

WEST NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW AUTHORITY MEETING

2 June 2020

Report of the Interim Monitoring Officer

Report Title	Appointment of Independent Remuneration Panel – Members’ Allowances Scheme
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1. Purpose

- 1.1 The purpose of this report is to advise the Shadow Authority of its requirements in relation to members’ allowances and to seek authority to establish an Independent Remuneration Panel to determine the allowances of members of the West Northamptonshire Shadow Authority; and the proposed allowances of members for the West Northamptonshire Council.

2. Recommendations

It is recommended that the Shadow Authority:

- 2.1 notes the requirements in relation to members’ allowances;
- 2.2 notes the preparatory work undertaken by the West Northamptonshire Joint Committee and its Independent Remuneration Panel Task and Finish Group in relation to members’ allowances and appointment of an Independent Remuneration Panel;
- 2.3 agrees to establish an Independent Remuneration Panel consisting of four members and appoints the persons set out in Appendix A;
- 2.4 agrees the terms of reference of the Panel as outlined in 3.1.8 (b)
- 2.5 delegates to the Interim Monitoring Officer for the West Northamptonshire Shadow Authority, in consultation with the Chair of the Governance Task and Finish Group, to determine the remuneration of the IRP members, taking account of the remuneration received by IRP members in each of the four West Northamptonshire authorities and on the basis of 3.1.8 (c).

3. Issues and Choices

3.1 Report Background

- 3.1.1 Members will be aware that allowances are payable to those elected as local councillors and that these are paid in accordance with a scheme of allowances approved by the council of which they are a member. Since councils approve the scheme of allowances payable to their members, regulations have been made by Parliament which set rules about the allowances, including requiring councils to have regard to recommendations made by a panel of independent persons when setting those allowances.
- 3.1.2 The Northamptonshire (Structural Changes) Order 2020 (the Structural Changes Order), as amended contains specific provisions regarding members allowances for the Shadow Authority and the new West Northamptonshire Council after 1 April 2021.
- 3.1.3 The Structural Changes Order applies the regulations relating to members allowances to the Shadow Authority with modifications. The Structural Changes Order as amended requires the Shadow Authority to:
- a. formulate proposals for the scheme of members' allowances to be adopted by the Shadow Authority; and,
 - b. prepare and adopt a scheme for the payment of such allowances.
 - c. formulate proposals for the scheme of members' allowances to be adopted by the West Northamptonshire Council.
- 3.1.4 Importantly the Structural Changes Order requires the Shadow Authority, when taking the steps at 3.1.3, to appoint an Independent Remuneration Panel (IRP) and to have regard to the recommendations made in a report by that Panel. An IRP must have at least three members, none of whom:
- a. is also a member of the authority (or any of its committees or sub-committees) in respect of which the panel makes recommendations; or
 - b. is disqualified from being or becoming a member of an authority.

The regulations also allow payment of an allowance to members of an IRP in relation to the performance of their duties.

- 3.1.5 On 14 May 2019 the West Northamptonshire Joint Committee (WNJC) considered a report of its Independent Remuneration Panel Task and Finish Group (the IRP Task and Finish Group). The IRP Task and Finish Group had been formed to:
- a. contact as many members of the IRPs established in relation to Daventry District Council; Northampton Borough Council, South Northamptonshire Council and Northamptonshire County Council as possible;
 - b. identify appropriate persons to become members of an IRP for the Shadow Authority;
 - c. confirm that those persons were willing to become members of an IRP;
 - d. select appropriate persons to become members of the IRP; and
 - e. consider the amount of allowances payable to the members of any IRP once appointed.

3.1.6 In its report to the WNJC on 14 May 2019 the IRP Task and Finish Group recommended the appointment of an IRP consisting of four members as follows:

- a. one person who was a member of the IRP for Daventry District Council
- b. one person who was a member of the IRP for Northampton Borough Council
- c. one person who was a member of the IRP for South Northamptonshire Council; and,
- d. one person who was a member of the IRP for Northamptonshire County Council.

Those persons are identified in Appendix A which was included as an appendix to the report to the WNJC. Appendix A sets out the relevant experience of the persons concerned in relation to members' allowances and membership of an IRP.

3.1.7 The report of the IRP Task and Finish Group also recommended to the WNJC that the allowance paid to members of any IRP established by the Shadow Authority should be an average of the sums currently paid to members of the IRPs for each of the Councils named at 3.1.6 a. to d. above.

3.1.8 The WNJC considered the report made by the IRP Task and Finish Group and agreed with the recommendations which it had made. It also considered the duties imposed on the Shadow Authority in relation to allowances, contained in what was then a draft Structural Changes Order, namely to formulate proposals for the new West Northamptonshire Council and to prepare and adopt a scheme of allowances for the Shadow Authority. Further, the WNJC agreed that it would:

- a. appoint the persons listed on Appendix A to be members of that Panel;
- b. give the Panel the following terms of reference:
 - i. meet as appropriate, with support of the interim Monitoring Officer;
 - ii. consider the provisions which apply to members' allowances for the Shadow Authority, the roles of members of the Shadow Authority, including special responsibilities and make appropriate recommendations to the Shadow Authority;
 - iii. consider the provisions which apply to members' allowances for the West Northamptonshire Council, the roles of members of the West Northamptonshire Council, including special responsibilities and make appropriate recommendations to the Shadow Authority;
 - iv. report to the Shadow Authority in relation to the matters at ii. and iii. and
- c. pay the members of the IRP the average of the allowances currently payable to the members of the IRPs referred to at 3.1.5 a. above.

3.1.9 The Structural Changes Order applies specific Rules to the allowances payable to members of the Shadow Authority and allow payments to members for special responsibilities in addition to a basic allowance. In order to assist

the IRP in relation to its work the Shadow Authority, through the Interim Monitoring Officer is requested to;

- a. identify those roles in the Shadow Authority which will involve members undertaking special responsibilities;
- b. outline the nature of those responsibilities; and,
- c. provide any other relevant guidance to allow the IRP to make appropriate recommendations in relation to such allowances.

3.2 Issues and Choices

3.2.1 The Structural Changes Order requires the Shadow Authority to set the allowances referred to above and, by applying the regulations, requires it to appoint an IRP to make recommendations regarding those allowances. The Shadow Authority has the following options:

- a. appointing an IRP to make recommendations in relation to allowances, as required by the Structural Changes Order; or
- b. not appointing an IRP as required. This would breach the requirements of the Structural Changes Order. This is not recommended.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no direct policy implications.

4.2 Resources and Risk

4.2.1 The IRP members will receive remuneration based on the number of meetings they hold and whether the Chair will be requested to present the report to the Shadow Authority.

4.3 Legal

4.3.1 Local Authorities must follow the process set out in the Local Authorities (Members Allowances) (England) Regulations 2003 when setting the scheme of allowances payable to their members. Those provisions apply to the Shadow Authority as modified by the Structural Changes Order. The body of this report sets out the relevant provisions of both and recommends the appropriate steps to take to comply with these.

4.4 Equality and Health

4.4.1 None specifically arising from this report. The suggested members of the panel have been identified in accordance with the Council's normal policies for the initial recruitment of Panel members.

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