



**The report of the Independent Remuneration Panel  
appointed to review the allowances paid to Councillors.  
of Cambridgeshire County Council**



November 2022



## 1. INTRODUCTION AND BACKGROUND

- 1.1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.1.2 Cambridgeshire County Council formally appointed the following persons to undertake this process and make recommendations on its future scheme.

Nicky Blanning – Local resident  
Gerard Dempsey- Business Consultant and member of the Judiciary  
Jennifer Horn- Local Company Director  
Amanda Orchard- Marketing Consultant and Local Magistrate  
Mark Palmer – Development Director, South East Employers (Chair)

- 1.1.3 Our terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). The recommendations were based on the following Terms of Reference determined by the Council:

The Independent Remuneration Panel ("IRP") shall, as requested by Council on 20th May 2021:

- undertake a review of the special responsibility allowances for the Policy and Service Committee Chairs and Vice-Chairs.
- The "IRP" shall also:
  - re-consider the recommendation, agreed at Council on 20th May 2021, that the basic allowance for each of the SRAs and the Co-optees' Allowance be increased annually in line with the percentage increase in staff salaries (non-management band) from 10th May 2021 for a period of up to four years. After this period, the Scheme shall be reviewed again by an Independent Remuneration Panel. *(This is in the light of the complexities associated with the proposed pay rise in staff salaries (non-management band) employees).*
  - consider the financial loss allowance for newly co-opted Independent Members on the Audit and Accounts Committee.
  - ensure that the system of Members' Allowances does not restrict the possibility of any group in society from standing for election and ideally have the effect of encouraging groups currently under-represented on Councils to become Councillors. In essence, giving regard to allowances being a possible barrier to elected office, especially for those already in employment.
  - re-consider the possibility of the Deputy Leader of the Opposition receiving an allowance.

In making its recommendations the IRP shall obtain the views of officers, Group Leaders and Chairs and Vice-Chairs of the Council to which it relates.

## **2. CURRENT SCHEME**

- 2.1.1 The last review of councillors' allowances was undertaken by the IRP in June 2021 and became effective from 18th May 2021.
- 2.1.2 The Scheme currently provides that all councillors are each entitled to a total basic allowance of **£10,725.94** per annum, with effect from 2021 and included an approach to indexation. In addition, some councillors receive special responsibility allowances for undertaking additional duties.
- 2.1.3 Councillors may also claim the cost of travel and expenses and for expenditure on the care of children or dependants whilst on approved duties.

## **3. PRINCIPLES UNDERPINNING OUR REVIEW**

### **3.1 The Public Service Principle**

- 3.1.1 This is the principle that an important part of being a councillor is the desire to serve the public and, therefore, not all of what a councillor does should be remunerated. Part of a councillor's time should be given voluntarily. The consolidated guidance notes the importance of this principle when arriving at the recommended basic allowance.<sup>1</sup> Moreover, we found that a public service concept or ethos was articulated and supported by all of the councillors we interviewed.
- 3.1.2 The principle of public service had been recognised in previous IRP reviews and was quantified in 2021.

### **3.2 The Fair Remuneration Principle**

- 3.2.1 Alongside the belief that the role of the elected Councillor should, in part, be viewed as unpaid voluntary service, we advocate a principle of fair remuneration. The Panel in 2021 continues to subscribe to the view promoted by the independent Councillors' Commission:

*Remuneration should not be an incentive for service as a councillor. Nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.<sup>2</sup>*

- 3.2.2 We are keen to ensure that our recommended scheme of allowances provides reasonable financial compensation for councillors. Equally, the scheme should be fair, transparent, logical, simple, and seen as such.

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<sup>1</sup> The former Office of Deputy Prime Minister: *Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 68.

<sup>2</sup> Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007, p.3.

## **4. CONSIDERATIONS AND RECOMMENDATIONS**

### **4.1 Policy and Service Committee Chairs**

- 4.1.1 At the June 2021 Review the Panel postponed making a recommendation on the Special Responsibility Allowance (SRA's) for the Policy and Service Committee Chairs and Vice Chairs for a period of up to eighteen months. This would allow time for the new roles to embed and provide the Panel with more evidence and knowledge to support a recommendation.
- 4.1.2 The Panel interviewed all the Chairs of the Policy and Service Committees and was of the view that the roles were both substantive in size, complexity and required a significant time commitment for the Members involved.
- 4.1.3 The Panel is of the view that the Chairs of the Policy and Service Committees should receive an SRA of 60% of the Leader's Allowance, £19,355

**WE THEREFORE RECOMMEND that the Policy and Service Committee Chairs receive an SRA of 60% of the Leader's Allowance, £19,355**

### **4.2 Policy and Service Committee Vice Chairs**

- 4.2.1 The Panel also regarded the Policy and Service Committee Vice Chairs as significant roles and recommended that the Vice Chairs should receive an SRA of 30% of the Leader's Allowance, £9,678

**WE THEREFORE RECOMMEND that the Policy and Service Committee Vice Chairs receive an SRA of 30% of the Leader's Allowance, £9,678**

### **4.3 Deputy Leader of the Main Opposition Group and Deputy Leader of the Minor Opposition**

- 4.3.1 In June 2021 the Panel recommended that the SRA for the Deputy Leader of the Main Opposition Group and Minor Opposition be withdrawn. In accordance with the Terms of Reference for this review the Panel reconsidered that recommendation.
- 4.3.2 The Panel recommends that there should be no change to the recommendation made In June 2021 and therefore no SRA should be recommended for the role of Deputy Leader of the Main Opposition and Deputy Leader of the Minor Opposition.

**WE THEREFORE RECOMMEND that for the roles of Deputy Leader of the Main Opposition and the Deputy Leader of the Minor Opposition no SRA should be Payable.**

### **4.4 Co-Opted Members of Audit and Accounts Committee**

- 4.4.1 In July 2022, the County Council's Audit & Accounts Committee decided to seek to co-opt two independent (apolitical) members to join that Committee. This utilises an existing constitutional provision for that Committee to have co-opted members, for the first time, and is being progressed in the context of the CIPFA position statement on Audit Committees and the recent national review by Sir Tony Redmond which both recommend independent members of Council audit committees.

The Committee considered in July that some level of allowance would be advisable for this type of co-opted Member. It was posited at that Committee that an annual allowance of £1500 would be appropriate in this case. The Panel considered this

allowance and made the following recommendation for inclusion into the Scheme of Allowances following an interview with the Service Director: Finance & Procurement to understand the role profile and the outline specification considered.

- 4.4.2 The Panel recommends that the Co-Opted Members of the Audit and Accounts Committee receive an allowance of £1,500 per annum. The allowance will be subject to an indexation at the same rate as the Basic and Special Responsibility Allowances.

**WE THEREFORE RECOMMEND that the Co-Opted Members of the Audit and Accounts Committee receive an allowance of £1,500 per annum. The allowance should be subject to an indexation at the same rate as the Basic and Special Responsibility Allowances.**

#### **4.5 Indexation**

- 4.5.1 The Panel was asked to recommend an indexation for 2023/24. As recommended in the June 2021 review the Panel recommended to index allowances in line with staff salary Increases (non-management band). After consideration the Panel recommended that the indexation should now be based on the median P&M Pay Scale, £50,838. This equated to an indexation of 3.8% per annum.

**WE THEREFORE RECOMMEND that the indexation for 2023/24 should be based on the median P&M Pay Scale, £50,838. This equates to an indexation of 3.8% per annum.**

#### **4.6 Attracting and Retaining a Diversity of Councillors**

- 4.6.1 The Terms of Reference for this review required the Panel *consider that the system of Members' Allowances does not restrict the possibility of any group in society from standing for election and ideally have the effect of encouraging groups currently under-represented on Councils to become Councillors. In essence, giving regard to allowances being a possible barrier to elected office, especially for those already in employment.*
- 4.6.2 The Panel considered this request and was of the view that following had been recommended in the June 2021 review that supported this request:
- The recommendation of a Fair Remuneration Principle based that links the Basic Allowance to the median hourly wage rate in Cambridgeshire by place of residence
  - The recommendation for a Carers' Allowance based reimbursed at cost with no maximum hourly limits
  - The recommendation for a Parental Leave Policy to be developed by the Council and
  - The Council to support the *LGA Be A Councillor Programme* to further promote the role of the Councillor

## **5. Background**

- 5.1.1 As part of this review we interviewed eleven current councillors and one officer using a structured questioning process. We are grateful to all our interviewees for their assistance.

**Mark Palmer**  
**(Chair of the Independent Remuneration Panel)**  
**Development Director, South East Employers**  
**November 2022**