

From: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services
Ben Watts, General Counsel

To: **Selection and Member Services Committee – 2 December 2019**

Subject: Review of the Members' Allowances Scheme

Classification: **Unrestricted**

Summary:

The purpose of this report is to note the changes required of the Members' Allowances Scheme consequent on the Leader's decisions of Executive arrangements and ongoing developments in the governance of the Council.

Recommendation:

That the Selection and Member Services Committee request that the Member Remuneration Panel convene and prepare a report for County Council on the following matters:

- a. The appropriate level of SRA for the position of Lead Member for Partnerships reporting to the Leader.
- b. The appropriate level of SRA, if any, for the position of Chair of the Selection and Member Services Committee.
- c. Clarification of the wording relating to the SRA for the Leader of each Opposition Group (of at least five Members).
- d. The appropriate level of SRA, if any, for non-executive Members appointed by the executive to support oversight and scrutiny of traded activities.

1. Introduction

- 1.1 The election of the Leader of Kent County Council took place on 17 October 2019. Under Sections 9.5 and 9.6 of the Constitution, the Leader made determinations about the allocation of responsibilities between the Executive Members and made arrangements for the discharge of Executive functions.
- 1.2 The structural revision of the Constitution was also agreed by County Council on 17 October. This was part of the ongoing broader review of the governance of the County Council.
- 1.3 In the context of the above points, several issues have arisen with the Members' Allowances Scheme as adopted by the Council on 23 May 2019. These are as follows:

- (a) The current scheme allows for a single Special Responsibilities Allowance (SRA) for the 'Lead Member for Traded Services' at the same level as that of Cabinet Members. This SRA was specifically approved by the Council for the holder of this post. This post no longer exists. The post of 'Lead Member for Partnerships reporting to the Leader' has been established and the holder is currently entitled to an SRA as a Deputy Cabinet Member. Given the nature, responsibilities and scope of the new role, the Member Remuneration Panel should be approached to review the role to determine whether the current scheme needs to be amended to increase the SRA for the 'Lead Member for Partnerships reporting to the Leader'.
- (b) The Chair of the Selection and Member Services (SMS) Committee does not receive an SRA under the current scheme although they have done on occasions previously. As the development of the Council's governance arrangements are likely to involve bolstering the role of the SMS Committee, the commensurate responsibilities of the Chair will also increase. The question is whether the current scheme needs to be amended to allow for an SRA for the Chair of the SMS Committee in line with that made to the appropriately equivalent Chairs of other Committees.
- (c) The current scheme gives the Leader of each Opposition Group (of at least five Members) £7,675.84 plus £607.65 for each additional Group Member. This has been interpreted in the past as meaning the number of additional Group Member payments equals the number of Group Members minus 1 (the one being the Group Leader), subject to there being at least five Members in the Group. However, the wording is ambiguous and could be interpreted to mean that there are only additional payments made for each Group Member over the number of five (so that the Leader of a Group with exactly 5 Members would get the basic £7,675.84 only, and not four additional payments as would be current practice). The question is whether to add a few words to the Scheme to clarify KCC practice rather than change the practice.
- (d) The Council has recently reviewed the governance arrangements for the trading companies that KCC wholly owns. As part of that process, the Council has established a holding company (Kent Holdco Ltd) to control and manage our investments on a commercial basis. The Council exercises our interest in Kent Holdco Ltd through reserved matters and the activities of the Shareholder Board. Given the deletion of the Cabinet Lead for Traded Services, the Executive is keen to utilise the commercial expertise of non-executive Members. It is therefore proposed that the Member Remuneration Panel be approached to provide a view in relation to any allowances for additional roles were they to be created to support the Executive discharging these responsibilities given the potential for considerable additional work and responsibility. The question is whether the current scheme needs to be amended to allow for such an SRA.

2. Revising the Scheme

- 2.1 Under section 21.13 of the Constitution, the Members' Allowances Scheme "is approved by the full Council with advice from an Independent Member Remuneration Panel."

2.2 Section 17.13 of the Constitution confirms the role of the Member Remuneration Panel: “It has responsibility for making recommendations to the Council on a scheme of allowances and expenses for Council Members and for reviewing that scheme in whole or in part as required by law or requested by the Selection and Member Services Committee.”

2.3 It is important to note that the role of the Panel is to advise on the Members’ Allowances Scheme, it is not to decide it. Furthermore, whilst the Council has a legal duty to operate an Independent Members Remuneration Panel, must publish and have regard to their recommendations, it need not follow them. There is no statutory requirement to agree or follow the recommendations of the Panel.

3. Financial Implications

3.1 There are potential financial implications to the changes that may be made to the Scheme as a result of the final decision of County Council. These will be calculated as part of the report going to County Council.

4. Recommendation:

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- b. The appropriate level of SRA, if any, for the position of Chair of the Selection and Member Services Committee.**
- c. Clarification of the wording relating to the SRA for the Leader of each Opposition Group (of at least five Members).**
- d. The appropriate level of SRA, if any, for those non-executive Members appointed by the executive to support the oversight and scrutiny of traded activities.**

5. Background Documents

Report of the Independent Remuneration Panel, County Council 13 July 2017, <https://democracy.kent.gov.uk/documents/s77593/Member%20Remuneration%20Panel%20-%20FINAL.pdf>

6. Contact details

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