

# ***Report to the Council***

**Subject: Members' Allowances Scheme - Review**

**Committee: Member Remuneration Panel**

**Date: 21 April 2015**

**Independent Member: Mr S Lye**

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## **Recommending:**

### **Basic Allowance**

- (1) That no change be made to the amount of Basic Allowance of £4,300 per member per annum currently included in the Members' Allowances Scheme;**
- (2) That in formulating future budgets, the Council consider increasing further the level of implementation of the Basic Allowance to achieve the full amount of £4,300;**

### **Special Responsibility Allowances**

- (3) That no change be made to the current amounts of Special Responsibility Allowances (SRA) currently included in the Members' Allowances Scheme;**
- (4) That an SRA of £2,150 be applied to the position of the Chairman of the Constitution Working Group for 2015/16;**
- (5) That the application of the SRA for the Chairman of the Constitution Working Group for 2016/17 and beyond, be further reviewed by the Remuneration Panel during 2015/16; and**

### **Revised Scheme and Guidance Note**

- (6) That, subject to the above recommendations, the Members' Allowances Scheme and Guidance Note for 2015/16 attached as an appendix to this report (incorporating highlighted changes) be adopted and implemented with effect from 28 May 2015.**

1. The Member Remuneration Panel was established in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations, which arose out of relevant provisions of the Local Government Act 2000, require all local authorities to set up and maintain an advisory Independent Remuneration Panel to review and provide advice on Members' allowances. All Councils are required to convene their Panel and seek its advice before making any changes or amendments to allowances schemes and must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

2. The current members of the Remuneration Panel are Mr. D. Jackman, Ms. R. Kelly and Mr. S. Lye. This report will be presented by Stephen Lye on behalf of the Panel.

### **Members' Allowances Scheme**

3. The last review of the Members' Allowances Scheme undertaken by the Panel reviewed all aspects of the Scheme and the recommendations of the Panel at that time were accepted in full by the Council in January 2014. We have recently undertaken our

annual review of the Members' Allowances Scheme for 2015/16.

4. As in previous years, we were keen to hear the views of members about how the current scheme is working and whether there might be specific issues or proposals that the Panel should address. As part of the review, we therefore asked the Democratic Services Manager to place an item in the Council Bulletin inviting councillors to raise issues or concerns about the current scheme that they wished us to consider. No issues or concerns were submitted for our consideration.

5. In undertaking our review, we sought up to date comparative data on the amounts of member allowance made by other similar local authorities. Although the Local Government Association has not undertaken a national benchmarking survey for many years, some comparative information on the allowances schemes operated by other councils has been obtained from a number of the 'family group' of authorities identified by the Audit Commission.

### **Basic Allowance**

6. All local authorities must make provision for a flat-rate allowance to be payable to all Members. The 'Basic Allowance' is payable equally to all Councillors and is designed to cover member activities such as constituency casework, preparation for and attendance at meetings of the Council's committees etc. and service as the representative of the authority on outside bodies for which no separate remuneration is made.

7. The Council has previously adopted our recommendation that a Basic Allowance of £4,300 be made for each member per annum. In the current economic climate, the Panel is not minded to recommend any changes to the Basic Allowance element of Members' Allowances Scheme at this time, although we will revisit this issue as part of our review of the Scheme for 2016/17.

8. However, the Council has previously decided not to implement payment of the full Basic Allowance amount and to restrict this to (currently) £3,435 per member per annum, which represents 80% of the Basic Allowance. Although we have encouraged the Council to implement payment of the full amount of the Basic Allowance, it has consistently decided not to do so.

9. Implementation of a Basic Allowance payment at less than the sum provided in the approved Scheme is unusual and may be unique to the Council. We would reiterate the comments that that we have made in previous years that, by paying a relatively low level of Basic Allowance, there is a danger of undervaluing the role of councillors, which could make it more difficult to attract potential candidates to stand for election in future. This might also lead to public perception that current councillors are not worthy of receiving the full amount. Whilst we appreciate that implementation is a matter for the Council to determine and there is a need for restraint in setting the Council's budget and achieving savings, we remain of the view that the level of implementation should be increased on a full or phased basis as soon as possible.

### **Special Responsibility Allowance**

10. Each local authority may also make provision in its Members' Allowances Scheme for the payment of Special Responsibility Allowances (SRA), for those Councillors who have significant responsibilities. Members can receive more than one SRA if they hold more than one position.

11. We have been advised that a review has recently been undertaken of the Council's overview and scrutiny panel framework, in light of the adoption of its new management structure in December 2013. This has aligned scrutiny responsibilities with the service directorates in the form of four new 'select committees' and resulted in the deletion of the existing Constitution and Member Services Scrutiny Panel.

12. The Constitution and Member Services Scrutiny Panel is responsible for the ongoing maintenance and review of the Council's constitution and all matters relating to its members. We are aware that the Panel has commenced a root and branch review of the constitution, which has not been undertaken for a considerable number of years, and that this work is not anticipated to be completed until at least March 2016. Under the new framework the Constitution and Member Services Scrutiny Panel will be wound-up from the commencement of the 2015/16 municipal year to facilitate the new select committee arrangements, and then be re-established as a 'Constitution Working Group' in order to complete its outstanding work on the review of the constitution.

13. The review of the constitution is an important and complex piece of work and we consider that an SRA should be applied to the position of the Chairman of the Working Group. In accordance with the current Members' Allowances Scheme as last reviewed by the Panel in January 2014, an SRA of £2,150 per annum is made to the chairmen of each of the standing scrutiny panels. At the time of the last review of the Scheme, this included the Chairman of the Constitution and Member Services Scrutiny Panel. As a result of the concurrent disbandment of the Constitution and Member Services Scrutiny Panel, this approach would be cost neutral in terms of the Council's financial resources

14. As it is likely that, on completion of its review of the constitution in 2016, the Working Group may only then meet as occasionally necessary to consider specific constitutional issues, we also consider that this SRA should be reviewed after the completion of the current review of the constitution, given that it is likely that the new Working Group will only need to meet infrequently thereafter.

15. We have not undertaken any wider review of other Special Responsibility Allowances, as we understand that there has been no change in responsibilities since our last review.

## **Conclusions**

16. The Panel has considered the benchmarking data obtained from the 'family group' of authorities. Whilst comparisons should be treated with caution as these cannot necessarily be made on a like-for-like basis, the Council's implemented level of basic allowance (£3,435) is clearly the lowest of those authorities for which data has been supplied.

17. Special Responsibility Allowances are particularly difficult to compare, as different structures apply in each authority, although the SRA allocated to the Leader is considered to be a good benchmark. The current SRA for the Leader of the Council (£7,875) is the second lowest amongst those family group authorities that have supplied benchmarking data.

## **Recommendations**

18. The proposals set out in this report will require minor amendments to be made to the Members' Allowances Scheme, to reflect the re-establishment of the existing standing scrutiny panels as the new select committees, the establishment of the Constitution Working Group, and other minor matters related to member bodies. A copy of the revised Scheme is attached as an appendix to this report.

19. In the light of the ongoing economic situation, we consider that no changes should be made to the level of the Basic and Special Responsibility Allowances made to members of the Council for 2015/16. We have not considered any changes to other elements of the Members' Allowances Scheme, such as travel and subsistence allowances etc., which are paid at the 'standard' level that also applies to officers of the Council..

20. We consider that the revised Members' Allowances Scheme arising from our review should be adopted by the Council and implemented from the start of the 2015/16 municipal year.

21. We recommend as set out at the commencement of this report.