


Agenda Item No:	11	
Committee:	Council	
Date:	17th July 2023	
Report Title:	Independent Remuneration Panel Appointment and Review of Member Allowances Scheme	

Cover Sheet:

1 Purpose / Summary

- 1.1 To update Council on the arrangements for appointing an Independent Remuneration Panel and to seek agreement of the proposed process, scope and terms of reference of the subsequent review of the Member Allowances Scheme.

2 Key Issues

- 2.1 The Local Authorities (Member Allowances) (England) Regulations 2003 (“the Regulations”) require Councils to make a scheme of Member Allowances and establish an Independent Remuneration Panel to make recommendations to the Council about the scheme.
- 2.2 A recruitment process will need to be undertaken to identify a new panel. Once the appointments have been made a review of the Member Allowances Scheme can then take place.
- 2.3 The Regulations require that a scheme of allowances must include a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances as well as childcare and dependent carers’ allowances.
- 2.4 The Local Government Act 1972 stipulates the provision of the payment of travel and subsistence allowances. Expenses for the Chairman and Vice-Chairman of the Council also fall under this Act.
- 2.5 The current Member Allowances scheme was implemented following reviews in 2019 and 2021.
- 2.6 The Council is under a duty to have regard to the recommendations of an Independent Remuneration Panel when agreeing its Members Allowances Scheme. The Independent Remuneration Panel will make its recommendations to Full Council following a full member consultation exercise to include District, Town and Parish Councillors and following proper public notice being given.

3 Recommendations

It is recommended that Council:

- 3.1 Note the requirement to appoint an Independent Remuneration Panel;
- 3.2 Delegate oversight of the appointment and final selection of Independent Remuneration Panel members to the Monitoring Officer and Assistant Director for Governance in consultation with Group Leaders and in accordance with the Job Description and Person Specification set out at Schedule A.

- 3.2 Agree the scope of the Member Allowances Scheme review as set out within this Report and the associated timetable at Schedule B.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Boden, Leader and Portfolio Holder for Governance
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Background Papers	Member Allowances Scheme

Report:

1 BACKGROUND AND INTENDED OUTCOMES

Appointment of the Independent Remuneration Panel

- 1.1 To meet the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 Fenland District Council must appoint an Independent Remuneration Panel.
- 1.2 The Independent Remuneration Panel must comprise a minimum of three members, none of whom is also a member of the Council or of a committee or sub-committee of the Council; or is disqualified from being a member of the Council by virtue of s.80 of the Local Government Act 1972 and s79 and 83(11) of the Local Government Act 2000.

- 1.3 The proposed Job Description and Person Specification for the roles are as set out at Appendix A.
- 1.4 Following closure of the application process, interviews will be conducted and the Monitoring Officer and Assistant Director for Governance will then make recommendations for the appointments. In order to ensure the timely conduct of the subsequent Member Allowance Scheme review, it is proposed that the Monitoring Officer and Assistant Director for Governance are given delegated authority to then confirm the appointments in consultation with recognised group leaders.

Review of the Member Allowances Scheme

- 1.5 The last statutory review of the Member Allowance Scheme took place in 2019. At that time the Independent Remuneration Panel recommended that an interim review take place prior to the next statutory review and this was completed in 2021. Statutory reviews must take place every 4 years and the purpose of this report is to establish the mechanisms necessary to achieve compliance with that requirement.
- 1.6 Following appointment of the Independent Remuneration Panel and in accordance with the Regulations, it is proposed that the scope of the review is as follows:

To review the existing entitlements set out in the current Member Allowance Scheme and to make recommendations:

- as to the amount of Basic Allowance that should be payable to all elected members of the District Council;
- about the roles and responsibilities for which a Special Responsibility Allowance should be payable and the amount of each such allowance;
- regarding the approved duties for which travelling and subsistence allowances can be paid and the amount of these allowances;
- as to the amount of the co-optees' allowance;
- regarding allowances in respect of the expenses incurred in arranging for the care of children and dependents, the amount of this allowance and the means for determination;
- as to whether any allowance should be backdated to the beginning of the new term of office for Members, in the event of a new/amended scheme being adopted;
- as to whether any other issue covered by the 2003 Regulations including whether annual adjustments should be made to allowance levels by means of an index and, if so, for how long such a measure should last, up to a maximum period of 4 years;
- regarding the remuneration of the Independent Person and Deputy Independent Person.

To benchmark Fenland District Council's current and proposed entitlements with that of other similar authorities;

To consult with District, Town and Parish Council members as to the content of the Member Allowance Scheme;

To review the general wording of the scheme to ensure it is sufficiently clear to those who are required to use it and process claims; and

To prepare a revised Member Allowance Scheme to Council as soon as is reasonably practicable following recruitment of the Panel, member engagement and completion of the review, no later than December 2023.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The recommendations set out in this Report are designed to ensure that Fenland District Council meets its statutory obligations in relation to the Member Allowances Scheme. The term of appointment for the Independent Remuneration Panel established in 2019 has now expired and new arrangements now need to be put in place. The previous statutory review of the Member Allowance Scheme took place in 2019 and must be reviewed every 4 years. A review is therefore due.

3 CONSULTATION

- 3.1 There are extensive consultation requirements connected with the development of a new Scheme of Member Allowances which are prescribed by legislation. This includes consulting with existing District, Town and Parish Councillors on the formulation of the Scheme as well as giving public notices of any changes prior to implementation. These requirements will be strictly adhered to.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 In this instance there are no viable alternatives as regards the recommendation to appoint and Independent Remuneration Panel and to implement the review as there is a statutory requirement to do so within the requested timescales.

5 IMPLICATIONS

Legal Implications

- 5.1 The legal implications are as described in the main body of this Report.

Financial Implications

- 5.2 There are no immediate financial implications arising as a result of this review other than the resource implications of servicing the process. There may however be financial implications connected with the outcome of the review but these will be reported to Council with the revised Member Allowance Scheme in December 2023.

Equality Implications

- 5.3 There are no specific equality implications connected with this Report.

6 SCHEDULES

Schedule A – Job Description and Person Specification for Independent Remuneration Panel members;

Schedule B – timetable for delivery of the Member Allowance Scheme review.

SCHEDULE A

FENLAND DISTRICT COUNCIL

JOB DESCRIPTION

APPOINTMENT:	Independent Remuneration Panel Member
SERVICE AREA:	Member Services
ACCOUNTABLE TO:	Corporate Director and Monitoring Officer and Assistant Director – Legal and Governance

THE INDEPENDENT REMUNERATION PANEL

The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations") require Fenland District Council to establish and maintain an Independent Remuneration Panel comprised of 3 or more appointments.

Eligibility for the Independent Remuneration Panel requires that appointments are to persons who are not elected members of Fenland District Council or anyone who would be disqualified from being an elected member of a local authority (as per Appendix A).

Fenland District Council further stipulate that you must not have been a member or officer of the council within the last 5 years and that you are not the spouse, partner or close relation or friend of a councillor or officer.

The Independent Remuneration Panel (IRP) is responsible for considering and making recommendations to the Council on the allowances that District Councillors should be entitled to claim for the various roles that they undertake.

KEY REQUIREMENTS

To attend meetings of the IRP with sufficient frequency as is necessary to enable it to make recommendations to Council as required. The frequency with which the Panel meets will increase during periods when the Scheme is under review as will be the case during the first year 2023/24.

The main function of the Independent Remuneration Panel is to consider and make recommendations to the Council as to the levels of entitlement comprised in the Members' Allowance Scheme.

The Regulations provide for Independent Remuneration Panels to have the following specific functions:

- To make recommendations as to the amount of basic allowance that should be payable to its elected members;
- To make recommendations about the responsibilities or duties which should lead to the payment of a special responsibility allowance (SRA) and the amount;
- To make recommendations about the duties for which travelling and subsistence allowance can be paid and the amount;
- To make recommendations as to the amount of co-optees allowance;
- To make recommendations as to whether the allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependents;
- To make recommendations on whether any allowance should be back dated to the beginning of the financial year in the event of the scheme being amended;
- To make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index. An example of the work of a previous panel and the current scheme are available. The panel is supported by Member Services who assist with providing information to the panel.

PERSON SPECIFICATION

GENERAL

To be eligible for appointment, a person must not be disqualified from holding office as a member of the Local Authority. Accordingly, any person who is recommended for appointment will be required to confirm that he/she is not disqualified.

The Council reserves the right to remove a discredited member from the Independent Remuneration Panel. For example a member of the Independent Remuneration Panel may become discredited due to being found guilty of a criminal offence. The Council will also remove a panel member from the Panel if he/she becomes disqualified for appointment having regard to the grounds for disqualification.

SELECTION CRITERIA

Prospective Independent Remuneration Panel members must:

1. Live in the Fenland District.
2. Have an interest in Local Government (training will be provided) and broader community issues.
3. Have the ability to act impartially, consider evidence with an open mind and respectfully debate issues with other Independent Remuneration Panel members with a view to reaching a decision on the recommendation to be made to Council.
4. Be aged 18 or over.
5. Not be a Councillor or Co-opted Member of any Local Authority [including Town/Parish Councils] for which the IRP makes recommendations either now or within the last 4 years.
6. Not be directly related to, or a close friend of, a Fenland District Councillor or Officer of Fenland District Council.
7. Not be employed by Fenland District Council or any district council, county council, unitary council, national park authority or fire and rescue authority or any other public authority with members (other than a Parish/Town Council) whose allowances are governed by the Local Authorities (Members' Allowances) England Regulations 2003 within the County of Cambridgeshire. For the avoidance of doubt, this prohibition does not apply to employees of Parish/Town Councils.
8. Not be a member of any political party, or be politically active to the extent that a reasonable person would conclude that this activity would influence your judgment.
9. Not have committed to a position regarding Member allowances and/or expenses publicly to the extent that a reasonable person would conclude that this activity would influence your judgment.
10. Be able to analyse information, ask pertinent questions and maintain confidentiality.
11. Be able to commit to a 4 year term of office.

KNOWLEDGE, SKILLS & EXPERIENCE

Essential criteria include the ability to:

- Read and assess information and identify key points/issues;
- Listen to information and identify key points and issues;
- Ask questions in order to obtain information and open up discussion;
- Analyse information and use it to form opinions and conclusions;
- Work as part of a team;
- Communicate effectively and with a wide range of people;
- consider detailed information about the roles of councillors;

- have an awareness of the operation of the Authority and the discharge of its functions and other relevant information from other authorities and independent remuneration panels;

Desirable criteria include an understanding of:

- Local Government;
- The role and work of a District Council;
- The roles of councillors;
- The regulations and guidance which apply to members' allowances;
- The importance of being seen to be working independently of the Council.

APPENDIX A - DISQUALIFICATION FOR APPOINTMENT TO INDEPENDENT REMUNERATION PANEL

Summary of Sections 80 and 81 of the Local Government Act 1972

1. A person shall be disqualified from being appointed if he/she:
 - a. Holds any paid office or employment with the Authority;
 - b. Is a person who has been adjudged bankrupt or made a composition or arrangement with his/her creditors;
 - c. Has, within five years from the day of his/her appointment, been convicted of any offence and had passed upon him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine;
 - d. Has been convicted of a corrupt or illegal practice under Part III of the Representation of the People Act 1983;
 - e. Is disqualified for membership for a specified period by order of the Court because of his/her involvement in expenditure contrary to law; and
 - f. Is disqualified from membership for five years following an Auditor's certificate that a loss or deficiency has been caused by his/her wilful misconduct while a member of a Local Authority.
2. The disqualification attaching to a person by reason of having been adjudged bankrupt ceases:
 - a. On his/her discharge from bankruptcy unless the bankruptcy order made against the person is previously annulled; and
 - b. If the bankruptcy order is so annulled, on the date of the annulment.

3. The disqualification attaching to a person by reason of his/her having made a composition or arrangement him/her ceases:

a. On the date on which payment is completed if he/she pays the debt in full; or

In any case, on the expiration of five years from the date on which the terms of the deed of composition or arrange

APPENDIX B

Date	Action	Responsibility
Before 30.06.2023	Agree JD/PS, application form and advert. Draft Report to Council.	CP/AB
w/c 17.07.2023	Report to Council agreeing Terms of Reference for the Review and delegating oversight of the process to officers with a view to presenting the outcome at the FC meeting on 11 th December 2023.	CP/AB
	Following FC, letter to previous IRP to thank them for their contribution and to advise that a new IRP to be convened.	CP/AB
w/c 24.07.2023	<p>Advertisement to be placed in local paper, website, and community publications and emailed to target groups with two week closing date.</p> <p>Press release to be issued to generate local interest.</p>	Member Services/Comms
	Recruitment pack to be created, which includes Terms of Reference, FDC Scheme of Allowances, List of Committees and Membership, List of Outside Bodies and Membership, Information regarding pay award and comparator details, Comparator Schemes, Guidance in relation to Allowance Scheme expenses for IRP and other key information.	CP/AB/Member Services
w/c 14.08.2023	CP/AB to review applications and select applicants for interview.	AB/CP
22.08.2023 and 23.08.2023	IRP Panel Member Interviews & Selection.	AB/CP/EC
w/c 11.09.2023	<p>First meeting of IRP – training, elect Chair, agree meeting dates, agree draft questions and agree draft surveys.</p> <p>Administrative support to be provided by Member Services.</p>	AB/CP/EC/MS

Date	Action	Responsibility
ASAP After 1 st IRP Meeting	Send out member surveys to District, Town and Parish Councillors and confirm invitations to core member interviews and drop-in sessions. All member surveys to be returned by 29.09.2023.	AB/CP/EC/MS
w/c 25.09.2023	IRP Core Member Interviews – Full Day. Administrative support to be provided by Member Services.	AB/CP/EC/MS
w/c 02.10.2023 (Wed onwards)	IRP All Member (District, Town and Parish Councillors) Drop-In Sessions – Full Day Share completed surveys for discussion during down-time/first thing before drop-in starts. Administrative support to be provided by Member Services.	AB/CP/EC/MS
w/c 09.10.2023	IRP meeting to discuss interviews and surveys and formulate next-steps. Administrative support to be provided by Member Services.	AB/CP/EC/MS
By 18.10.2023	IRP to produce report, which outlines their findings and recommendations. Accountancy to check calculations and approve by 27.10.2023.	IRP/CP/AB/EC/PC
w/c 30.10.2023	Liaison with CEX/Leader and group leaders regarding recommendations. Draft notice to be finalised. Commence on 06.11.2023 meetings to be put in diaries to ensure there is time to discuss. Only 1 week to fit deadlines suggested.	CP/EC
08.11.2023	Details of IRP recommendations to be published in a notice in a local paper as soon as reasonably practicable	AB/CP/EC/DW
11.12.2023	Report to full Council with IRP recommendations	IRP/AB/CP/EC
Asap from 12.12.2023	Details of Members' Allowances Scheme to be published in a notice in a local paper as soon as adopted.	AB/CP/EC/DW

Date	Action	Responsibility
From 15.01.2024	Publish amended Scheme of Allowances within Constitution. Ensure any appropriate back-payments made to current and previous members. Conclude process with IRP and consider date of next review – interim review 2025?	AB/CP/EC/PC