

Item

Member allowances-review by the Independent Remuneration Panel

To:

Civic Affairs Committee 27/01/2021

Report by:

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Wards affected:

All

1. Introduction

The Independent Remuneration Panel has reviewed the Allowance Scheme. Regulations require a review after four years if a Scheme uses an Index for annual increases. The Index applying to the current scheme, the National Living Wage, has been in place since May 2016.

2. Recommendations

Committee is asked to:

- (i) Consider the Panel's report and recommend a scheme for 2020-21 and 2021-22 to the Council.
- (ii) Note a further review will take place in autumn 2021 for implementation in May 2022.

3. Background

The recommendations of the Panel are for the current and next Municipal Year. If changes are to be made by the Committee to the Panel's recommendation, these would apply from May 2020.

4. Implications

(a) Financial Implications

Since 2017, annual increases linked to the National Living Wage and small changes to Special Responsibility Allowances have been covered by underspends in department budgets. Any more significant uplift (as was the case in 2016) would require a budget bid.

(b) Staffing Implications

(c) Equality and Poverty Implications

(d) Environmental Implications

(e) Procurement Implications

(f) Community Safety Implications

Nothing specific for the above.

If you have a query on the report please contact Gary Clift, Democratic Services Manager, tel: 01223 - 457011, email: gary.clift@cambridge.gov.uk.

Cambridge City Council
Members' Allowances-review by the Independent Remuneration Panel
December 2020

Background

1.1 The payment of Member Allowances is regulated by the Local Authorities (Members' Allowances) (England) Regulations 2003 and overseen by an Independent Remuneration Panel (the Panel). Allowances are split into two categories, basic allowance which is available to every member of the Council and special responsibility allowance which apply to specified positions identified in the Regulations and any additional positions of special responsibility that may be identified by the Panel.

1.2 The current Members' Allowances Scheme was introduced in July 2016 for the 2016/17 Municipal Year and is linked to the Government's National Living Wage (allowances up to that point had remained static since 2008). The Regulations require Panels to review an allowances scheme if it is linked to an index when that index has been applied for four years. Although the Panel reported in July 2017 and October 2018 on special responsibility allowances, when a check on how the scheme was working was done, it is the link to the index from 2016 which necessitates the review now.

1.3 The Panel noted that since it last met in 2018, arrangements for shared council services with both South Cambridgeshire DC and Huntingdonshire DC continue and have now been in place for the last four years.

1.4 Partnership working with the Cambridgeshire and Peterborough Combined Authority has also been in place for nearly its first four years, with the election of the Mayor scheduled for May 2021. In addition the arrangements with the Greater Cambridge Partnership continues. Previous expressions by the Panel for greater consistency of special responsibility allowances for roles on these partnership bodies have not materialised as these allowances continue to be agreed by each authority, which other than South Cambridgeshire DC, is not in sync and has taken into account local circumstances and preferences.

Comparison to most relevant near neighbour districts and family group councils

Council	2020/21 Basic allowance	Combined Authority (Board Member)	Greater Cambridge Partnership (Board Member)	Index used
Cambridge	5210	5210* (current recipient takes 50%)	2605	National Living Wage
South Cambs*	5010	5010	2505	Staff pay
Huntingdonshire**	4636	Leader's one SRA of 16,000 incorporates this role	n/a	Inflation
Oxford	5142			Staff pay
Lincoln	4905			Can't establish from web information
Exeter	6100			Resident to Cllr ratio
Crawley	6440			Chief Officer pay
Welwyn Hatfield	5152			Staff pay
Cheltenham	5698			Staff pay

*Cambridge and SCDC have a shared services agreement in Waste Collection and recycling, Internal Audit, Planning Services, Building Control, Legal, ICT and CCTV

**Cambridge and Huntingdonshire have a shared services agreement in Legal, ICT, Building Control and CCTV

Conclusion and recommendation

2.1 This review has been purposefully light touch and interim, acknowledging that although required by the Regulations, the timing is not ideal. The coronavirus pandemic made 2020 an untypical year to say the least and Members are rightly focusing on the unprecedented situation. In addition, any impact of the delayed all-out city council elections due now in May 2021

are also of interest to the Panel as will be any impact of new ways of working during and coming out of the pandemic. The Panel also notes that after ten years the Council's Chief Executive left in September and an interim Chief Executive is currently in place until the post is permanently filled.

2.2 We do believe that the methodology used since 2016 is still relevant. Aligning with the National Living Wage ensures increases are understood and logical and reflects what the Government see as a responsible annual increase.

2.3 That said however, taking into account the announcement in the Spending Review by the Chancellor in November that the majority of public sector pay would be frozen in 2021/22, the Panel recommends that the Allowances Scheme remain at 2020/21 rates for 2021/22.

2.4 It is our intention to do a full review of the scheme in autumn 2021 when it is hoped that the current uncertainties are made clearer.

Jane Phillips, Rob Bennett, Graham Jagger
December 2020

Terms of Reference for the Panel

To recommend a scheme or schemes to the Council which

- i. recognises that councillors undertake council work for the sake of public service and not private gain
- ii. recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities
- iii. fairly and equitably compensates councillors, so far as the Panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor
- iv. is economic, efficient to administer and effective
- v. is easy to understand and explain
- vi. recognises the level of out of pocket expenses councillors incur
- vii. has flexibility to reflect changes of responsibilities of councillors during the course of the year
- viii. ensures that a benchmarking exercise is undertaken with other comparable Councils.
- ix. ensures that equality and diversity implications are considered so that a diverse range of Councillors can be attracted.

Members of the Panel are:

Jane Phillips

Jane has worked as a teacher and a business psychologist. She has also been a school governor for over thirty years, working with five different schools in Hertfordshire and Cambridgeshire. During this time, she has been the Chair of Governors and the Chair of Personnel and has drawn up policies on governor expenses and a code of conduct for the governing body. From 1992-1995 she was the Chair of Hertfordshire Governors' Association and from 2000-2003 she was the Chair of the National Association of School Governors. She is now the Chair of Birdwood Area Residents' Association in Cambridge. In her spare time she has completed an MA in Crime Writing and is writing the third book in a crime trilogy. She lives in Cambridge.

Graham Jagger

Graham is a Cambridge graduate and professional HR manager and consultant with wide public and private sector experience. During the last 20 years he has worked in the NHS at Trust, regional and national levels including as Director of Corporate Development at Papworth Hospital NHS

Foundation Trust and as Agenda for Change Director for Papworth, Addenbrookes and the East of England. He was appointed to the independent NHS Pay Review Body by the Secretary of State for Health in 2009, responsible for reviewing and making recommendations to government on changes to the pay and conditions of NHS staff. From 2012 he was Lead Governor, Papworth Hospital NHSFT and Director of Healthwatch Cambridgeshire and Peterborough. Currently he chairs the East of England Advisory Committee on Consultant Clinical Excellence Awards and is a Member of the NHS Reconfiguration Panel which advises the Secretary of State on contested service change proposals. He has six years' experience of reviewing a members' allowance scheme as member and then chair of the Independent Remuneration Panel at South Cambridgeshire District Council. He lives in Cambridge.

Rob Bennett

Rob is the independent person for Cambridge City Council dealing with complaints against councillors. He worked as a partner with PricewaterhouseCoopers (PwC) until 2010 and led the public sector audit business in the South and East of England. He is a non-executive director and audit and risk committee chair for Flagship Housing Group, the largest housing association in the East of England with over 30,000 properties. He is a non-executive member of Norfolk & Waveney Clinical Commissioning Group's Governing Body and chair the audit committee and the conflicts of interest committee. Rob is the independent chair of the audit committee for the Norfolk Police and Crime Commissioner, the independent hospital manager for Norfolk & Suffolk NHS Foundation Trust dealing with the detention of patients under Mental Health legislation. He is also the chair for a local charity which manages a country park on the outskirts of Norwich and a volunteer at the Norwich Foodbank.