

## REVIEW OF MEMBERS' ALLOWANCES

### Council – 1 October 2013

Report of Chief Officer – Legal and Governance

Chief Finance Officer

Status: For Decision

Also considered by: Governance Committee– 19 September 2013

Key Decision: No

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**Executive Summary:** In August 2012 the Joint Independent Remuneration Panel began a review into Members Allowances for 2013/14. The review made a number of recommendations covering Basic Allowance, Special Responsibility Allowances (SRAs), Carers' Allowances, Travel Expenses and Pensions. In June 2013, following a change in governance arrangements the Panel reviewed its recommendations regarding allowances payable under the new structure. This report sets out the recommendations arising from the further review which Members need to consider in setting the new levels of remuneration.

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**This report supports the Key Aim of** Effective Use of Council Resources

**Portfolio Holder** Cllr. Fleming

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**Working Group Recommendation to Governance Committee:** That Option 2 be adopted.

**Governance Committee Recommendation to Council:** To be reported at the Council meeting on 1 October 2013.

**It is also recommended that** the Council formally record thanks to Barry Cushway, Rachael Roots and Susan Piggot-Foster MBE for their work in preparing 'Report on revised Allowances for Members following change of Committee Structure at Sevenoaks District Council, June 2013'.

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**Reason for recommendation:** Following changes to the Governance arrangements the JIRP was asked to review Member allowances payable under the new structure.

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## **Background**

- 1 The Local Authorities (Members' Allowances)(England) Regulations 2003, states that before an authority make or amends a Members' Allowance scheme, the authority shall have regard to the recommendations made in relation to it by the Independent Remuneration Panel.
- 2 The Joint Independent Remuneration Panel (JIRP) was established jointly by Tonbridge and Malling Borough Council, Tunbridge Wells Borough Council and Sevenoaks District Council in 2001 to make separate recommendations for each Council on their Scheme of Members' Allowances. The JIRP now operates under the Local Authorities (Members' Allowances)(England) Regulations 2003.
- 3 The JIRP is drawn from residents of the three council areas it serves and the Members of the Panel are:  
  
Barry Cushway (Chairman) – resident of Sevenoaks  
Rachael Roots – resident of Marden  
Susan Piggot-Forster MBE – resident of Tonbridge
- 4 In autumn 2012 the Panel began a new review into Members Allowances for 2013/14 and the review made a number of recommendations covering Basic Allowance, Special Responsibility Allowances, Carers' Allowances, Travel Expenses and Pensions. This review was reported to the Modern Local Government Group on the 20<sup>th</sup> November 2012 but was superseded by Council at its Annual Meeting on 14<sup>th</sup> May 2013 when a new committee structure was agreed. As a result of this the JIRP was asked to review the Members' Allowances payable under the new structure and their revised report is set out at Appendix 3.
- 5 The remit for the review of Members Allowances has always been on the basis that any new allowances scheme would have to be contained within budget. As the Joint Independent Remuneration Panel note in their most recent report, affordability is not a consideration for the Panel and as a result of this the recommendation made by the Joint Independent Remuneration Panel exceeds the members allowances budget by approximately £56,000 or 15%.

### **Summary of JIRP's Recommendations**

- 6 The table at Appendix 1 sets out the recommendations made by the JIRP. Recommendations and factors that Members may find of particular interest are as follows:
  - A Basic Allowance for elected Members of £6,039 p.a. based on a formula which accounts for the required time commitment, a representative rate of hourly earnings of residents in the area and a discount factor to reflect the public service element inherent in the elected representative's role.

Members should not receive more than one Special Responsibility Allowance (SRA). This takes into account the significant uplift in Basic Allowance and SRA's proposed in the report.

- That the Special Responsibility Allowance for Committee Vice-Chairs should be discontinued.
- Childcare Allowance for child-minding of the Member's dependent children, payable at the actual amount charged, subject to a maximum rate of £6.19 per hour per child.
- Dependent Carer's Allowance for professional care for elderly or disabled dependants, or other dependants with special requirements, payable at the actual amount charged, subject to a maximum rate of £16.00 per hour. The report also states that booking fees from professional agencies should be claimable.
- Consideration should be given to aligning the mileage rate with the HMRC maximum tax-free allowance. This is covered in the report entitled *Review of Members Expenses* that goes forward on the same agenda as this report for consideration by Members.
- In respect of I.T Allowance the report recommended that this should remain at £120 p.a for 2013.
- The report recommended no offer of access to pensions on the grounds of cost.

7 The Panel identified that the main differences arising from the new structure were:

- Ten additional Deputy Cabinet Members
- Five Advisory Committees replacing the existing two
- The removal of the three Select Committees
- The removal of the Performance and Governance Committee
- The addition of an Audit Committee
- The addition of a Governance Committee
- The creation of a single Scrutiny Committee

8 The Panel reviewed the new governance structure in comparison to the old structure, the membership of the new committees and the terms of reference and proposed work plans for the Advisory Committees. The Panel also reviewed the calendar of meetings and tried to take into account the projected number of meetings for the various committees as potential workload was a key driver of the level of allowances.

### **Options for Members Allowances from May 2013**

9 Members of the Governance Committee Working Group seriously considered pursuing the following options for Members allowances which are included in Appendix 2.

- Option 1 – JIRP proposed scheme
- Option 2 – JIRP proposed scheme less 15% for all allowances

- Option 3 – Increasing from 85% of JIRP proposed scheme level in 2013/14 to 100% in 2016/17

10 Options 2 and 3 also include the following changes:

- Adds in 3 new Chair allowances for Licensing, Health Liaison and Transportation.
- Changes the Group Leaders allowances to a flat fee of £1,500 (before the top slice) regardless of the number of people in the group.
- Reduces the Licensing Committee members allowance by 50% (before the top slice).

11 Other options that also gained some consideration and the reasons why they were discounted are as follows:

- JIRP proposed scheme less 17% for basic allowances only – it was deemed preferable to reduce all allowances by the same percentage to keep the same differential between allowances as recommended in the JIRP proposed scheme.
- Various options to start at a lower percentage of the JIRP proposed scheme level in 2013/14 and increasing in later years – these options were deemed not to be financially sustainable in the longer term.

12 The Governance Committee Working Group most favoured Option 2 because the cost can be contained within the current budget and by reducing all allowances by the same percentage; the differential between allowances as recommended in the JIRP proposed scheme can be achieved.

13 Options 1 and 3 were discounted because they cannot be contained within the current budget.

14 In relation to Option 1 – the JIRP proposed scheme, it was accepted that this could only be adopted in the future if there was a reduction in the number of Councillors in order to bring the recommendation within budget. The JIRP in their report dated October 2012 noted that they were aware that a number of Councils around the Country were actively pursuing the option of reducing Member numbers. However, the Panel recognised that this is not a quick solution given the processes of the Boundary Commission. The Panel's view was that the Council should give this serious consideration and the Governance Committee Working Group were similarly minded although it was accepted that only a recommendation could be given by Council for this to be considered by any new Council elected in 2015.

## **Key Implications**

### Legal

15 Section 20 of The Local Authorities (Members' Allowances) (England) Regulations 2003 requires each authority to establish an Independent Remuneration Panel.

- 16 Section 17 of the 2003 Regulations places a duty on the Council to publish as soon as reasonably practicable after making any amendments to the current Members' Allowance Scheme a notice in one or more newspapers circulating in its area. The Council must also ensure that copies of the Scheme are available for inspection by members of the public at the principal office of the Authority, at all reasonable hours.

#### Financial

- 17 The financial implications of the JIRP recommendations are set out in the report and its appendices.

#### Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The proposed decision does not have any adverse effect upon any protected group as identified in the legislation.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	The remit of the JIRP is to broaden the diversity of councillor representation by minimising financial barriers to participation in local government. The Child Care Allowances and Dependent Carer's Allowance are intended to ensure there are no barriers to participation.
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

#### **Appendices**

Appendix 1 – Summary of JIRP Recommendations

Appendix 2 – Initial options to be considered

Appendix 3 – JIRP Report June 2013

#### **Background Papers**

[JIRP Review of Sevenoaks District Council Members Allowances – October 2012](#)

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