

## **REVIEW OF THE SCHEME FOR MEMBERS' ALLOWANCES**

### **Council – 27 November 2012**

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Consideration and Decision

Also considered by: Modern Local Government Group – 20 November 2012

Key Decision: No

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**Executive Summary:** A Joint Independent Remuneration Panel was set up in November 2007. In August 2012 the Panel began a new review into Members Allowances. The review has made a number of recommendations covering Basic Allowance, Special Responsibility Allowances (SRAs), Carers' Allowances, Travel Expenses and Pensions. This report sets out the recommendations arising from this review.

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### **This report supports the Key Aim of Effective Management of Council resources**

**Portfolio Holder** Cllr. Peter Fleming

**Head of Service** Head of Legal and Democratic Services – Mrs Christine Nuttall  
Group Manager – Finance – Mr Adrian Rowbotham

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**Recommendation:** It is recommended that the Council gives consideration to the report and recommendations of the Joint Independent Remuneration Panel (JIRP) as set out at Appendix A in the following areas:

- Basic Allowance
- Special Responsibility Allowances
- Carers' Allowances
- Travel Expenses
- Pensions

**It is also recommended that:** the Council formally record thanks to Barry Cushway, Susan Holmes, Simon Knott, Jean Selmes and Colin Wilby for their work in preparing a review of the scheme for Members' Allowances for 2013/14 for Sevenoaks District Council.

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**Reason for recommendation:** Section 19 of The Local Authorities (Members' Allowances)(England) Regulations 2003 state 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.

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## **Background**

- 1 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. The function of the Panel is to make recommendations to Council in accordance with Statutory Instruments (Primarily 2003 No.1021 and No.1692).
- 2 The JIRP is drawn from residents of the three council areas it serves and the Members of the Panel are:
  - Colin Wilby (Chairman), a resident of Kings Hill.
  - Barry Cushway, a resident of Sevenoaks
  - Susan Holmes, a resident of Cranbrook
  - Simon Knott, a resident of Matfield
  - Jean Selmes, a resident of Hildenborough

## **Introduction**

- 3 The JIRP provides an objective view of the remuneration which should be provided for Members and makes a recommendation to this Council. Legislation requires that before an Authority amends a scheme, the Authority shall have regard to the recommendations made to it by the JIRP.
- 4 The Council's current Members' Allowance Scheme is set out in the Constitution at Appendix G.
- 5 In their introduction, the JIRP note that the current financial and political constraints do not override the purpose of their review, which is to carry out the quadrennial update of local councillors' allowances required by legislation, taking into account Members' workload, responsibilities and required time commitment and then to recommend a fair level of recompense for those commitments.

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

- 6 The report of the JIRP, attached at Appendix A sets out a summary of recommendations. 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. SRA's recommended in the report are as follows:

(a) Council Leader	£18,118
(b) Opposition Group Leader	£302 per Member
(c) Cabinet Members	£9,059
(d) Committee Chairmen:	
Performance and Governance	£3,032
Select Committees	£3,032
Development Control Committee	£4,530
(e) Committee Members	
Development Control Committee	£302
Licensing Committee	£302

- 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.
- In respect of I.T Allowance the report recommends that this should remain at £120 p.a for 2013.
- The report recommends no offer of access to pensions on the grounds of cost.

## **Key Implications**

### Financial

- 7 In 2012/13 the Council's budget for Member's Allowances is £353,000. As of October 2012, £197,000 had been spent.
- 8 If the JIRP's recommendations are adopted, the financial implications are set out at Appendix C which shows the annual spend on Members' Allowances would increase to £441,000 which would be £87,000 above the 2012/13 budget.

## Legal,

- 9 Section 20 of The Local Authorities (Members' Allowances)(England) Regulations 2003 requires each authority to establish an Independent Remuneration Panel.
- 10 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.

## 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 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.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		N/A.

## **Risk Assessment Statement**

Remuneration for Members is intended to ensure that there are no avoidable obstacles preventing people from taking part in the work of the Council. The level of remuneration needs to be at an appropriate level. Any deviation from the recommendations should be justified with a written record being made of such justification.

## **Conclusions**

The basis of the current level of Members' Allowances for Sevenoaks District Council was established by the Panel in December 2001 following guidance issued by central government. Allowances have been revised in subsequent years to reflect cost of living increases and changes in council structure and responsibilities. The Panel's recommendations have not always been fully implemented by the Council and, as a consequence, Basic and Special Responsibility Allowances have fallen well below the level which the JIRP would regard as reasonable.

**Appendices**

Appendix A – A Review of Council Members’ Allowances for Sevenoaks District Council (JIRP October 2012)

Appendix B – Summary of JIRP’s Recommendations

Appendix C – Effect of JIRP’s Recommendations

**Background Papers:**

Local Authorities (Members’ Allowances)(England) Regulations 2003

A Review of Council Members’ Allowances for Sevenoaks District Council (JIRP October 2012)

Members’ Allowance Scheme 2012/13 set out at Appendix G in the Council’s Constitution

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