

COUNCIL – 7 APRIL 2009

REVIEW OF THE SCHEME FOR MEMBERS' ALLOWANCES 2009-10

Report of the: Corporate Resources Director

Also considered by: Modern Local Government Group – 18 March 2009

Status: For decision

Executive Summary: This report provides further information requested by Members at the meeting of Modern Local Government Group on 4th February 2009. It also includes further amendments made by the Modern Local Government Group on the 18 March 2009.

The Modern Local Government Group provided Officers with a clear steer relating to the assumptions to be used in the calculating and phasing of Members' Allowances.

The report also proposes the increase in the public service discount thereby further reducing the overall Basic Allowance. The report broadly applies the percentages for Special Responsibility Allowances as recommended by the Joint Independent Remuneration Panel and suggests a phasing of allowances over a 4-year period with a minimal increase in the first year.

This report supports the Key Aim of effective management of Council resources

Portfolio Holder Cllr. Fleming

Head of Service Head of Legal and Democratic Services - Christine Nuttall
Head of Finance and Human Resources - Tricia Marshall

Recommendation: Having considered the Joint Independent Remuneration Panel's findings along with the additional work carried out on behalf of the Modern Local Government Group, Council be recommended to:

- (a) Adopt the allowances as set out at paragraph 11.
 - (b) Index allowances in accordance with the National Joint Council for Local Government Services Pay Award each year.
 - (c) Phase in the full impact of the allowances over a four year period, as set out at paragraph 7.
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Item No. 6(a)

APPENDIX A

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- (d) Update Appendix G of the Constitution as included within Appendix C (pages 41 – 50) incorporating the allowances as adopted in (a) above.
 - (e) Compensate Members if they are disadvantaged under the new scheme so that they are no worse off than under the current scheme.
 - (f) Formally record thanks to Geoff Tomlinson, Susan Holmes, Simon Knott, Jean Selmes and Colin Wilby for their work in preparing a review for the Scheme of Members' Allowances for 2009/10 for Sevenoaks District Council.
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Background

- 1 The Joint Independent Remuneration Panel (JIRP) completed a comprehensive review of Members' Allowances following its interim report earlier in 2008. The comprehensive review makes a number of recommendations covering Basic Allowance, Special Responsibility Allowances, Carers' Allowances, Travel Expenses, Ancillary Expenses and Pensions. Members are required to have regard to the recommendations made by the JIRP's comprehensive review as included within Appendix C (pages 17-38).
- 2 The Modern Local Government Committee considered the JIRP's comprehensive review on the 18th December 2008 and a copy of the previous report is included within Appendix C (pages 11-52) together with the minutes of that meeting (pages 53-56). The Modern Local Government Group also considered its recommendations for the Members Allowances Scheme on the 4th February 2009 and the 18th March 2009 and this report contains amendments made by the Group at both these meetings.

Summary of JIRP's Recommendations

- 3 For ease of reference this Committee is referred to the "Summary of Recommendations" made in the JIRP's comprehensive review as follows:
 - a. Basic Allowance £5754 p.a.
 - b. Majority Group Leader Nil (Incl. in Chairman SRA)
 - c. Opposition Group Leaders: £2255 + £100 per Member
 - d. Deputy Group Leaders Nil
 - e. Cabinet Members: £11274
 - f. Cabinet Chairman (Council Leader) £22548
 - g. Deputy Cabinet Member £577.52

Item No. 6(a)

APPENDIX A

h. Committee Chairs:

- Performance & Governance £5754
- Select Committees £2877
- Development Control £5754

i. Committee Vice Chairs:

- Performance & Governance £1439
- Select Committees £719
- Development Control £1439

j. Committee Members:

- Development Control £288
- Licensing Committee £288

k. Standards Committee (Independent Members including Parish/Town Council Members)

- Independent Chair £1151
- Independent Members £575

l. Carers' Allowance:

- Childcare Allowance £6.00 per hour (max)
- Dependent Carer's Allowance £15.50 per hour (max)

m. Travel Expenses

Reimbursed in line with the scheme in force for staff of the Council the National Joint Council for Local Government Services pay award

n. Ancillary Expenses (broadband) Nil

o. Special Responsibility Allowance Only one allowed.

p. Pensions Nil

4 At its meeting on 18th December 2008, the Modern Local Government Group resolved that the Members' Allowances Scheme be resubmitted to a further meeting of the Modern Local Government Group following further work being undertaken to take account of the following:

(a) That the Basic Councillor Allowance be used as a multiple for calculating the Special Responsibility Allowances.

(b) That proposals be made to phase in the increases over a four-year period.

Item No. 6(a)

APPENDIX A

(c) That the options for indexing allowances be considered.

The results of the additional work was presented to the Modern Local Government Group on 4th February 2009 and is summarised at Appendix C (pages 1 – 9).

Further analysis requested by Modern Local Government Group

- 5 At its meeting on 4th February 2009, the Group agreed that Members' Allowances be indexed in accordance with the National Joint Council rates and agreed that the percentages proposed by the Joint Independent Remuneration Panel be approved, subject to minor roundings and the following amendments:

Allowance	Percentage
Performance and Governance Committee Chairman	50%
Select Committee Vice-Chairman	25%
Development Control Committee Vice-Chairman	50%

The outcomes following the resolution and comments by the Modern Local Government Group are set out at Appendix A to this report.

Public Service Discount

- 6 Within their report, the Joint Independent Remuneration Panel stated that, in line with central Government guidance, it was recognised that some element of the work of the Members continues to be voluntary with the remainder needing to be remunerated. The Panel referred to this voluntary element as Voluntary Public Service and stated that this should be deducted from the expected hours that Members are likely to work in any one week, thereby reducing Members' Basic Allowance. The JIRP suggested a discount for Voluntary Public Service of 40%, resulting in a Basic Allowance of £5,754. **At the 4th February meeting of the Modern Local Government Group, members felt that this discount be further increased to 50%, thereby reducing the Basic Allowance to £4,795** (highlighted at the request of the Modern Local Government Group on 18 March 2009).

Proposals for phasing in the increases over the 4-year period

- 7 At its meeting on 4th February, the Modern Local Government Group considered a number of options for phasing allowances over a 4-year period. Some Members were concerned that some of the phasing proposals being tabled left too large an increase in the final year. It was therefore proposed that the increase be phased in 10% in Year 1, 30% in Year 2, 30% in Year 3

Item No. 6(a)

APPENDIX A

and 30% in Year 4. The results of this phasing are set out at Appendix B to this report. *Following clarification made at the meeting of the Modern Local Government Group on 18 March 2009, it was confirmed that the allowances that were being removed would be phased out on the same basis as any increases.*

Other Information

- 8 Members also requested at the meeting on 4th February 2009 that officers investigate the practices in other authorities in relation to the following:
- Whether it was common practice to pay both travel and subsistence expenses as opposed to just travel and whether the payments are broadly in line with those of Sevenoaks.
 - Whether the same allowances were paid to Parish/Town Council Members as is paid to the Independent Members of the Standards Committee.
- 9 The officers' findings are that it is common practice across Kent authorities to pay both travel and subsistence expenses and currently these are broadly in line with those paid by Sevenoaks District Council. In addition no distinction is made in respect of payments to Independent Members and Parish/Town Council Representatives on Standards Committees. *The Modern Local Government Group on 18 March 2009 clarified that only non-District Councillor members of the Standards Committee would receive this allowance.*
- 10 The issue was raised at the last meeting of Modern Local Government Group on 4th February 2009 that some Members would be disadvantaged under the new scheme. In order that this does not occur it is proposed that Members be compensated if they are disadvantaged under the new scheme so that they are no worse off as set out at paragraph (e) of the resolution.

Summary Recommendations for Members Allowances

- 11 In summary, allowing for the change in Public Services Discount and the multiples for the Special Responsibility Allowance, the proposed allowances are set out below:
- | | |
|------------------------------|-----------------------------|
| a. Basic Allowance | £4795 p.a. |
| b. Majority Group Leader | Nil (Incl. in Chairman SRA) |
| c. Opposition Group Leaders: | £1918 + £100 per Member |
| d. Deputy Group Leaders | Nil |
| e. Cabinet Members: | £9590 |

Item No. 6(a)

APPENDIX A

f. Cabinet Chairman (Council Leader)	£19180
g. Deputy Cabinet Member	£482 <i>(removed at the request of the Modern Local Government Group on 18 March 2009)</i>
h. Committee Chairs:	
• Performance & Governance	£2398
• Select Committees	£2398
• Development Control	£4795
i. Committee Vice Chairs:	
• Performance & Governance	£1199
• Select Committees	£1199
• Development Control	£2398
j. Committee Members:	
• Development Control	£240
• Licensing Committee	£240
k. Standards Committee (Independent Members including Parish/Town Council Members)	
• Independent Chair	£959
• Independent Members	£479
l. Carers' Allowance:	
• Childcare Allowance	£6.00 per hour (max)
• Dependent Carer's Allowance	£15.50 per hour (max)
m. Travel and Subsistence Expenses	Reimbursed in line with the scheme in force for staff of the Council the National Joint Council for Local Government Services pay award
n. Ancillary Expenses (broadband)	Nil
o. Special Responsibility Allowance	Only one allowed.
p. Pensions	Nil

Item No. 6(a)

APPENDIX A

*The Modern Local Government Group on 18 March 2009 asked that a table setting out the most recent allowance figures for neighbouring authorities be prepared. This is attached at **Appendix D**.*

Key Implications

Financial Implications

- 12 Members are referred to the financial implications set out in the previous report to the Modern Local Government Group dated 18th December 2008 set out at Appendix C (page 14). Under the current proposals, the annual spend on Members' allowances would increase to £382,687, around £65,000 less than the Panel's original recommendations.
- 13 Phasing in the new allowances over a four year period keeps the additional expenditure in 2009/10 within the available budget (£246,000). In paying allowances for 2009/10, a floor will be applied so that no Member receives less than their allowance for 2008/09 (including broadband allowance).
- 14 Standards Committee Independent Members will receive an allowance for the first time; the financial implications of this are included in Appendix A and the annual spend set out above.

Legal Implications

- 15 Members are again referred to the legal implications set out in the previous report to the Modern Local Government Group dated 18th December 2008 set out at Appendix C (page 14). The legal implications remain the same.

Equalities

- 16 No Equality Impact Assessment has been undertaken.

Impact on and outcomes for the Community

- 17 It will be recognised that an effective Members' Allowance Scheme should ensure that there is fairness in opportunity to become a Councillor. Furthermore, this will allow Members to devote sufficient time to their roles without being unduly penalised. For the community this should ensure that they are receiving both a high quality and, if required, high quantity service.

Risk Assessment

- 18 Please see risk assessment set out in the previous report to the Modern Local Government Group dated 18th December 2008 set out at Appendix C (page 15). The previous risk assessment does not require amendment.

Conclusions

- 19 The basis of the current level of Members' Allowances was established by the JIRP in December 2001 following guidelines issued by central government and amended on the 23rd September 2008. Allowances have been revised in subsequent years to reflect cost of living increases and changes in Council structure and responsibilities. The JIRP's recommendations have not always been fully implemented by the Council and, as a consequence, Basic and Special Responsibility Allowances have fallen below the level which the JIRP would regard as reasonable.

Sources of Information: The Local Authorities (Members' Allowances) (England) Regulations 2003

JIRP's "A Review of the Scheme for Members' Allowance for 2008/09"

Members' Allowance Scheme (2007/08) set out in the Council's Constitution

Clarification given by JIRP

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