

Report of the Independent Remuneration Panel: Members' Allowances

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Report to and date:	Council	13 December 2022
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Decisions Plan: **Not applicable as not an executive matter.**

Wards impacted: **All wards**

Recommendation: **That the basic allowance for members is increased by 6.9 percent, being the mean average of the Annual Pay Award for staff, from 1 April 2022.**

1. Context to this report

- 1.1 Local authorities are required by the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) to establish and maintain an independent remuneration panel to make recommendations on the level of basic and special responsibility allowances and associated matters that are paid to councillors.
- 1.2 In February 2020 Council approved the Members' Allowances Scheme (the Scheme) which can be found under Part 6 of the Constitution (Appendix 1 to this report).
- 1.3 Paragraph 2.2 of the Scheme provides '*The sum of £6,291.71 shall be uplifted each year by the same rate as the Annual Pay Award provided to the majority of Council staff. Should this be 3% or higher, then the Remuneration Panel should consider the level of increase and make recommendations to the Council accordingly.*'
- 1.4 The Local Government Services Pay Agreement 2022-2023 was reached on 1 November 2022 and implemented from 1 April 2022 resulting in the sum of £1,925 per annum being added to all payscales. The mean average of this increase across all pay grades is 6.9 percent. Accordingly, the Independent Remuneration Panel (IRP) were required to consider the level of increase to members allowances and make a recommendation to Council.
- 1.5 Paragraph 4.4 of the Scheme provides '*A Councillor may write to the Monitoring Officer to notify of their intention to forego any allowance, or part of any allowance, payable to them under this scheme.*'

2. Rationale

- 2.1 The IRP met on 24 November 2022 and considered the following rationale in reaching its decision:
- What the cash sum pay rise of £1,925 equated to as percentage increase for West Suffolk staff (approximately 10 percent increase at the lower end of the pay scales and 4 percent at the top end of the pay scales) and the mean average percentage figure for staff;
 - If an increase in the members' basic allowance was uplifted by the mean average, what the budgetary implications would be for the Council;
 - Whether an increase in the basic allowance would affect the Special Responsibility Allowances (SRAs). These are calculated as multiple factors of the basic allowance as set out in Appendix 2 to this report;
 - When calculating an average, whether a mode, median or mean average should be utilised. As a precedent had been set by other Suffolk authorities to calculate a mean average, the IRP

considered this was an appropriate and pragmatic method to use in West Suffolk's case.

- Whether any advice had been issued by the Local Government Association or similar body on what an appropriate percentage increase to the members' basic allowance should be; however, it was noted that no national guidance had been issued and as each authority had its own scheme, it was for them to consider an appropriate increase, if any.

2.2 The IRP considered the following factors in deciding their recommended increase to members' basic allowance:

- that this was a significant increase when compared to uplifts awarded in previous years and there was an impact on the Council's budget. However, the Panel felt that it was not an inexplicable increase when considered against the current national financial climate;
- as with staff, recognition for the work of councillors should be duly recognised and it was therefore important to reflect this in the basic allowance payable;
- a basic allowance which compared favourably with other local councils may be an important factor in attracting people to become councillors and effort should be made to retain them;
- a less than attractive basic allowance may deter prospective candidates from standing for election and this potential barrier should be removed where possible;
- it was considered to be a reasonable increase on the Council's budget; however, it was for the Council to determine whether the additional cost was acceptable and affordable.

3. **Recommendation**

To recommend that the basic allowance for Members is increased by 6.9 percent from 1 April 2022 being the mean average of the Annual Pay Award for staff.

4. **Implications arising from the proposals**

6.1 **Financial**

There will be an additional budget impact of £37,147 if the mean average increase is applied.

6.2 **Legal Compliance**

The Council must set a Members' Allowances Scheme in accordance with the requirements of the Local Authorities (Members Allowances) (England) Regulations 2003.

6.3 **Equalities**

No impacts on the protected characteristics have been identified, therefore a full Equality Impact Assessment is not required.

5. Appendices referenced in this report

- 7.1 Appendix 1 – Members Allowances Scheme
- 7.2 Appendix 2 – Calculation of Special Responsibility Allowances