

WEST NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW AUTHORITY MEETING

23 February 2021

Report Title	SCHEME OF MEMBERS' ALLOWANCES 2021/2022
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1. Purpose

- 1.1 Following the parliamentary approval of the Northamptonshire (Structural Changes) Order 2020, on 1 April 2021 the predecessor county and district councils (Daventry District Council, Northampton Borough Council, Northamptonshire County Council and South Northants Council) will be abolished and West Northamptonshire Council will take on responsibility for service delivery. The current scheme of Member Allowances that was prepared for the Council with shadow functions only, is therefore no longer appropriate.
- 1.2 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 (the Panel).
- 1.3 The purpose of this report therefore is to seek the Shadow Authority's approval of the Members' Allowances Scheme for 2021/22, as attached at Appendix A, to the period ending 31 March 2022, in order to comply with the requirements of the Northamptonshire (Structural Changes) Order (the Structural Changes Order), and having regard to the recommendations made by the Independent Remuneration Panel (the Panel).

2. Recommendations

- 2.1 It is recommended that: -
 - 2.1.1 Having regard to the recommendations of the Independent Remuneration Panel (the Panel) the shadow Authority adopts the Scheme of Members' Allowances, as attached at appendix A, for West Northamptonshire Council.
 - 2.1.2 The shadow Authority delegate authority to the Monitoring Officer to:
 - a) make the necessary changes to the Members' Allowances Scheme in the shadow Authority's Constitution to reflect the shadow Authority's

decision, to include the full schedule of rates and allowances and terms and conditions; and

- b) make arrangements for the publicity that the shadow Authority is required to undertake in accordance with Regulation 16 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Part 4 of the Structural Changes Order requires the shadow Authority to prepare and adopt a scheme for the payment of allowances to its Members. In order to achieve this the Structural Changes applies the Local Authorities (Members' Allowances) (England) Regulations 2003 to the Shadow Authority and its Members in the same way that the Regulations apply to the District Councils and County Council and their Members.
- 3.1.2 In order to comply with the 2003 Regulations, the shadow Authority must adopt a Scheme having regard to the recommendations of an Independent Remuneration Panel. A Panel was formally appointed by the Shadow Authority at its meeting on 2 June 2020 with the following remit:
 - i. meet as appropriate, with support of the 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 Authority, the roles of members of the West Northamptonshire Authority, 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
- 3.1.3 The Panel was appointed for the purposes of establishing and recommending a Scheme of Allowances for West Northamptonshire Council and held two meetings, 22 January 2021 and 2 February 2021. The Panel made the following recommendations, as detailed at paragraph 3.1.8, and considered and recommended the level of Member Allowances to be operated by the Council.
- 3.1.4 The Panel's recommendations relate to a scheme of Members' allowances to come into effect from 1 April 2021 when the predecessor county and district councils are abolished and West Northamptonshire Council takes on responsibility for service delivery. Elections for the 93 seats on West Northamptonshire Council will be held on 6 May 2021.
- 3.1.5 As the current Sovereign Councils will no longer exist, their respective schemes of members' allowances will cease, and allowances will no longer be payable, pursuant to the Regulations.

3.1.6 The 132 councillors of the predecessor councils will continue in office on 1 April 2021 until 11 May 2021 (the fourth day after the election when the existing councillors' terms of office come to an end) but as Councillors of West Northamptonshire Council. Therefore, the scheme of allowances will be in two parts and the Panel makes recommendations on:

- (a) Allowances for the interim period for the 132 councillors in office from 1 April until 11 May 2021; and
- (b) The main scheme of Members' allowances for the 93 West Northamptonshire Councillors in place from 11 May 2021.

3.1.7 The Panel's full recommendations are detailed in the attached report at Appendix B.

Recommendations of the Panel

3.1.8 As stated in paragraph 3.1.3, the Panel held two meetings to consider the Member allowances scheme.

3.1.9 All 132 Members of the four Councils (Daventry District Council, Northampton Borough Council, Northamptonshire County Council and South Northamptonshire Council) were invited to submit written views to the Panel. Five responses were received. The Panel received oral evidence from the Leader of West Northamptonshire shadow Authority (WNSA), the Chief Executive, WNA, Leader of the Labour Group (WNSA); Leader of the Liberal Democratic Group (WNSA) and written evidence from the Leader of the Independent Group (WNSA). The Panel was also provided with the following information:

- (i) relevant guidance and legislation (Allowances Regulations);
- (ii) benchmarking data of similar sized unitary authorities and current West Northamptonshire Councils' current allowances;
- (iii) information relating to the composition of West Northamptonshire Council;
- (iv) emerging governance structure for West Northamptonshire Council and anticipated roles of members, including the proposed structure and role of overview and scrutiny within the new Council; and
- (v) a summary of the proposed committees included within the governance structure.

3.1.10 It is highlighted that, unlike the case with an established council, the Panel did not have the benefit of detailed insight about how roles within West Northamptonshire Council will operate in practice. At the time of meeting and proposing a scheme, the Panel was therefore dependent on the developing governance structure of the Council as set out in the draft constitution. Recommendations were made on all relevant information available to the Panel as at February 2021. The Panel did however recognise that the creation of the new Council makes the task of setting allowances complex. The Panel acknowledged that the Council is about to go through a period of

significant change and therefore suggests that allowances be reviewed earlier than four years.

3.1.11 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 expected to be more challenging and complex than in the predecessor authorities, and this will be particularly apparent to experienced, returning councillors.

3.2 Interim Period (1 April 2021 to 11 May 2021):

Basic Allowance

3.2.1 The Panel considers that the payment of a basic allowance (BA) in the interim period will be in recognition that all councillors will continue to perform their community representation role, whether or not they seek election to the new council. The Panel felt that the fairest and most transparent method of calculating a suggested BA for Councillors during the interim period was to apply an average of the Basic Allowance for the four Sovereign Councils. The Panel therefore recommends a basic allowance of £636 for the interim period.

Special Responsibility Allowances (SRA)

3.2.2 The Panel noted that the Executive will be expected to meet during the interim period and will continue to have a key role in the operation of the new Council, with Executive Members being responsible for their own specific portfolios. Therefore, considering the anticipated responsibility of the Executive during this interim period, the Panel considered an SRA should be payable to each member of the Executive.

3.2.3 Each Area Planning Committee is expected to each hold a meeting during the interim period. The Panel felt that a fair approach to recommending an SRA for the three Chairs of the Area Planning Committees would be to pro rata it to that of the suggested BA during this period. The Panel therefore recommends:

- (a) An SRA of £3,305 to be paid to the Leader of the West Northamptonshire Council;
- (b) An SRA of £2,4063 to be paid to the Deputy-Leader of the West Northamptonshire Council;
- (c) An SRA of £1,983 to be paid to Executive Members; and
- (d) An SRA of £480 to be paid to the three Chairs of the Area Planning Committees.

3.3 Basic Allowance (BA) for West Northamptonshire Councillors to come into effect on 11 May 2021

3.3.1 The Panel has recommended that the rate of basic allowance (BA) to be paid to members of West Northamptonshire Council be set at £13,750 per annum.

This recommended BA is similar with the allowance paid to councillors in comparable authorities and is considered appropriate for the new council.

3.4 Special Responsibility Allowances (SRAs) from 11 May 2021

- 3.4.1 From the information provided to it, the Panel recognised that there are currently four Sovereign Councils with different cultures and bringing them together into a new organisation will be a significant task. There is a significant responsibility to start the Council in the most positive way. The Panel has 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. Therefore, in consideration the benchmark data, key information such as the governance structure of the new council and representations from members and officers and to ensure that SRAs are proportionate to the level of responsibilities involved, the Panel recommends a structure for SRAs as follows:

SRA	Recommended Allowance
Leader	£34,375 (2.5 x BA)
Deputy Leader	£24,063 (1.75 x BA)
Cabinet Members	£20,625 (1.5 x BA)
Chair of the Council	£10,313 (0.75 x BA)
Vice-Chair of the Council	£6875 (0.5 x BA)
Chair of Strategic Planning Committee	£18,563 (1.35 x BA)
Chair of Area Planning Committees	£10,313 (0.75 x BA)
Chair of Planning Policy Committee	£nil
Chair of Licensing Committee	£10,313 (0.75 x BA)
Chair of Audit Committee	£17,188 (1.25 x BA)
Chairs of the Overview and Scrutiny Committees	£17,188 (1.25 x BA)
Vice-chairs of the Overview and Scrutiny Committees	£3,438 (20% of the SRA of the Chair of Overview and Scrutiny)
Chair of Pension Fund Committee	£nil
Chair of Senior Appointments Committee	£nil
Chair of Standards, Democracy and Governance Committee	£10,313 (0.75 x BA)
Group Leaders	£20,625 split proportionally dependent upon group size (Group Leader SRA = £20,625 divide by 93 x number of group members)

No SRAs be paid to vice-chairs of Committees with the exception of the vice-chair of Council and the vice chairs of the Overview and Scrutiny Committees.

Members may not receive more than one SRA. The member will be entitled to receive the highest SRA from the roles that they hold.

- 3.4.2 A scheme based on the proposals of the Panel as detailed above is attached as Appendix A.

3.2 Issues and Choices

- 3.2.1 The Shadow Authority has discretion as to whether or not it accepts any of the recommendations proposed in the Panel's report.
- 3.2.2 Whilst the Shadow Authority has discretion to resolve to make alterations to the Members' Allowances Scheme different to those recommended by the Panel, it has a duty to have regard to the recommendations of the Panel in doing so. Members should give thorough consideration to the recommendations of the Panel to achieve compliance with this duty.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 When the Members' Allowances Scheme has been agreed, this will be published on the Shadow Authority's website. In addition to this, the Shadow Authority is also required by the Local Authorities (Members' Allowances) (England) Regulations 2003 to place an advert in one newspaper in circulation within the Shadow Authority area, showing the allowances that may be made to Members.

4.2 Resources and Risk

- 4.2.1 The scheme recommended by the Panel totals £1,689,195, excluding co-optee allowances. The actual amount will depend on how roles are actually filled. The Scheme proposed by the Panel for the interim period totals £92,316.

4.3 Legal

- 4.3.1 The Shadow Authority must establish an Independent Remuneration Panel whose function is to make recommendations to the Shadow Authority concerning allowances payable to Members. The Shadow Authority must have regard to the Panel's recommendations prior to making a Members' Allowances Scheme.
- 4.3.2 Regulation 16 of the 2003 Regulations states that after receiving a report from the Independent Remuneration Panel which sets out the Panel's recommendations, Local Authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours. Local Authorities must also, as soon as reasonably practicable after they receive the report, publish a notice which:

- a) states that the Authority has received recommendations from an Independent Panel in respect of its scheme of allowances;

- b) describes the main features of the Panel's recommendations including the amounts of allowances that the Panel has recommended should be payable to Members;
 - c) states that copies of the Panel's report are available at the authority's principal office and specifies the address of the principal office.
- 4.3.3 The Council must have a scheme in place from 1 April 2021 to comply to the Regulations.
- 5 Equality and Health**
- 5.1 The proposals are considered to have a neutral impact in terms of equality issues.
- 5.2 No Equality Impact Assessment has been carried out.

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