

Constitution Committee

Date of Meeting: 29th April 2021

Report Title: Scheme of Members' Allowances: Report of the Independent Remuneration Panel (IRP)

Senior Officer: Jane Burns, Executive Director Corporate Services

1. Report Summary

- 1.1. This report appends the Independent Remuneration Panel's (IRP) review of Cheshire East Council's Scheme of Members Allowances (Appendix A), which has been undertaken in order to address the change to the Council's governance arrangements.

2. Recommendations

- 2.1. That the Constitution Committee note the IRP report and refer the report to full Council for consideration, together with any specific recommendations arising from the deliberations of the Committee.
- 2.2 That the Constitution Committee give specific consideration to the recommended annual index which may be applied to all allowances in the Scheme and to recommend that, if Council chooses to agree such an index, this be applied to the Scheme for a period of 4 years.

3. Reasons for Recommendations

- 3.1 The reasons for the recommendations of the IRP are contained with the Panel's report.

4. Background

- 5.1 The Members Allowances Regulations 2003 require that an IRP be established by local authorities in order to make recommendations upon Member allowances.
- 5.2 The current IRP was appointed in 2019 and comprises Professor Steve Leach (Chairman), Mrs Mandy Ramsden and Mrs Jacquie Grinham. The IRP has a four-year term of office, which expires in 2023.
- 5.3 On 19 November 2020, Council resolved to cease operating the existing Leader and Cabinet model of governance and to implement a committee system of governance, to take effect from the Annual Council meeting in 2021. As the current scheme of allowances is based on the Leader and Cabinet model, the IRP has given consideration to a new scheme of allowances which reflects Members' new roles and responsibilities.
- 5.4 The Constitution Committee agreed, as part of the last review in 2016, that there was no necessity for a report of the IRP to be produced on an annual basis. To achieve this, consideration was given to making future provision for the Members Allowances Scheme to be adjusted on an annual basis, by reference to an index.
- 5.5 As an index may be applied for a period of up to four years, the IRP has again considered whether the current indexation arrangements (i.e. alignment of Member allowances with any NJC Officer Pay award) should continue. The IRP has made this recommendation, which is included in their report. If Council is minded to agree this approach, it will need to determine the period of such indexation (which is recommended for all allowances, apart from mileages). It is recommended that the indexation period, as is currently the case, should be for the period of 4 years, which removes the need for the IRP to be asked to make recommendations for Council to consider on a more frequent basis.
- 5.6 The Committee will see the appended report of the IRP, which fully details its recommendations, in respect of Member allowances, to the Council. Each recommendation is accompanied by the IRP reasons and explanation. For example, the Committee will note that the IRP has made recommendations in paragraphs 2.14-2.16 to a role of "opposition spokesperson".

5. Implications of the Recommendations

5.1. Legal Implications

6.1.1. The Council is empowered to pay a range of allowances to its elected Members in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 in respect of their roles and responsibilities.

6.1.2 In accordance with the Regulations, the Council is required to appoint an Independent Remuneration Panel to make recommendations to it, in respect of the Members' Allowances Scheme. Council has to have regard to the recommendations of the Panel when determining or making changes to a scheme of Members' Allowances.

5.2. Financial Implications

5.3. The cost of all proposed allowances, including the inflationary increase, remain within the 2021/22 budget envelope of £1.387m for basic and special responsibility allowances.

5.4. Policy Implications

5.4.1. There are no direct policy implications.

5.5. Equality Implications

5.5.1. There are no direct equality implications.

5.6. Human Resources Implications

5.6.1. There are no human resources implications.

5.7. Risk Management Implications

5.7.1. Council is not required to accept the Panel's findings, nor endorse its recommendations but any alternative approach agreed should seek to manage any corresponding financial or business risk.

5.8. Rural Communities Implications

5.8.1. There are no direct implications for rural communities.

5.9. Implications for Children & Young People/Cared for Children

5.9.1. There are no direct implications for children and young people.

5.10. Public Health Implications

5.10.1. There are no direct implications for public health.

5.11. Climate Change Implications

5.11.1. The scheme includes green travel incentives i.e. allowances for travel by bicycle and car sharing.

6. Ward Members Affected

6.1. The implications are borough wide.

7. Consultation & Engagement

7.1. All members of Council were invited to submit their views to the Panel via email. Two virtual meetings also took place in January 2021 with the Leaders of the Labour Group, the Conservative Group, Independents and Liberal Democrats.

8. Contact Information

8.1. Any questions relating to this report should be directed to the following officer:

Name: Brian Reed

Job Title: Head of Democratic Services and Governance

Email: brian.reed@cheshireeast.gov.uk