

## **MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2022 AND INDEPENDENT REMUNERATION PANEL (IRP)**

### **1. RECOMMENDATIONS**

- 1.1 That the Cabinet recommends to Full Council that:-
- (a) The current scheme of members' allowances be made as the scheme to apply from 1 April 2022;
  - (b) The Independent Remuneration Panel as outlined at paragraph 5, be appointed for a four year period commencing 1 March 2022;
  - (c) The Panel's terms of reference be agreed as set out in Appendix 1; and
  - (d) The current offer of 1.75% (which has already been implemented for staff this year) be applied to members' allowances for 2021/22, before the end of this financial year, should no agreement be reached with the National Joint Council (NJC).

### **2. INTRODUCTION**

The purpose of this report is:

- (a) To seek the required annual agreement for the current scheme of allowances to be made as the scheme to apply from 1 April 2022, and
- (b) To approve arrangements for two reviews of the Council's Members' Allowances Scheme, during 2022/23 and from 2024 onwards.

### **3. CURRENT SCHEME**

- 3.1 The Council is required annually to make a scheme of members' allowances, which must be published.
- 3.2 The current scheme is available to view at <https://democracy.newforest.gov.uk/documents/s20823/Chapter%2029.pdf>
- 3.3 The current scheme provides for the annual adjustment of allowances (basic, special responsibility and dependant carers' allowances) by the Local Government staff employees' national pay award annual percentage increase.
- 3.4 The employee's national pay award for 2021/22 is still being negotiated. If an award is made it will automatically, under the terms of the Scheme, be backdated to 1 April 2021. As backdating can only be implemented in the same financial year, it is recommended that the current offer of 1.75% (which has already been implemented for staff this year) be applied to members' allowances before the end of this financial year, should no agreement be reached. No other changes to the scheme are proposed. Indeed, no changes are possible without a recommendation from the Independent Remuneration Panel.

#### **4. INDEPENDENT REMUNERATION PANEL (IRP)**

- 4.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that where an authority relies on an index for the annual adjustment of members' allowances, it must not do so for longer than four years without a recommendation from its Independent Remuneration Panel (IRP). The Panel must comprise at least three members.
- 4.2 The Council's previous IRP last made a recommendation in relation to the Members' Allowances scheme in 2017 for the scheme that applied from April 2018. To continue with the indexing to the national pay award, it is necessary to obtain fresh recommendations before the end of the financial year 2022/23. It is anticipated that further recommendations may be sought from 2024 onwards, once the new Council has had a year of operation, reflecting on any new governance arrangements and closer inspection of the impact of a reduction in the Council's size from 60 to 48 councillors. The Panel also considers parish and town council allowances where those councils already, or wish to, pay allowances to their members.

#### **5. IRP TO SERVE FOR REVIEWS**

- 5.1 Due to significant changes over recent years and future structural changes in the make-up of the Council as it reduces to 48 members from May 2023, it is felt appropriate to take the opportunity to refresh the Independent Remuneration Panel by reviewing its members.
- 5.2 It is important that members serving on the Panel have a thorough understanding of the roles and workloads of councillors (which can differ across councils depending on meeting demands and members' representational roles), an appreciation of the political arrangements under which different councils operate, and a realistic approach to the general public's view on acceptable levels of allowances.
- 5.3 South East Employers, the employment and workforce experts for the Council and other public sector organisations in the region have been engaged to lead the work of the IRP. The following Panel Members are recommended for appointment who are all local to Hampshire:-
- Mark Palmer – Development Director, South East Employers (Chair)
- Roger Farrall – Retired Local Government Officer and experienced Independent Remuneration Panel Member
- Martin James – Retired Human Resources Specialist and experienced Independent Remuneration Panel Member
- Julia Abbott – Retired Academic Professional and experience Independent Remuneration Panel Member.
- 5.4 The proposed terms of reference of the Panel are attached at Appendix 1.
- 5.5 The review is proposed to take place in March 2022 and the IRP will report their findings to the Cabinet and Council thereafter on a revised scheme to apply from 2022/23. All members of the Council will be advised of the arrangements for the Panel's meetings and will be invited to contribute to the deliberations.
- 5.6 Officers will also ascertain from Town and Parish Councils whether they wish the Panel to make recommendations for allowances to their councillors. Any costs of the

Panel sitting as a Parish Remuneration Panel must be borne by the Town and Parish Councils concerned.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Payments to four IRP members to sit on two hearings in 2022 and 2024 are estimated to be in the region of £14,000. This can be met from existing budgets. Provision for the necessary uprating process in line with the national pay award is made within the Medium Term Financial Plan.

## **7. ENVIRONMENTAL, EQUALITIES & DIVERSITY AND CRIME & DISORDER IMPLICATIONS**

- 7.1 There are no specific environmental or crime and disorder implications arising directly from this report.
- 7.2 A review of Members' Allowances will take into account the needs of councillors, including but not limited to those with dependents and who are carers. It is likely that the IRP will make specific recommendations that address equalities implications.

### **Further information:**

**Matt Wisdom**  
Democratic Services Manager  
Tel: 023 8028 5072  
[Matt.wisdom@nfdc.gov.uk](mailto:Matt.wisdom@nfdc.gov.uk)

**Background Papers:**  
Published documents

**Andy Rogers**  
Committee Administrator  
Tel: 023 8028 5070  
[andy.rogers@nfdc.gov.uk](mailto:andy.rogers@nfdc.gov.uk)

**Independent Remuneration Panel – Terms of Reference**

1. To review New Forest District Council's Members' Allowances Scheme when requested by the Cabinet, but at least every four years, and to make recommendations to the Cabinet for any changes to the Scheme that the Panel considers appropriate, within existing budgets.
2. To make recommendations for the level of any further allowances that might be referred to the Panel by the Cabinet from time to time.
3. As and when requested by the Cabinet, to sit as the Independent Remuneration Panel for Parish and Town Councils in the District, and to make appropriate recommendations to Parish and Town Councils on the level of allowances to apply to their Councillors, within existing budgets.