

Cabinet – 5 February 2025

Scheme of Members' Allowances – Report of the Independent Remuneration Panel (IRP) and Scheme to Apply from 1 April 2025

Purpose	For Decision
Classification	Public
Executive Summary	<p>The Council's Independent Remuneration Panel (IRP), tasked with reviewing the Council's Scheme of Members' Allowances, was commissioned to undertake a review of the Council's scheme following the implementation of the Electoral Review of the District Council. The review sought to reflect on the reduction in the number of councillors together with revisions to the Council's governance arrangements that coincided with the implementation of the review, in May 2023.</p> <p>This report presents the recommendations of the IRP (Appendix 1) and a revised scheme based upon those recommendations for consideration by the Council (Appendix 2). The recommendations include a new basic allowance of £7,888, with a minor change to the Leader's Special Responsibility Allowance (SRA) multiplier. This in turn makes minor changes to the range of SRAs payable, as they derive their value as a percentage of the Leader's SRA. No fundamental amendments have been proposed by the IRP.</p> <p>The IRP recommends the promotion of the Dependent Carers' Allowance and the Parental Leave Policy, to encourage prospective councillor candidates and to remove some barriers from sections of the community for standing or re-standing for election as a councillor. This may also serve as a useful tool for local political parties and organisations in their recruitment of prospective candidates.</p>

Recommendation	1. That the Cabinet considers the recommendations of the Independent Remuneration Panel (IRP) and makes recommendations to the Council for the Scheme of Members' Allowances to Apply from 1 April 2025.
Reasons for recommendation	<p>To ensure that the Council reflects the impact of changes to electoral and governance arrangements, within the remuneration of councillors.</p> <p>To implement a scheme that will apply for a period of up to four years commencing 1 April 2025.</p> <p>To comply with the provisions of the Local Government (Members' Allowances) (England) Regulations 2003.</p>
Wards	All
Portfolio Holder	Councillor Jill Cleary – Leader
Strategic Director	Alan Bethune, Corporate Resources and Transformation (S151)
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Introduction and background

1. On 21 February 2022, the Council commissioned an Independent Remuneration Panel (IRP) comprising Mark Palmer, Julia Abbott, Martin James and Roger Farrall, to undertake two reviews of the Council's Scheme of Members' Allowances.

2. The IRP's terms of reference are as follows:-
 - a. 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.
 - b. To make recommendations for the level of any further allowances that might be referred to the Panel by the Cabinet from time to time.
 - c. 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.
3. The first review was completed in 2022, with the further review planned for the Autumn of 2024, once the new Council had been in operation for approximately 18 months. This review, which is the subject of this report, was commissioned to reflect on the new governance arrangements of the Council and to take a closer inspection of the impact in the reduction in the Council's size from 60 to 48 councillors.

The Review

4. The IRP met over two days on 22 and 23 October 2024 and conducted a series of interviews with a wide selection of councillors, also meeting with the Chief Executive. The IRP commissioned a survey of all councillors and reviewed the responses in detail, which were received from 24 out of 48 councillors. The IRP report arising from its deliberations is attached in full at Appendix 1.
5. In summary, the recommendations recalculate the basic allowance using a notional time input of 13 hours per week, which is an increase from 12 as set under the previous review. This one hour increase a week reflected on the reduction in the number of councillors arising from the Electoral Review, and the consequential increase in the number of local electors served by each councillor. A public service discount is then applied, which recognises the non paid, public duty aspect of the councillor role. In this instance, a public service discount of 30% continues to be recommended. Consideration was given to the increased training and development programme offered to councillors, which they heard directly from councillors about a revitalised commitment to learning and development since May 2023.

6. Having calculated the hours per week and applied a public service discount, the IRP continued to use the median full time gross wage per hour for the NFDC area, at £16.67 per hour. This results in a basic allowance of £7,888 per annum.
7. The Leader's SRA is recommended to reduce from 317% to 310%. This is essentially a 'no change' recommendation, factoring in the new basic allowance.
8. No other changes to the SRA multipliers are proposed, which derive their value as a percentage of the Leader's allowance. The recommendations continue in respect of no more than 50% of the total number of councillors being eligible to receive an SRA, and that an individual councillor may not receive more than one SRA at any one time.
9. It is recommended that the indexation to the local government pay award continues. Once a settlement is finalised each year, Members' Allowances will increase in line with this settlement, backdated to the beginning of the financial year in question. If the pay award is not increased by a percentage but rather a fixed lump sum, allowances will be increased by percentage received by staff at SCP point 49.

Corporate plan priorities

10. This timely IRP Review promotes the Future New Forest objectives by ensuring that the Council's modernised governance and electoral arrangements are reflected in the remuneration of councillors.

Options appraisal

11. In accordance with the Regulations, the Cabinet and Council must have regard to the recommendations of the IRP when adopting a Scheme of Members' Allowances.
12. The Council could make amendments to the scheme as currently recommended. Whilst it has been the practice of this Council to adopt the independent recommendations in full, this is a matter for Members to consider.

Consultation undertaken

13. All councillors have had the opportunity to feed their views into the review, through the questionnaire process. 24 out of 48 councillors responded to the questionnaire. 16 councillors were interviewed by the IRP, representing a third of the Council across differing roles and responsibilities. The Chief Executive also spoke directly to the IRP.

14. Group Leaders were briefed as the process and recommendations developed, alongside the input of the Council's Statutory Officers.

Financial and resource implications

15. By implementing the recommendations of the IRP in full, there will be a total cost increase of c.£15,000 to the overall Members' Allowances budget. Provision has been made within the Medium Term Financial Plan process. As this review was prompted by the Electoral Review of the District Council, those financial implications are in the context of the ongoing annual saving of c.£95,000 in basic allowances alone, achieved from the Electoral Review itself.
16. The Chairman of the HR Committee SRA is not payable to the Leader of the Council who is already in receipt of the Leader's SRA, which equates to a saving of £2,445 per annum.

Legal implications

17. The Local Government (Members' Allowances) (England) Regulations 2003 make it mandatory for local authorities to receive a report from an Independent Remuneration Panel before making or amending their schemes of members' allowances.
18. Where a scheme allows for the adjustment of allowances to be determined by reference to an index, the application of that index must be reviewed at least every four years. Whilst a four-year period has not elapsed since the index applicable to this Council's scheme of allowances was last reviewed, the Council has sought to ensure that recommendations are made in response to significant changes to the electoral and governance arrangements of the Council.

Risk assessment

19. A formal risk assessment for the setting of a Members' Allowances Scheme is not considered necessary, having regard to the implications outlined throughout the report.

Environmental / Climate and nature implications

20. The IRP recommends the continued inclusion of a travel allowance for electric vehicles on the current HM Revenue and Customs rate of 45p a mile. This sits alongside the allowance provision for bicycles and public transport, promoting the use of sustainable travel for Council business.

Equalities implications

21. The IRP recommendations include continuing with a parental leave policy, which stands to remove barriers to becoming a councillor, including encouraging younger prospective councillors with family commitments to stand for election. Furthermore, based on patterns of caring responsibilities, the policy is likely to remove specific barriers for women to fulfil their role as a councillor, based on the findings of the Fawcett Society report (Does Local Government Work for Women, 2018), which cited that a 'lack of maternity, paternity provision or support' is a real barrier for women aged 18-44 to fulfil their role as a councillor.
22. The report also recommends continuing with a dependent carers allowance.
23. The IRP requests that the Council and political groups through their recruitment processes, promote both of these policies to encourage prospective councillor candidates and to remove some barriers from sections of the community for standing or re-standing for election as a councillor.

Crime and disorder implications

24. There are none arising directly from the report.

Data protection / Information governance / ICT implications

25. There are none arising directly from the report.

Appendices:

Appendix 1 – IRP Report November 2024
Appendix 2 – Draft Scheme of Members' Allowances

Background Papers:

[Scheme to Apply from 1 April 2022 and IRP Arrangements IRP 2022](#)
Questionnaire Responses
Comparative Data