

**MAIDSTONE BOROUGH COUNCIL**

**COUNCIL**

**18 JULY 2018**

**REPORT OF THE JOINT INDEPENDENT REMUNERATION PANEL HELD ON  
21 MARCH 2018**

**MEMBERS' ALLOWANCES SCHEME**

**Issue for Decision**

On 21 March 2018 the Council's Joint Independent Remuneration Panel (JIRP) met to review the Members' Allowances Scheme. The report of the panel can be found as Appendix 1 to this report.

The panel made the following recommendations in respect to the Maidstone Borough Council Members' Allowance Scheme:

1. That a formula be applied to the basic allowance to make it more transparent for future years. This was as follows:- 12 (average hours) x £14.76 (Nomis<sup>1</sup> hourly rate by place of residence for Maidstone 2017) x 52 weeks (minus Public Service Discount of 45%).
2. That Officers should produce a list of approved duties within the Members' Allowance Scheme to assist Members and that Members should be reimbursed for travel to attend site visits whilst serving on Planning Committee and consideration should be given for Members to be reimbursed for attending meetings with KCC Officers.
3. That the Dependent Carer's allowance for a child care provider be amended to reflect the reasonable cost of a child minder but has to be on production of receipts.
4. That an indexation rise be continued which would be linked to staff salary increases.
5. That the Leaders allowance remains the same and the percentage ratio remains the same for the other Special Responsibility Allowances.
6. That provision should be built into the Members' Allowance Scheme which allows for a Vice Chairman to be given the Chairman's allowance if the Chair is absent for a significant period of time. The recommended period is 6 months.
7. That the broadband allowance be cancelled as there is an expectation that when elected most Members would have that facility.

<sup>1</sup> Nomis is a database of labour market statistics provided by the Office for National Statistics.

The Members' Allowances Scheme has been amended to reflect the recommendations above and this can be found in Appendix 2 to this report. Changes are shown as tracked changes.

Appendix 2 to this report is essentially the original Members' Allowances Scheme that was agreed in 2015. Since this date indexation has been applied to the allowances in line with staff pay increases so the original figures in the scheme do not reflect what is currently being paid. The increases due to indexation are therefore also shown in this scheme as tracked changes.

The net financial impact of the proposed changes in the scheme is an overall increase in members' allowances of £1240.80 compared to the current scheme. This comprises of the effect of the increase in the basic allowance, less the saving from deletion of the broadband allowance. The increase in cost to the Council can be met within existing budgets.

Further to recommendation 2 of the JIRP report, a scheme of approved duties for which travel expenses may be claimed has been drafted by officers and approved by the JIRP following their meeting. This list of approved duties is included as Schedule 3 of the Members' Allowances Scheme.

In addition to the recommendations above, the JIRP also recommended that the panel no longer be a Joint Panel with Swale Borough Council. The rationale behind having a Joint Panel was to hold the reviews of members' allowances concurrently to make savings for both organisations. Since this decision was taken the two councils have established different systems of governance and have adopted different review periods for members' allowances. As the two Councils were now so far 'out of sync' with one another the Panel suggested that consideration should be given to disbanding the joint partnership arrangement as there would be very few opportunities where they could meet jointly and therefore this provides no benefit to either authority. The Council's Constitution refers to the Joint Independent Remuneration Panel. However, the terms of reference make no reference to the nature of the panel taking reviews for both authorities. Therefore Council will need to agree to rename the panel the 'Independent Remuneration Panel' in the Constitution.

### **Recommendations Made**

1. That the amended Members' Allowances Scheme (Appendix 2) is adopted.
2. That the 'Joint Independent Remuneration Panel' is renamed the 'Independent Remuneration Panel' within the Council's Constitution.

### **Legal Implications**

The legal framework for Members' Allowances is established under the Local Government and Housing Act 1989, section 18. This gave the Secretary of State the power to make regulations authorising or requiring local authorities to pay a basic allowance to each councillor and special responsibility allowances to councillors with special responsibilities.

The section was amended by the Local Government Act 2000, section 99 to allow the Secretary of State to make regulations providing for the payment of pensions, allowances and gratuities to Members and the payment of carers allowances.

Under the Local Authorities (Member Allowances) (England) Regulations 2003, before a local authority makes or amends a scheme for Members' Allowances, it must have regard to the recommendations made to it by an independent remuneration panel.

The Independent Remuneration Panel (IRP) has a duty to produce a report making recommendations regarding the Members' Allowances, allowances for statutory independent and co-opted Members; and the Members' expenses rates.

The Council's obligation is to have regard to the recommendations of the IRP. It does not have a duty to follow them although it would need to have good reason to justify departing from the recommendations.

The Council has a duty as soon as reasonably practicable after the making or amendment of a scheme, to make arrangements for its publication by advertisement in the local press and copies be made available for inspection by the public – Regulation 16.

The recommendations in this report are in accordance with the statutory requirements.

### **Background Documents**

Appendix 1: Report by the Joint Independent Remuneration Panel: 'A Review of Members' Allowances for Maidstone Borough Council'

Appendix 2: Amended Members' Allowances Scheme