

# County Council

21 March 2023

## Members' Allowances Scheme

### Recommendation

That Council considers the report and recommendations of the Independent Remuneration Panel set out at Appendix 1 and

1. approves the recommendations set out in Section 1.7 of this report
2. authorises the Strategic Director for Resources to make such amendments to the current Scheme as are required as a result of the decision of Council

### 1. Executive Summary

- 1.1. The Local Government Act 2000 (the 2000 Act) and the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations), require local authorities to review their allowances schemes and to appoint independent remuneration panels to consider and make recommendations on changes to member allowances schemes. The Government's "Guidance on Consolidated Regulations on Local Authority Allowances" outlines the main statutory provisions and gives non-statutory guidance.
- 1.2. Following the elections in 2021, the Council appointed an Independent Remuneration Panel (the Independent Panel) to consider the Member Allowances Scheme and to provide their recommendations for any changes to that Scheme.
- 1.3. In April 2022 the Independent Remuneration Panel recommended a rise of 6.9% to the basic members allowance then paid within Warwickshire, leading to a proposed basic allowance of £10,590. The Panel also made recommendations regarding those activities which are eligible for Special Responsibility Allowances, co-optee allowances, travel and subsistence, dependent carer allowances and indexation.
- 1.4. These recommendations were considered at the Annual General Meeting of the Council on 17 May 2022. Taking into account the financial challenges facing the Council and the impact of national and global events on the residents of Warwickshire, rather than adopting the uplifts for the basic, special responsibility and co-optee allowances as recommended by the

Independent Remuneration Panel, Members preferred an initial uplift to the basic allowance to £10,075 (circa 1.65%) and further resolved that the basic, special responsibility and co-optee allowances be increased in line with any National Joint Council Pay Agreement for 2022/23 and subsequent years, in accordance with existing policy.

- 1.5. Applying the 2022/23 National Joint Council (NJC) Pay Agreement to members' allowances is not possible in the way envisaged by the Members' Allowances Scheme, as the confirmed award for 2022/23 was a 'flat rate' of £1925 on each scale point rather than a percentage increase pay award. Consideration therefore needed to be given as to how the 2022/23 NJC pay award for staff could be implemented for members, recognising that an alternative approach for 2022/23 (and any future years where the NJC pay award is not based on a percentage increase) would constitute a change to the Members' Allowance Scheme. Regulations require Council to seek, and have regard to, the views of an Independent Remuneration Panel, before changes are made.
- 1.6. The Independent Remuneration Panel was therefore recalled to make recommendations on the issue of indexation for 2022/23 and the level of indexation that should apply if future pay awards are also made on a flat rate basis rather than a percentage increase. The Panel's report is set out at Appendix 1.
- 1.7. Having considered the findings and recommendations of the Independent Remuneration Panel, the following recommendations are proposed to apply for 2022/23 (resulting in the uplifts set out in Appendix 3). In all other respects the provisions of the current Scheme (approved by Council in May 2022) will continue to apply:
  - 1.7.1 Basic Allowance – That the basic allowance is uplifted by 6% which equates to the average increase of the 2022/23 NJC pay award for employees at Warwickshire County Council. This recommendation closely aligns to the recommendation of the Independent Remuneration which is to increase the basic allowance by 5.95%.
  - 1.7.2 Special Responsibility Allowances (including co-optee allowances) – That indexation be applied at the rate of 6% across all special responsibility allowances (including co-optee allowances). This recommendation varies to that of the Independent Remuneration Panel which is to increase allowances by varying percentages according to the 'responsibility' held as set out in its report at Appendix 1
  - 1.7.3 Spokesperson's Allowances – That the Group spokesperson's allowances are not increased and remain at the current levels of £14,000 for the Conservative Group and £1,000 per number in the Group for all other Groups, with no indexation applying for 2022/23 in this or future years. This recommendation is consistent with the recommendation of the Independent Remuneration Panel

- 1.7.4 Backdating - That the increases in members' allowances are backdated to the commencement of the 2022/23 municipal year. This recommendation is consistent with the recommendation of the Independent Remuneration Panel
- 1.7.5 Future proofing - That the Members' Allowances Scheme be amended such that if in future years, the National Joint Council Pay Agreement awards a flat rate increase, there is scope, in consultation with Group Leaders, to adjust Members' allowances (basic, special and co-optee but excluding the Group Spokesperson's Allowances and such other allowances as are included in the Scheme) by the average increase for employees at Warwickshire County Council. This proposal, which will require an amendment to the current Scheme, is considered prudent to ensure that the Scheme remains flexible enough to accommodate the future possibility of a 'flat award' at least until the next review of the Scheme. Authority is requested for the Strategic Director for Resources to amend the Scheme to accommodate this change. It will be necessary to keep allowances under review annually in reference to NJC pay awards. In addition, the Members' Allowances Scheme is reviewed every four years (or sooner if required) with the next review scheduled for 2025/26 and so there will be the opportunity to review the approach formally at that time.

## **2. Financial Implications**

The changes to the Members' Allowances Scheme proposed can be accommodated within the approved budget for 2023/24. Provision will be made across the following years for the approved proposals as part of the annual budget cycle and MTFS work which are not anticipated to result in any additional budget pressures.

## **3. Environmental Implications**

None.

## **4. Supporting Information**

- 4.1 On 17 May 2022, the Council approved the current Members' Allowances Scheme (Appendix 2) which makes provision for an annual adjustment to allowances in line with the percentage increase in employee's pay under the National Joint Council Pay Agreement.
- 4.2 Applying the 2022/23 National Joint Council Pay Agreement to members' allowances is not possible in the way envisaged by the Members Allowances Scheme, as the award for 2022/23 was a 'flat rate' of £1925 for all staff rather than a percentage increase pay award.

- 4.3 The Independent Remuneration Panel was, therefore, recalled to make recommendations regarding indexation. The Panel's report is attached at Appendix 1.
- 4.4 The current Members Allowance Scheme, as detailed in the Council's Constitution, is set out at Appendix 2.
- 4.5 The Council has a duty to consider the report of the Panel before any changes can be made to the Members' Allowances Scheme, but the Council is not bound to adopt the recommendations of the Panel.

## 5. Timescales associated with the decision and next steps

Any changes will be backdated to the Annual General Meeting on 17 May 2022 and will be processed via the Council's Payroll service as soon as is reasonably practicable following the decision of Council.

## Appendices

1. Report of the Independent Remuneration Panel (2023)
2. Members Allowance Scheme 2022-26
3. Members' Allowances Amounts with proposed uplifts for 2022/23

## Background Papers

1. Council Report – 17 May 2022 which can be viewed at <https://democracy.warwickshire.gov.uk/mgAi.aspx?ID=6188>

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The report was circulated to the following members prior to publication:

Local Member(s): N/A – This is a countywide matter.

Other members: Councillors Isobel Seccombe, John Holland, Jerry Roodhouse and Jonathan Chilvers