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| Report for:   | <b>Shadow Executive</b> |
| Meeting Date: | <b>18 February 2020</b> |

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| <b>Title of Report:</b>        | <b>Scheme of Members' Allowances</b>  |
| Shadow Portfolio Holder        | Councillor Martin Tett  |
| Responsible Officer            | Sarah Ashmead, Deputy Chief Executive and Monitoring Officer  |
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| <b>Recommendations:</b>        | <b>That having regard to the recommendations of the Independent Remuneration Panel (IRP) the Shadow Executive agree to recommend to the Shadow Authority meeting on 27 February 2020 to adopt the Scheme of Members' Allowances for the Interim Period and for the period from 11 May 2020 to 31 March 2021 as attached as Appendix 2.</b>  |
| Corporate Implications:        | <p>Legal: The Council has a legal obligation to make a scheme of allowances having regard to the recommendations of an Independent Remuneration Panel.</p> <p>Financial: It is recognised that this scheme will not deliver the full savings identified in the unitary business case at this stage. In approving the creation of Buckinghamshire council, the Minister increased the size of the council from the 98 councillors proposed in the business case to 147 councillors. As a result, the cost of allowances is higher than originally anticipated.</p> <p>However, there is still a saving of £156k when compared to the total costs for the existing councils' schemes of allowances. It should also be noted that a Local Government boundary review will be conducted during the council's first term where the size of the council (number of councillors) will be reviewed.</p> |
| Options:                       | The Shadow Executive could support the scheme proposed by the IRP in full; alternatively, the Shadow Executive could recommend an alternative scheme to the Shadow Authority.   |
| Reason:                        | There is a requirement under the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) for Buckinghamshire Council to make a scheme for the payment of a basic allowance (BA) to each member of that authority which shall be the same for all members. The scheme may also provide for the payment of a Special Responsibility Allowance (SRA) for members with roles that have special responsibility for example leader, cabinet members, or chairmen of committees. The scheme may also set out the payments in relation to travelling and subsistence allowance and co-optees' allowance.   |

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|  | <p>The scheme needs to ensure that Members receive appropriate remuneration for their role, and it is important that it does not discourage individuals from putting themselves forward as candidates.</p> <p>It is recognised that this scheme will not deliver the full savings identified in the unitary business case at this stage, but there is still a saving when compared to the total costs for the existing councils' schemes of allowances. It should also be noted that a Local Government boundary review will be conducted during the council's first term where the size of the council (number of councillors) will be reviewed.</p> |
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## 1. Purpose of Report

- 1.1 Following the parliamentary approval of the Buckinghamshire (Structural Changes) Order 2019, Buckinghamshire Council will come into effect on 1 April 2020 and the current Aylesbury Vale District Council, Buckinghamshire County Council, Chiltern District Council, South Bucks District Council and Wycombe District Council will cease to exist. The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) require a relevant authority to make a scheme having regard to the recommendations of an Independent Remuneration Panel.

## 2. Content of Report

- 2.1 The Panel's recommendations relate to a scheme of members' allowances to come into effect from 1 April 2020 when the predecessor county and district councils are abolished and the Buckinghamshire Council takes on responsibility for service delivery. Elections for the 147 seats on Buckinghamshire Council will be held on 7 May 2020.
- 2.2 The statutory mechanism with which Councils consider allowances is by way of appointment of an Independent Remuneration Panel. This Panel considers and recommends the level of Member Allowances to be operated by a Council.
- 2.3 Appointments to the Independent Remuneration Panel were agreed by the Shadow Executive on 10 September 2019. The Panel was appointed for the purposes of establishing and recommending a Scheme of Allowances for Buckinghamshire Council.
- 2.4 As the current Councils will no longer exist, their respective schemes of members' allowances will cease, and allowances will no longer be payable, pursuant to the Regulations.
- 2.5 The 202 councillors of the predecessor councils will continue in office on 1 April 2020 until 11 May 2020 (the fourth day after the election when the existing councillors' terms of office come to an end) but as Buckinghamshire Council Councillors. Therefore, the scheme of allowances will be in two parts and the Panel makes recommendations on:
- (a) Allowances for the interim period for the 202 councillors in office from 1 April until 11 May 2020; and
  - (b) The main scheme of members' allowances for the 147 Buckinghamshire Councillors in place from 11 May 2020.
- 2.6 The Panel's full recommendations are detailed in the attached report at Appendix 1.

## **Review of IRP Recommendations**

- 2.7 The IRP held 2 meetings to consider the allowances scheme. All 202 members of the five predecessor councils were invited to submit representations via a questionnaire sent out on 1 November 2019. 46 responses were received. The IRP also had the opportunity to review benchmarking data.
- 2.8 It is important to note that, unlike the case with an established council, the IRP did not have the benefit of detailed insight about how roles within Buckinghamshire Council will operate in practice. At the time of meeting and proposing a scheme, the Independent Remuneration Panel was therefore reliant on the emerging governance structure of the Council as set out in the draft constitution, which has continued to evolve over recent weeks. Recommendations were made on all relevant information available to the Panel as at January 2020. However, it was recognised that the new Council would need to be able to keep its scheme under review as the governance arrangements are put into practice.
- 2.9 In developing the scheme, it is important to ensure that Members receive appropriate remuneration for their role. Many of the roles in the new council are likely to be more challenging and complex than in the predecessor authorities, and this will be particularly apparent to experienced, returning councillors. In this context, whilst we are preparing for a new council, it is relevant to contrast the new scheme with those of the predecessor councils in order to ensure that it does not discourage individuals from putting themselves forward to fulfil key roles and responsibilities in the new council.

### **Interim Period (1 April to 11 May 2020):**

- 2.10 The IRP recommended a basic allowance of £360 be paid to members of Buckinghamshire Council during the interim period, together with an SRA of £600 to Shadow Executive Members. These sums are in line with other councils who have had a similar transition period in moving to a unitary council.
- 2.11 The IRP did not recommend an SRA for Substitute Members of the Shadow Executive. However, there remains a considerable volume of work to be undertaken by the Shadow Executive during this interim period and Substitute Members of the Shadow Executive will continue to play an active role in supporting Portfolio Holders and substituting for them at both informal and formal meetings. In recognition of this, it is proposed that an SRA of £300 be paid to Substitute Members of the Shadow Executive during this period.

### **Basic Allowance**

- 2.12 The Panel has recommended that the rate of basic allowance to be paid to members of Buckinghamshire Council be set at £13,000 per annum. This sum is in line with the allowance paid to councillors in similar authorities in the South East and is considered appropriate for the new authority. Similarly, the rates proposed by the IRP for travel, subsistence and dependant carers allowances are in line with those at similar councils.

## **Special Responsibility Allowances (SRAs) from 11 May 2020**

- 2.13 The IRP have proposed a series of SRAs for positions identified in the draft constitution. The Panel adopted a methodology of calculating allowances as multiples of the proposed basic allowance.
- 2.14 In some cases, the IRP proposals are broadly in line with the SRAs in existing schemes for equivalent roles. In others, the IRP proposal is significantly different to the corresponding allowance in existing schemes, and does not appear to reflect the level of responsibility we expect to be associated with the role in the new council. For example, the role of a Cabinet Member in Buckinghamshire Unitary Council can be expected to carry a greater level of responsibility than a Cabinet Member in the existing County Council, but under the IRP proposals would carry a lower SRA. By contrast, the SRA recommended for the Vice Chairman of the Council is considerably higher than that currently paid in any of the existing five councils.
- 2.15 In order to reflect the latest thinking on the governance arrangements for the new council, to take into consideration the SRAs of predecessor councils, and to ensure that SRAs are proportionate to the level of responsibilities involved, it is proposed that the Executive consider an alternative structure for SRAs as follows:

|  | <b>IRP Proposals</b> | <b>Alternative Proposals</b> |
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| Leader   | £ 45,500             | £ 45,000                     |
| Deputy Leader no portfolio                           | £ 13,000             | n/a                          |
| Deputy Leader with portfolio                         | £ 26,000             | £ 30,000                     |
| Cabinet Member                                       | £ 19,500             | £ 23,000                     |
| Deputy Cabinet Members                               | £ 6,500              | £ 8,000                      |
| Chairman of the Council                              | £ 13,000             | £ 14,000                     |
| Vice-Chairman of the Council                         | £ 6,500              | £ 4,000                      |
| Chairman of Strategic Sites Committee                | £ 9,750              | £ 8,000                      |
| Chairman of Areas Planning Committees                | £ 9,750              | £ 6,000                      |
| Chairman of Licensing Committee                      | £ 3,900              | £ 4,000                      |
| Chairman of Scrutiny Committee                       | £ 7,800              | £ 8,000                      |
| Chairman of Audit and Governance                     | £ 7,800              | £ 8,000                      |
| Chairman of Standards and General Purposes Committee | £ 7,800              | £ 8,000                      |
| Chairman of Community Boards                         | £ 1,000              | £ 1,000                      |
| Chairman of High Wycombe Town Committee              | £ 3,420              | £ 3,420                      |
| Group Leaders (divided proportionally)               | £ 17,000             | £ 17,000                     |

A scheme based on the alternative proposals above is attached as Appendix 2.

## **Performance, accountability and transparency:**

- 2.16 The Panel recommends that the Council puts in place the following measures to enhance performance, accountability and transparency:
- (i) The publication of attendance records for Members at Full Council, Committee meetings and Scrutiny committees
  - (ii) Provision to Members of the opportunity to publish a periodic statement of activities
  - (iii) Adoption of role profiles for each Member in order to make clear both to the Members and electors what is expected of them
  - (iv) Introduction of an allowance claw-back scheme.
- 2.17 It is good practice to promote accountability and transparency in the Allowances scheme and it is therefore recommended that the Shadow Authority be invited to adopt the IRPs proposals above as part of the scheme. The one exception to this is the allowance claw-back scheme, which is not legally enforceable by the new council. It is proposed that this is discussed further with political groups after the election.

## **Town and Parish Allowances**

- 2.18 The IRP has responsibility for reporting on allowances for Town and Parish councillors. There is no requirement for Town or Parish Councils to draw up a scheme and pay allowances however, if a Council wishes to pay any such allowances it must approve a scheme having regard to the recommendations of the Panel. The Panel has therefore made recommendations, which are separate from the Buckinghamshire Council scheme and these will be shared with each of the Town and Parish Councils. These recommendations can be seen at point 13 in the Panel's report (Appendix 1).

## **3. Financial Implications**

- 3.1 The existing combined allowances budget is £2.565m. The scheme recommended by the IRP totals £2.371m. The scheme recommended at Appendix 2 totals £2.409m which provides a saving of £156k when compared to the current total of allowances paid by all existing councils.
- 3.2 The proposed Members' expenses and Carers Allowances are in line with existing schemes, and therefore manageable within the existing budget.

## **4. Legal Implications**

- 4.1 The Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2003 govern the establishment of the Scheme necessary to determine the operation of Members allowances.
- 4.2 The process undertaken, and the proposed scheme accords with the requirements of the legislation.



## 5. Other Key Risks

- 5.1 The Council must have a scheme in place from 1 April 2020 to conform to the Regulations. When setting allowances, the Shadow Authority must have regard to the recommendations of the Independent Remuneration Panel and should consider budget implications.

## 6. Communications Plan

- 6.1 The agreed scheme of allowances will be published in accordance with the statutory requirements. These state that the agreed scheme must be published in a newspaper in circulation in the local authority area, alongside the proposed panel recommendations. Following the formal Shadow Executive meeting, a communication will be sent to all Members to advise them of the recommended basic allowance during the period from 1 April to 11 May.

## 7. Equalities Implications

- 7.1 There are no equalities implications associated with this report.

## 8. Next Steps

- 8.1 A Scheme of Members Allowances as recommended by the Shadow Executive, will be considered at the Shadow Authority meeting on 27 February 2020 for approval. The agreed Scheme of Allowances for Buckinghamshire Council will come in to effect on 1 April 2020 to 31 March 2021. The agreed scheme will be included in the Council's Constitution.

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| <b>Background Papers</b> | None, other than those referred to in this report. |
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