

Meeting **COUNCIL**
Portfolio Area Members' Services
Date **14 DECEMBER 2022**



MEMBERS' ALLOWANCES SCHEME 2022-2023

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1 PURPOSE

- 1.1 To recommend to Council a Members' Allowances Scheme for 2022-2023

2 RECOMMENDATIONS

- 2.1 That a Members' Allowances Scheme for 2022-2023, as set out in Appendix A to this report, be agreed.

3 BACKGROUND

- 3.1 Local authorities are required to make a Members' Allowances Scheme before the beginning of each financial year.
- 3.2 At its meeting on 26 February 2020, the Council adopted a Members' Allowances Scheme for 2020-2021 based on the recommendations of the Independent Remuneration Panel (IRP) that had undertaken a comprehensive review in Autumn 2019. One of the IRP's recommendations approved by the Council on 26 February 2020 was that, in future years, the allowances be increased in accordance with the pay award applicable to NJC staff.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 At its meeting held on 9 March 2022, the Council approved a Members' Allowances Scheme for 2022-2023 based on the agreed NJC Pay Award for 2021-2022 (an allowances increase of 1.75%). The Council further agreed that the Scheme be updated should an NJC Pay Award be agreed for 2022-2023.
- 4.2 On 25 July 2022, the Chief Executive received notification from the National Employers for local government services that they wished to make an offer for 2022-2023 to the Trade Unions (Unison, Unite and GMB), which included:
- With effect from 1 April 2022, an increase of £1,925 on all NJC pay points 1 and above; and
 - With effect from 1 April 2022, an increase of 4.04% on all allowances (as listed in the NJC pay agreement circular dated 28 February 2022).
- 4.3 The above offer was accepted by the Trade Unions. On 1 November 2022, confirmation of this pay agreement was received from National Joint Council for local government services.
- 4.4 The agreed £1,925 increase would represent a 10.50% uplift for an employee on Spinal Column Point 1, and a 4.04% uplift for an employee on Spinal Column Point 43, with uplifts in between those percentages for employees on Spinal Column Points 2 to 42. Nationally, the staff pay bill would increase by 6.886% and the SBC pay bill would increase by 5.71%.
- 4.5 The above "blanket" increase in pay differs from previous years, when the uplift to Members' Allowances was based on the agreed straight percentage increase for staff set out in the Pay Award.
- 4.6 Officers have considered the position for 2022-2023. The following options were identified for consideration by both the SBC Group Leaders and thereafter the Independent Remuneration Panel:
1. Recommend an increase of 4.04% in line with officer allowances within the NJC scheme (recommended option by Local Government Association (LGA) lead negotiator to the East of England LGA Heads of Human Resources);
 2. Recommend an increase of 5.71% in line with the percentage pay bill increase at SBC;
 3. Recommend 6.886% in line with the percentage increase to the national pay bill; or
 4. Recommend an increase of £1,925 to all member allowances resulting in a 23.50% increase on SBC Members' basic allowances, compared to maximum employee increase of 10.50% (and higher percentage increases should the £1,925 be applied to Special Responsibility allowances).

The recommended approach from officers was Option 1 above, in order to align Member allowance increases with officer allowance increases.

- 4.7 A meeting of the three SBC Political Group Leaders supported the proposal set out in Option 1.
- 4.8 As the NJC agreed pay award represented a departure from the methodology agreed by the Independent Remuneration Panel back in 2020, officers consulted Panel Members on the various options. The Panel also supported the Option 1 proposal.
- 4.9 The proposed 4.04% uplift has been reflected in the updated Members' Allowances Scheme for 2022-2023 set out in Appendix A to the report.

5 IMPLICATIONS

Financial Implications

- 5.1 The 2022/23 budget provision for the Members' Allowances Scheme is £497,580, this was based on an assumed 2% increase in Member allowances. The recommended 4.04% uplift aligned to the staff pay award would mean an additional cost of £14,230 over the budgeted amount giving a total budget of £511,810. If approved, the increase will be added to the current year's budget as part of the Draft General Fund report to the January 2023 Executive.

Legal Implications

- 5.2 The Council has a Members' Allowances scheme in accordance with the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 ("Regulations"). The Regulations set out that a local authority shall make a Scheme in accordance with the Regulations which shall provide for the payment of an allowance in respect of each year to each member of an authority. In addition, the Regulations require that before making a Scheme the Council must have regard to the recommendations made by the Independent Remuneration Panel.

BACKGROUND DOCUMENTS

- BD1 Report of the Independent Remuneration Panel – January 2022
- BD2 Local Authorities (Members' Allowances) (England) Regulations 2003
- BD3 National Employers for local government services – pay offer for 2022-23
- BD4 National Joint Council for local government services – pay agreement 2022-23

APPENDICES

- A Recommended Members' Allowances Scheme for 2022-2023.