

TO: COUNCIL  
29 FEBRUARY 2012

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**MEMBERS' ALLOWANCES SCHEME  
REPORT OF THE INDEPENDENT REMUNERATION PANEL  
Director of Corporate Services – Democratic & Registration Services**

**1 PURPOSE OF REPORT**

- 1.1 The Local Authorities (Members Allowances) (England) Regulations 2003 require councils to establish and maintain an Independent Remuneration Panel (IRP) which will broadly have the functions of providing the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. Local authorities must have regard to this advice.
- 1.2 The Independent Remuneration Panel appointed by the Council met in November 2011 and January 2012 at the Council's invitation, to review the Council's Members' Allowances Scheme. The Panel's report and recommendations are appended to this report at Annex A. The Council is asked to consider the Panel's recommendations and to decide whether to make any changes to the current Scheme.

**2 RECOMMENDATIONS**

- 2.1 **That Council determine what action it wishes to take in response to the recommendations of the Independent Remuneration Panel, as set out in bold in the Panel's report and summarised in paragraph 5.6 of this report; and that the Members' Allowances Scheme is amended accordingly.**
- 2.2 **That the list of approved conferences, set out in Annex B, is approved for insertion in the Scheme.**

**3 REASONS FOR RECOMMENDATION(S)**

- 3.1 The Council must have regard to the recommendations of an Independent Remuneration Panel in respect of the Members' Allowances Scheme. The Panel's reasons for their recommendations are set out in their report.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5 SUPPORTING INFORMATION**

Statutory Guidance

- 5.1 In all its deliberations the Independent Remuneration Panel has had regard to the Guidance on Consolidated Regulations for Local Authority Allowances published by the Office of the Deputy Prime Minister in July 2003.

Background

- 5.2 This review arose out of the need for a fresh authority to extend the right to join the pension scheme for another four years and to advise whether the Council should

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continue with the indexation of allowances. (The previous authorities expire in February 2012).

- 5.3 As the Panel had undertaken a full review of the Members' Allowances Scheme in 2009, it was asked to adopt a 'light touch' approach for this review. The terms of reference for the review were:
- i. To consider a fresh authority to continue utilising the current indices for up rating the various allowances on an annual basis for another four years; and if the Panel supports the continuation of indexation, then to recommend what index should apply to which allowance.
  - ii. To consider a fresh authority to extend the right of Members to join the Local Government Pension Scheme for another four years.
  - iii. To review the special responsibility allowance for the Chairman of Planning, that was frozen because of the previous review, subject to the Panel's reconsideration.
  - iv. To make recommendations on the appropriate form and level of remuneration for independent members appointed to Education Appeal Panels.
  - v. To provide guidance to the Council on the Members' remuneration package as a whole, including IT peripherals and consumables.
  - vi. To amend wording regarding mileage payments to track staff rates.
  - vii. To amend wording regarding the Broadband allowance to track staff rates
  - viii. To consider the list of Approved Conferences (subject to confirmation from Member Development Charter Steering Group)
  - ix. To consider any other issues brought to the Panel's attention during the review.
- 5.4 The Panel met twice, in November 2011 and January 2012 to formulate their recommendations.

### The Panel's Report and Recommendations

- 5.5 The Panel's report, including its findings and recommendations is appended to this report as Annex A. The recommendations are set out in bold in that report. The information reviewed by the Panel, listed in Appendix 2 to the Panel's report, is available from Democratic Services.
- 5.6 The main findings and recommendations of the Panel are:
- (i) Indexation (para 17)
    - (a) That no indexation is applied to the Basic Allowance, Special Responsibility Allowances and Co-optees' Allowance until the Panel undertakes its next review in 2014.
    - (b) That the indexation for the Dependants' Carers' Allowance and the Travel and Subsistence Allowances should remain in place as they relate to reimbursements of costs incurred by Members.

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(ii) Basic Allowance (para 21 & 22)

That the Basic Allowance remains at £8,687 and is inclusive of incidental expenses not otherwise specified in the Scheme.

(iii) Chairman of Planning (para 31)

That the SRA for the Chairman of the Planning Committee be set at £7,239, which is 25% of the Leader's SRA.

(iv) Vice-Chairman of Planning (para 49)

That the SRA for the Vice-Chairman of the Planning Committee be set at £723 which is 10% of the Chairman's recommended SRA.

(v) Education Appeals Panels (para 38 & 40)

(a) That the Education Appeals Panel Members can be paid for actual loss of earnings up to the following limits:

- £30.14 for a period not exceeding 4 hours
- £59.10 for a period between 4 and 24 hours

(b) That the Education Appeal Panel Members may also be compensated for costs for caring for dependants while undertaking appeals and associated training, considered against the same criteria for Members as set out in the Members' Allowance scheme.

(vi) Travel and subsistence (para 42)

No change

(vii) IT peripherals and consumables (para 43)

No change other than to the wording of the scheme to reflect that Members can choose to use their own kit and broadband.

(viii) Mileage payments (para 44 & 45)

That the wording in the Scheme is amended as set out in the IRP report to reflect that payment should track that paid to officers under the casual user rate

(ix) Broadband allowance (para 46)

That Members' broadband allowance should track the same rate paid to relevant officers which would mean a reduction from £15 to the current rate of £9 per month.

(x) Vice-Chairman of the Licensing & Safety Committee (para 52)

That the SRA for the Vice-Chairman of the Licensing & Safety Committee be set at £553 which is 10% of the Chairman's SRA of £5,526.

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(xi) Leader of the Opposition Group(s) (para 55 & 56)

- (a) That the SRA for a single Leader of the Opposition be set at £9,651, which is one third of the Leader of the Council's SRA.
- (b) That when there are two minority groups, each Leader's SRA to be proportionate to the SRA of a single Leader of the Opposition.
- (c) That an Opposition Leader's SRA be payable to no more than two minority groups.

(xii) Deputy Leader of the Opposition

That the SRA for the Deputy Leader of the Opposition be discontinued until a group reaches seven in number and that the current SRA be reduced to 10% of the single Leader of the Opposition SRA, which is £965.

(xiii) Amendments to the scheme to reflect title changes (para 58)

That where there are changes in the title of a post that receives an SRA, officers can amend the Members' Allowances scheme to reflect that change.

(xiv) Membership of the Local Government Pension Scheme (para 59)

That Members continue to be able to join the Local Government Pension Scheme if they so wish, with this authority extended for another four years.

(xv) Future review (para 60)

That another review of the Members' Allowances Scheme is held by April 2014 or at an earlier date if the Council so requests, to respond to any changes in governance arrangements that would impact on the Scheme.

(xvi) Implementation of recommendations (para 64)

That the recommendations within the IRP report be implemented from 1 April 2012.

### Approved Conferences

- 5.7 The Panel has not made any recommendations in respect of the current list of approved conferences which Members are able to attend. Members are therefore asked to confirm the current list for inclusion in the Scheme as set out in Annex B.

### Publicity Arrangements

- 5.8 In accordance with the Regulations a notice has been published in a local newspaper which stated that the Council has received recommendations from an Independent Remuneration Panel about its scheme of allowances and described the main features of the Panel's recommendations. Copies of the report were made available at the Council's offices and via the Council's website.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 Nothing to add to the report.

### Borough Treasurer

- 6.2 If the Council accepts the recommendations of the IRP, this will result in a budget saving of £12,185. Because the Leader of the Opposition takes less than the recommended amount and the Deputy Leader of the Opposition does not take any allowance, the actual saving will be £4,634. The difference of £7,551 has, in the past, contributed towards the overall Council underspend.
- 6.3 There are currently no claims from Education Appeal Panel members for loss of earnings and dependants' carers allowances amounts in the current financial year therefore it is anticipated that the proposed changes can be met from within existing budgets.
- 6.4 The current saving on the broadband allowance is relatively small given the low numbers who claim an allowance (£288) however the number of claims is expected to rise as more Members move to using their own broadband.
- 6.5 The 2012/13 draft revenue budget has been prepared on the basis that no inflation will be applied to Members' allowances. It also makes no allowance for the reduction in Members' allowances identified in 6.2 above. If the Council accepts the recommendations of the IRP, the saving will be identified through the budget monitoring process and responded through the first quarter's Quarterly Service Reports in 2012/13.

### Equalities Impact Assessment

- 6.6 One of the purposes of reviewing the Members' Allowances Scheme is to ensure that financial considerations are not a barrier to any person entering public office or assuming a particular role on the Council. By the same token the levels of allowances should be such that financial gain is not seen as an incentive for taking up public office.

### Strategic Risk Management Issues

- 6.7 There are no strategic risk management issues relevant to this report.

### Other Officers

- 6.8 None

## **7 CONSULTATION**

### Principal Groups Consulted

- 7.1 Not applicable

Method of Consultation

7.2 Not applicable

Representations Received

7.3 Not applicable

Background Papers

None

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