also required to ensure that copies are available for inspection by the public, and a notice published in a local newspaper advising of the Council's receipt of the Report from the Independent Remuneration Panel. This is to be done and a notice is due to be published in the Westmorland Gazette on 03 December 2020.

3.6 If Members resolve to amend the Members' Allowance Scheme, officers will place an advertisement in the Westmorland Gazette setting out the details of the revised scheme that will be in effect from 1 April 2021.

#### **Proposed Basic Members Allowances for 2021/2022 to 2024/2025**

3.7 For the period from 01 April 2021 to 31 March 2025 that Council agree that the uplift for Basic Allowances be in line with the agreed public sector staff pay award for each year of the Scheme.

#### **Recruitment of Independent Remuneration Members Terms of Office**

3.8 Two of the Independent Remuneration Panel members' terms of offices are due to end on 31 March 2021 and 02 July 2021 respectively. An advert will be placed using the various communication media available to the Council to advertise the vacancy of these positions as set out in **Appendix 2**.

- 3.9 The Panel considered representations from Council Members. Members were not in favour of the proposal to reduce the Panel members from 5 to 3. As a result of Members' feedback, the Panel recommends that there be a reduction from 5 to 4 members instead.
- 3.10 The successful candidate would be expected to commence his/her role on the Independent Remuneration Panel shortly after appointment. This recommendation is considered a more prudent and costs effective means of undertaking the work of the IRP.

#### **Special Responsibility Allowance**

- 3.11 Subject to any request to review as outlined in the Scheme, substitute Planning Committee Members be entitled to an allowance of £250.00
- 3.12 All other aspect of Members' Allowances to be the subject to a full review in 2024/2025 year and as detailed within the Report and Scheme.

#### **4.0 Consultation**

- 4.1 The Appendix 1 of the IRP report, at paragraphs 7 to 10 sets out the research and consultations that have been carried out as preparatory work in guiding its recommendations. In summary, the IRP proposals were sent to all South Lakeland District Council Group Leaders, Councillors and Parish Council for their views.
- 4.2.1 Appendix C of the IRP report provides an anonymised summary of comments from Members. In particular, Members were in support of the IRP's proposal to conduct a light touch review for the 2021/2022 Members Allowances. Members were also in support of the move to 4 yearly reviews for Members' Allowances and the index to be used in calculating Members' Allowances. Members were also happy with the ability to request a review of Members' Allowances Scheme during the Term of the Scheme. However, Members commented that a detailed investigation be conducted to review Basic Allowances for Members as they felt that the current thresholds were acting as a barrier to those on lower incomes, younger people, women, BAME and working people from taking part in the democratic process. It was felt by some Members that the Special Responsibility Allowances for Members should be reconsidered.
- 4.3 The majority of Members were not in favour of the IRP's proposal to reduce its Panel from 5 to 3. Members were concerned that such drastic reduction in members would affect the work of the IRP and there was a need to have diverse experiences on the Panel.
- 4.5 Members raised other comments which they considered had impact on their workload; the IRP would like the Council to consider how best to address these comments which were outside IRP's remit. Some of the comments raised by Members are as follows:
- 4.5.1 the 3 member wards altered the dynamic and workload for Councillors; and
- 4.5.2 Impact of working at home for Members on broadband use and electricity.
- 4.6 As part of the consultation, all parish clerks were informed of the proposals. One comment was received from one of the Parish Councils. As a result, and in accordance with the Regulations, no recommendations has been made for Parish Councils in the IRP's role as the Parish Remuneration Panel.
- 4.7 Research was also carried out with other local authorities to understand and assist the IRP in the four (4) yearly review of its Scheme based on an agreed index (agreed public sector staff pay award).
- 4.8 The attached Report has been considered by the Independent Remuneration Panel as a prudent and cost effective way of reviewing Members' Allowance Scheme in light of the Coronavirus Pandemic and going forward.

## **5.0 Alternative Options**

- 5.1 The Regulations afford the Council discretion as to whether or not it accepts any of the recommendations proposed in the Report of the Independent Remuneration Panel.
- 5.2 To continue to conduct annual reviews is an available option. However, this is considered not to be an effective use of the Council's resources going forward.

## **6.0 Links to Council Priorities**

- 6.1 Having an appropriate Members' Allowances Scheme will serve to strengthen the Council's priorities and objectives and is relevant to the Council's vision of "Working together to make South Lakeland the best place to live, work and explore".

## **7.0 Implications**

### **Financial, Resources and Procurement**

- 7.1.1 The recommended allowance scheme is estimated to cost up to a maximum of £327,632 for 2020/21 rising to £347,895 by 2024/25 based on the Medium Term Financial Plan (MTFP) estimate of a 2% annual pay award for this period. If the pay award is lower projected then the total cost will reduce accordingly.
- 7.1.2 The total cost of the scheme is compared to the total Budget Requirement for the Council (defined as the total to be met from the General Government Grants, Business Rates and Council Tax). Since this income is projected to fall over this period the projected cost of the scheme increases from 2.17% for 2020/21 to 2.77% by 2024/25. If the Budget Requirement were to stay at the level for 2020/21 then the cost would increase to 2.31% of the Budget Requirement.

### **Human Resources**

- 7.2.1 If approved, the Finance Team will be required to implement the new Members' Allowances Scheme.

### **Legal**

- 7.3.1 Under the Regulations the Council is required to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to review the existing Scheme of Allowances, including the Special Responsibility Allowances paid to Members and to make recommendations to the Council on the appropriate level of payments to be made in the future.
- 7.3.2 The Panel also acts as the Parish Remuneration Panel for all Parish and Town Councils within the district, making recommendations as to the level of Basic and Chairman's allowances and expenses for Parish and Town Councillors.
- 7.3.2 The Panel recommend that the Council adopts a 4 yearly review of members' allowances and this is permitted under the Regulations.

### **Health, Social, Economic and Environmental**

- 7.4.1 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 7.4.2 If you have not completed an Impact Assessment, please explain your reasons:  
The proposals are limited in scope and therefore have no substantial social, economic or environmental considerations.

### **Equality and Diversity**

- 7.5.1 Have you completed an Equality Impact Analysis? No
- 7.5.2 If you have not completed an Impact Assessment, please explain your reasons:

The proposals are considered to have a neutral impact in terms of equality issues. The current Members' Allowance Scheme has provision for double journeys to be carried out by spouses/partners for members with a disability who need to be driven to meetings. This provision avoids the need for the spouse /partner to wait for the duration of the meeting.

## Risk

Risk	Consequence	Controls required
That Members fail to properly give due regard to the report of the Independent Remuneration Panel	Potential reputational issue to the Council in the event that Members' decision as to remuneration appears not to have regard to the report of the Independent Remuneration Panel	Whilst Council has discretion to resolve to make alterations to the Members' Allowance Scheme over and above those recommended by the Panel, it has a duty to have regard to the recommendations of the Panel in doing so. This can be achieved by Members giving thorough consideration of the recommendations of the Panel in full Council.

## Contact Officers

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## (Appendices Attached to this Report

Appendix No.	Name of Appendix
1	<b>Report from the Independent Remuneration Panel for 2021/2022 – 2024/2025 which include the following Appendices:</b> <ul style="list-style-type: none"> <li>- <b>Appendix A – Proposed Scheme;</b></li> <li>- <b>Appendix B – 4 years Comparator Information; and</b></li> <li>- <b>Appendix C – Summarised Members' Feedback</b></li> </ul>
2	<b>IRP Recruitment Pack.</b>

## Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	12.11.2020	01.12.2020
Monitoring Officer	24.11.2020	25.11.2020
CMT	17.11.2020	19.11.2020

<b>Circulated to</b>	<b>Date sent</b>
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	30.11.2020