

29 November 2023		ITEM: 13
Council		
Review of Members' Allowances – Report of the Independent Remuneration Panel (IRP)		
Wards and communities affected: N/A	Key Decision: Non-key	
Report of: The Independent Remuneration Panel		
Accountable Assistant Director: N/a		
Accountable Director: Asmat Hussain, Interim Director of Law & Governance		
This report is public		

Executive Summary

This report presents the independent findings and recommendations of the Independent Remuneration Panel, following its review of the Scheme of Members Allowances in July 2023.

The Council is required to “have regard” to the report and recommendations of the Panel, which is attached at Appendix 1, when considering the setting of Member Allowances for the coming four years.

- 1. Recommendation(s)**
 - 1.1 Agree all recommendations presented in the Independent Remuneration Panel’s report at Appendix 1 and the subsequent Scheme of Allowances at Appendix 2.**
 - 1.2 The Council implements the recommendations from the municipal year 2024-2025.**
 - 1.3 Council agree to apply 4% to allowances paid in 2022/23 as outlined in section 3.3 and in accordance with the continued recommendation to index allowances with staff increments.**
 - 1.4 Council note the potential for the IRP to review special responsibility allowances for the Overview & Scrutiny Chair and Vice Chair positions six months after the introduction of any new structure to ensure appropriate remuneration.**

2. Introduction and Background

- 2.1 The power under which schemes of Members' Allowances are made is contained in Section 18 of the Local Government and Housing Act 1989, Section 99 of the Local Government Act 2000 and in the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Regulations").
- 2.2 The Regulations impose a duty on local authorities to establish an Independent Panel to provide advice on its scheme of allowances and the amounts to be paid. In April 2005, the Council agreed to establish a Joint Panel with Southend-On-Sea Borough Council, consisting of 5 independent members. This Panel met on five occasions (June 2007, August 2010, June 2011, June 2015 and June 2019). Following the last report, the Council made a decision to establish an IRP solely for Thurrock and this July 2023 review has been undertaken by this new panel, the details and composition of which are contained in Appendix 1.
- 2.3 On 3 and 4 July 2023, the Panel met to undertake a review of the Scheme of Members' Allowances in accordance with the law which requires a new scheme to be put in place. The terms of reference for the review are set out as follows:
 - (a) The amount of Basic Allowance that should be payable to elected Members and the expenses it should include.
 - (b) The responsibilities or duties which should lead to the payment of a Special Responsibility Allowance and as to the amount of such an allowance.
 - (c) Those Co-optees who should receive a Co-optees' Allowance and as to the amount of such an allowance.
 - (d) The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.
 - (e) As to whether Dependants' Carers' Allowance should be payable to Members, and as to the amount of such an allowance.
 - (f) As to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed.
 - (g) The implementation date for the new Schemes of Members' allowances and as to whether, in the event that the schemes are amended, any such amendments should be backdated to the beginning of the municipal year.

In addition, the Panel was asked to make recommendations on:

- (h) The Civic Allowances and amounts payable.
- (i) The payments made to the statutory post of Independent Persons.
- (j) Any other issues that are brought to the Panel's attention.

2.4 In reviewing the Scheme, the Panel had regard to statutory guidance in relation to allowances, previous reports of the Panel and the results of benchmarking exercises. It also received a number of representations in writing and in person from councillors from both authorities.

2.5 The report of the Panel is attached at **Appendix 1** with the associated scheme of allowances at **Appendix 2**.

3. Issues, Options and Analysis of Options

3.1 It is for the Council to determine to what extent it wishes to have regard to the recommendations made by the Joint Independent Remuneration Panel, but it must implement a new Scheme by virtue of the relevant statutory requirements. Whilst it must act reasonably Full Council is not obliged to follow the recommendations that have been made.

3.2 If the Council accept the Panel's recommendations Thurrock Council will see an increase in overall basic and special responsibility allowance payments.

Indexation of allowances for 2023/24 year:

3.3 The report at Appendix 1 reinforces and continues the practice of indexing Member Allowances to any pay increases that Thurrock staff receive for cost of living. If the report is agreed by Full Council then the 4% 2022/23 pay award that staff received will be applied retrospectively to Member Allowances paid for that year.

Impact of Overview and Scrutiny (O &S) Restructure on allowances.

3.4 Dependent on the outcomes of the Centre for Governance and Scrutiny (CfGS) review into the revised O & S Structure, the IRP will be asked to collect evidence and consider the impact this restructure will have on levels of allowance for Chairs and Vice-Chairs of O & S. The usual practice is for an IRP to review such allowances once they have been in place for six months. Any uplift in allowance can be backdated to the start of the new arrangements for the function.

4. Consultation (including Overview and Scrutiny, if applicable)

4.1 All Members were invited to submit representations or meet with the Panel.

4.2 A copy of the final report of the Independent Remuneration Panel has been sent electronically to all Members in advance of this report.

5. Impact on corporate policies, priorities, performance and community impact

5.1 A Scheme of Members' Allowances provides financial support for councillors in undertaking their role and must reinforce the culture of the modern council and address, as far as possible, any disincentives to serving in local politics.

6. Implications

6.1 Financial

Implications verified by: **Rosie Hurst**
Interim Senior Management Accountant

There is an additional cost of £81,860 linked to the Panel's proposals for new allowances from the 2024/25 year. This includes National Insurance contributions of 13.8%. The cost of incrementing the 2022/23 allowances by 4% will be an additional £30,180.

The additional cost proposed for 2024/25 year to 49 Members' basic allowance will be £33,569 per annum. In terms of special responsibility allowances, The Cabinet of seven Members will increase by £18,067 per annum and Overview and Scrutiny Chairs and Vice Chairs (based on 12 Members claiming these allowances) will increase by £17,193 per annum. The cost of special responsibility allowances will depend on all allowances being claimed, which will vary due to the appointments process. Similarly, as per recommendation 1.4, if the O & S SRAs are revised in light of the current CfGS review, the financial cost may increase for this area relative to the current recommendations.

6.2 Legal

Implications verified by: **Gina Clarke**
Corporate Governance Lawyer & Deputy Monitoring Officer

The Council's Members' Allowance Scheme must comply with the relevant provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003; the Local Government and Housing Act 1989 and the Local Government Act 2000.

The Council must include in its scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special

responsibility allowances (which fall within one or more categories set out in the 2003 Regulations) and a dependants' carers' allowance. The 2003 Regulations also allow the inclusion of a travel and subsistence and a co-optees' allowance within the scheme. These allowances are also discretionary.

Before adopting or amending the scheme the Council is required to have regard any statutory guidance and to the report published by the Remuneration Panel appointed by the Council.

Under sections 3 and 5 of the Local Government Act 1972, the Council may pay a reasonable allowance to the civic Mayor and the Deputy civic Mayor to enable them to meet the expenses of their office. This has been included in the Scheme of Members' Allowances.

Independent persons appointed under the Localism Act 2011 to be consulted on code of conduct complaints against Councillors are excluded from acting as co-optees while carrying out their role. The amount paid to an Independent Person in connection with performing the duties of the appointment is left to the discretion of the Council under the Localism Act 2011. The recommendations of the Independent Remuneration Panel on the allowance to be paid supports the Council in setting a reasonable allowance which reflects the role and responsibilities of the Independent Person.

The 2003 Regulations place certain duties and requirements on the Council to publicise the recommendations made by the independent remuneration panel, the scheme of allowances and the actual allowances paid to members in any given year. Therefore, Full Council will need to delegate authority to authorise the relevant council officer to comply with the statutory requirement to publish the adopted amended Members Allowance Scheme.

6.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

The Panel has been guided by the overarching principle that it should seek to minimise barriers to public service to enable a wide range of individuals to become a Councillor without incurring undue personal financial cost.

6.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked After Children

None

7. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- The papers considered are referred to in the report of the Independent Remuneration Panel.

8. Appendices to the report

- Appendix 1 – Report of the Independent Remuneration Panel
- Appendix 2 – Revised Scheme of Allowances 2024-2028

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