

This report will be made public on 13 July 2021

Report Number **A/21/10**

**To:** Council  
**Date:** 21st July 2021  
**Status:** Non executive decision  
**Chief Executive:** Susan Priest

**SUBJECT: REPORT FROM THE INDEPENDENT REMUNERATION  
PANEL ON MEMBERS' ALLOWANCES AND EXPENSES**

**SUMMARY:** This report recommends the proposals from the Council's Independent Remuneration Panel with the comments of the Governance Working Group that the Members' Allowance Scheme of Folkestone and Hythe District Council be amended.

**RECOMMENDATIONS:**

1. To receive and note report A/21/10.
2. To consider the recommendations of the Independent Remuneration Panel and the views of the Governance Working Group as set out in paragraph 2.3 (a) - (h) of this report, and to determine whether the Members' Allowance Scheme should be amended in accordance with one of the following options:
  - a) To adopt the changes suggested by the Independent Remuneration Panel as set out in paragraph 2.3 (a) – (h) of this report.
  - b) To adopt the views of the Working Group as set out in bold in paragraph 2.3 (a) – (h) of this report
  - c) To make no changes to the Members allowance Scheme and the other recommendations suggested by the Independent Remuneration Panel.
3. In the event that the scheme is amended it is recommended that the amendments come into effect on 22 July 2021.
4. To adopt the Parental Leave Policy as set out in Appendix 2.

## 1. INTRODUCTION

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to appoint an Independent Remuneration Panel (IRP) to consider and advise on the scale of members' remuneration.
- 1.2 On 20 November 2019 Full Council considered the report of the Independent Remuneration Panel (IRP) and resolved the following - "To refer the report to the Governance Working Group and report back to Council" (minute 66).
- 1.3 The Governance Working Group considered this matter on 27 February 2020 and the comments of the Working Group as subsequently clarified in correspondence are set out in paragraph 2.3 below shown in bold and italics.
- 1.4 If Council decides to amend the Members' Allowance Scheme it is recommended that the amendments come into force on the day after this meeting – 22 July 2021.

## 2. THE PANEL'S REPORT

- 2.1 For reference the IRP report is included as appendix 1.
- 2.2 Members are asked to consider the recommendations of the IRP and the comments made by the Governance Working Group and make decisions on whether to amend the allowance scheme in the light of the recommendations. The Council has a duty to "have regard to the recommendations" of the IRP before deciding to amend the scheme.
- 2.3 The changes recommended by the Panel and the comments of the Working Group are as follows:

- (a) The Leader of the Council Special Responsibility Allowance (SRA) be set at 400 rather than the 440 points as present and protection arrangements be applied in accordance with existing provisions. Note: once the protection arrangements cease to apply this would mean the Leader's SRA would be set at £21,732 per annum (currently £24,434). Members are referred to section 3 of the IRP report for the rationale behind the IRP's recommendation on this matter. The Governance Working Group considered this matter and **did not** support this change at the present time making the following recommendation:-.

***It was agreed by the Governance Working Group that this issue should be reconsidered should there be a significant change to the constitution.***

Council is requested to consider the recommendations of the IRP and the comments of the Working Group and determine whether to adopt the IRP's recommendation, or reconsider the matter if there is a significant change to the constitution.

- (b) The definition of 'Leader of the Opposition' for the purposes of the special responsibility allowance be amended to remove reference to 'minority' when

referring to groups. The revised definition to read: "The Leader of the Opposition is defined as the leader of the largest group not forming part of the administration and that in the event of a number of groups of the same size occurring (with no one group being the largest group not being part of the administration) then this SRA should be divided equally between those group leaders."

The Working Group's recommendations departed from those of the IRP in this regard. The recommendation of the working group is shown below. The implications and further decisions that the Council will need to take if the recommendations of the working group are adopted are considered below under 2.3 (c) below. The Working Group's recommendation was:-

***The Leader of the Opposition SRAs are paid to the leaders of groups not represented on Cabinet only; the total budget for SRAs for leaders of groups not represented on Cabinet will be split between the leaders of those groups proportionately based on group size. It is agreed that the SRA will only be increased by 50 points to a total of 200 points if there are two or more qualifying groups.***

- (c) Where the 'Leader of the Opposition' SRA is to be shared equally between two or more group leaders in accordance with the provisions of the scheme then the SRA is to be increased by 50 points to 200 points prior to calculating the relevant share. Members are referred to section 4 of the IRP report. Note the SRA in the circumstances described above would be set at £10,866 per annum. This would, of course be divided between the largest opposition groups if they were of equal size, so if there were two opposition groups of equal size, the SRA of each opposition group leader would be £5,433. This recommendation made by the IRP is on the basis on the existing scheme namely that the opposition SRA is only divided if the largest opposition groups are of equal size. The IRP considered that the SRA should recognize the role of the leader of the opposition rather than the role of group leaders of opposition parties.

As noted above the Working group recommended that:

***the Leader of the Opposition's SRA should be split between leaders of Groups not represented on Cabinet proportionately based on group size and that the SRA should be increased if there are groups not represented on cabinet even though they may be of unequal size.***

Council is requested to consider the recommendations of the IRP and the comments of the Working Group and determine whether to adopt the IRP's recommendation, or alter the scheme in accordance with the comments of the Working Group.

- (d) The Council make clear both the aims of the Dependents Carer's Allowance scheme and the importance of Councillors being able to claim under the scheme when reporting on Councilor expenses. See section 5 of the IRP report

***The Working Group supported this recommendation.***

- (e) Paragraph 6 of the Dependents Carer's Allowance scheme be amended to read: "The allowance will be paid at either: (a) an hourly rate (or proportion thereof) equivalent to the adult national living wage applicable at the time and to a total of the costs reasonably incurred; or (b) paid on the basis of actual invoiced cost from a registered provider approved for the purposes of this scheme by the Monitoring Officer."

***The Working Group supported this recommendation.***

- (f) Where an employee benefit scheme adopted by the Council is suitable to be extended to Councillors at no additional cost then discretion should rest with the Head of Paid Service to include Councillors within such a scheme. (See section 6 of the IRP report).

***The Working Group supported this recommendation.***

- (g) The special responsibility allowance for tier 2 committee chairs be discontinued. (Section 8 of the report).

***The Working Group supported this recommendation.***

- (h) Furthermore the panel made the following recommendation, not strictly relating to the allowance scheme namely:-

"The Council consider the merits of conducting a trial of daytime meetings with a view to reducing the workload and time commitments for Councillors".

***The Working Group did not support this recommendation.***

- 2.4 In addition the panel recommended that:-

"Officers be asked to bring forward a parental leave scheme for consideration by the Council which would provide leave of absence for Councillors in cases of the birth or adoption of a child and that any such scheme, if approved by the Council, should be on the basis of no detrimental impact on an individual's basic allowance and the ICT allowance but that any SRA cease to be paid during the period when the special responsibilities are no longer being undertaken".

- 2.5 The draft Parental Leave policy is appended to this report (appendix 2). This draft policy was considered by the Overview and Scrutiny Committee at its meeting on 18 February 2020. The Committee resolved to support the policy (minute 55) and it was further supported by the Working Group.

- 2.6 The Panel also recommended that:-

"If changes to governance arrangements currently being considered are to proceed then it is recommended that the new Panel is convened to carry out a review at that time. Whether or not such changes proceed, it is recommended that the new Panel be reconvened to review the scheme in 2023 following the local elections".

### **3. LEGAL / FINANCIAL AND OTHER POLICY MATTERS**

#### **3.1 Legal officer's comments (AK)**

All relevant legal issues have been addressed in the report.

#### **3.2 Finance officer's comments (CS)**

The cost of the proposed scheme can be contained within the existing budget.

#### **3.3 Diversities and equalities implications (AK)**

All relevant issues have been addressed in the report.

### **4. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

Councillors with any questions arising from this report should contact the following officer prior to the meeting:

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Background documents

None.

Appendices

**Appendix 1 – The report from the Independent Remuneration Panel –  
October 2019**  
**Appendix 2 – Draft Parental leave policy**