

Ward: All

Portfolio: Cross Cutting

FROM: Monitoring Officer **Date:** 27th September 2021

SUBJECT: Report of the Joint Independent Remuneration Panel

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Report Sign off	Seen by:	Name	Date	
		Legal	Lesley Dolan	14/09/2021
		Finance	Richard Bates	14/09/2021
		Chief Executive Officer	Stuart Brown	14/09/2021
		Head of Service	N/A	N/A
Summary:	<p>The report that is attached as Appendix 1 has been prepared by the Joint Independent Members Remuneration Panel and is submitted for consideration by Full Council.</p> <p>The report sets out the conclusions and recommendations of a “light-touch” review of Mendip’s Members’ Allowances Scheme, which has been carried out by the Panel.</p>			
Recommendation:	<p>Full Council is recommended to:</p> <ol style="list-style-type: none"> 1. Consider this cover report and the associated recommendations of the Panel. 2. Decide what, if any, changes Members wish to make to the Members Scheme of Allowances, noting that any changes will be backdated to 1st April 2021. 			
Direct and/or indirect impact on service delivery to our customers and communities	<p>The payment of a Member’s allowance contributes to the Council’s ability to attract a diverse range of Councillors, which is essential to ensure the views of a wide range of communities are represented.</p>			
Financial Implications:	<p>The Independent Remuneration Panel is aware that it is not obliged to have regard to the overall budgetary impact of its recommendations when making recommendations to the Council.</p> <p>If all the Panel’s recommendations are accepted, then there will a minor annual increase of £1,525 to the overall Member Allowances budget for 2021/22.</p>			
Climate Change Implications:	<p>Not applicable.</p>			
Legal Implications:	<p>Provisions in relation to members’ allowances are set out in the Local Authorities (Members’ Allowances) (England) Regulations</p>			

	<p>2003 (SI 2003/1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692) [“the Regulations”]. Under the Regulations the Council must appoint an Independent Panel to make recommendations on its Scheme of Members’ Allowances, for consideration by the Council. The Council may accept, reject, or amend any of the Panel’s recommendations. The Regulations provide for a single panel to advise more than one Council.</p> <p>As Members are aware the Council is part of a Joint Independent Members’ Remuneration Panel alongside Somerset County Council and Somerset West and Taunton Council.</p> <p>All Members have a personal and a prejudicial interest in this item through receipt of allowances. The Council’s Code of Conduct provides a dispensation allowing all Members to attend and vote on Members’ Allowance issues despite their prejudicial interest as long as the interest is declared at the relevant meeting. This paragraph has the effect of taking these declarations as having been made by all Members.</p> <p><u>Members do not therefore need to make a verbal declaration at the Council meeting.</u></p>
Crime and Disorder Implications:	Not applicable.
Equalities Implications:	There are provisions in the scheme for dependants’ carers’ allowances to assist members with such responsibilities in carrying out Council duties. A robust allowance regime can play an important role in attracting people from all sections of the community to stand as Councillor.
Risk Assessment and Adverse Impact on Corporate Actions:	There are no risks associated with this report and any recommendations as the Council is not required to agree them but simply to have regard to them when making decisions in respect of members’ allowances.

INTRODUCTION

The statutory task of the Joint Independent Remuneration Panel is to make recommendations to the Council before it makes or amends a Scheme of Members' Allowances. The Council must have regard to the Panel's recommendations before agreeing or amending a Scheme.

The regulations define a number of basic requirements for allowances' schemes but also give considerable scope to allow a council to adopt local provisions according to its circumstances. The only mandatory element provided for in the Regulations is the payment of a Basic Allowance to all members of a Council. All of the other elements that are currently paid under the scheme, i.e., Special Responsibility, Travel, Subsistence and Carers' Allowances are discretionary.

The basic principles on which Remuneration Panels work are not set out in statute, but there are national operational standards. In summary they include:

- The 50% rule (no more than 50% of Members of any individual Council should receive an SRA)
- Any Member should only receive one SRA at any one time.
- Basic Allowance payments should be based on a voluntary time contribution of 30% to maintain the difference between a salary and an allowance.
- When considering the payment of SRAs, clarity is needed by both Council and the Panel when considering each specific position and whether it qualifies for an SRA. E.g., is the position one which requires judgment and responsibility, or is it a much more of a supporting role based solely on additional time and effort.

THE PANEL

The Council joined the Joint Independent Remuneration Panel alongside Somerset County Council, Somerset West and Taunton Council (formerly West Somerset Council and Taunton Deane Borough Council) in 2014 as a way to maximise the efficient use of resources and to bring greater consistency to the members' allowances schemes of the Councils.

The Panel's membership comprises 3 independent representatives appointed by the County Council and 1 each by the 2 District Councils. All of the members of the Panel are residents of Somerset. The current Panel membership is outlined in brief below for the information of the Council:

John Thomson (Chair)	From a housing background, initially worked for local authorities and then was Chief Executive of SHAL Housing, a Bridgwater-based housing association, for 20 years, and now retired. John was originally appointed to the JIRP by the former Taunton Deane Borough Council and is now the representative of Somerset West and Taunton.
Colin McDonald	Semi-retired after over 30 years full-time employment in social housing, 25 (in total) of these at South Somerset District Council (over two occasions) including several years as Head of Housing & Welfare. Colin was appointed to the JIRP by Somerset County Council. He was employed as Housing Contract Officer (client side) by Mendip District Council between 1997 and 2001.

Bryony Houlden	Chief Executive of South West Councils, a membership organisation of all 33 local authorities in the South West. Formerly a senior civil servant. Serves as a Chair/member or advisor to nine other Independent Remuneration Panels. Bryony was appointed to the JIRP by Somerset County Council.
Alan Wells	39 years' experience in financial services. Specialist in benefit and remuneration structures. Alan was appointed to the JIRP by Somerset County Council.
John Dodson	MA in Ceramic Design and Technology from Royal College of Art London. 40 years in Design, Marketing and Sales, UK, all Europe, USSR, Mid East and N. America. Last 14 years Director of J. Wedgwood & sons. Retired 10 years ago. Chair of Shropshire Seniors Association. John was recently appointed to the JIRP by Mendip District Council.

THE REVIEW

The last fundamental review of the Council's whole Scheme of Member Allowances took place in October 2015. The next fundamental review was scheduled for 2020/21, however due to the anticipated announcement on unitary reform in Somerset it was agreed that the Panel would undertake a light-touch review of the Scheme. Under a light-touch review the Panel will only look at peer Councils to ensure the allowances are not out of line rather than considering external regional wage comparators and indexing arrangements. While the Panel were requested to focus their review on the Basic Allowance they responded by stating that even a light-touch review should have a wider remit and consider the entire scheme as appropriate.

The review itself was undertaken in late 2020 and early 2021 and was originally intended to be presented to Annual Full Council in May 2021. However, following the change in date of this meeting to April 2021 it was not possible present the report at that time, it is therefore presented at the next available Full Council meeting in September although Members should note that any agreed changes to the scheme will be backdated to 1 April 2021.

REPORT FINDINGS

The Panel's report is included at Appendix 1. Members will note that as a result of the delay in presenting the report that some of the Panel's observations are no longer germane due to changes that have occurred in the Council's democratic arrangements over the last 6 months. For example, observations regarding the dual Deputy Leader roles have been addressed through a combination of Constitutional updates and Cabinet changes during that time. Furthermore, commentary regarding the "50% rule" is also superseded as there are now only 23 SRA's available through the current democratic arrangements.

The Panel conclude their report by presenting 9 recommendations albeit only 2 result in recommended changes to the scheme with the remainder maintaining current arrangements or providing advisory observations.

Recommendations 1 and 4 would result in changes to the Scheme if adopted.

Recommendation 1 suggests that the level of the Basic Allowance is increased by inflation using the Consumer Price Index with Housing (CPIH) rate from April 2021 and again in April 2022.

Recommendation 4 suggests moving the Special Responsibility Allowance awarded to the Deputy Chairs of Planning and Scrutiny from Band 6 to Band 7, a reduction of approximately £900/year.

For completeness all nine recommendations of the Panel are reproduced below:

1. *The level of BA be increased by inflation from April 2021 as determined by CPIH published in April 2021. A further CPIH increase should apply to the BA from April 2022.*
2. *SRA multipliers remain unchanged other than for the Deputy Chairs of Planning and Scrutiny.*
3. *The multiplier for Cabinet members to remain unaltered to reflect the support provided by Portfolio Assistants.*
4. *The roles of the Deputy Chairs of Planning and Scrutiny be moved from band six to band seven and the multiplier for the roles be reduced to x0.3 (x0.5).*
5. *The payment to the smaller opposition groups should continue at the present time.*
6. *Due account should be taken of the “50% rule” and if further SRA posts are to be considered in the future a balancing number of existing SRA posts need to be removed.*
7. *Independent Person & Co-opted member multipliers be maintained.*
8. *Whilst the Panel feel there is an argument for looking at travel and subsistence rates in the MDC Scheme of Allowances for Members in a future fundamental review, for this year travel allowances to be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases in staff subsistence rates.*
9. *The council consider surveying people who are considering standing for election to help understand what informs their decision.*

ANALYSIS

At the last fundamental review in October 2015 the Panel were concerned about the declining real value of the Mendip District Council Basic Allowance (BA) following a number of years of no increases. In order to return the value of the BA to its earlier (2008) real value the Panel recommended annual increases of £128 (inflation linked to CPIH) for a period of six years. The final increase of that six-year period occurred on the 1 April 2020. The objective of the Panel was to ensure that the revised BA value sat within the comparator range of peer Councils at the end of the six years. The current report confirms that that objective has been achieved.

CPIH replaced CPI as the preferred measure of the headline inflation rate in 2017. It effectively uses the same calculation method, population coverage and basket of goods and services as CPI but also includes housing and council tax costs.

CPIH in April 2021 was 1.6% which would result in an increase of approximately £70 in the Basic Allowance, raising it from £4413 to c. £4483 for 2021/22.

It is worth noting that while the Mendip District Council Basic Allowance would remain within the range of comparator peer councils it is towards the bottom end of that spread which ranged from £7350 to £4214 when the analysis was undertaken in early 2021.

The Panel's fourth recommendation is also informed by their comparator work which found that only 5 Councils remunerate these roles and that the MDC SRA for these roles was outside of the comparator range. These two roles were originally placed in Band 6 following such a recommendation from the Panel in 2015.

Members will need to consider the appropriateness of accepting the Panel's fourth recommendation in light of the breadth of work currently being undertaken by the Scrutiny function and the atypical development environment and complexity and volume of planning applications currently being received and assessed by the Council.

RECOMMENDATIONS

Full Council is recommended to:

1. Consider this cover report and the associated recommendations of the Panel.
2. Decide what, if any, changes Members wish to make to the Members Scheme of Allowances, noting that any changes will be backdated to 1st April 2021.

Appendix 1: 2021 Report of the Joint Independent Remuneration Panel

Contact Officer: David Clark
Ext No: 41539
e-mail: david.clark@mendip.gov.uk

Background Papers

Previous reports of the Independent Remuneration Panel (Oct 2015, Feb 2018, Feb 2019, Feb 2020)