

EXTRACT FROM THE MINUTES OF THE AUDIT & GOVERNANCE COMMITTEE HELD ON 26 SEPTEMBER 2013

273. THE INDEPENDENT REMUNERATION PANEL – SEVENTH REVIEW OF THE MEMBERS' ALLOWANCES SCHEME

The Chairman welcomed the Independent Remuneration Panel to the meeting and invited the Chairman of the Panel, John Thompson, to present the Panel's Seventh Review of the Members' Allowances Scheme.

Mr Thompson highlighted the main points of change and the background and rationale behind the review undertaken.

The Committee was advised of the changes within the report and that these reflected the advice and information that the Panel had received. Mr Thompson referred to the Council's three Working Groups and confirmed that whilst the Panel accepted that the Chairmen of these Working Groups had responsibilities and workloads that might attract a Special Responsibility Allowance (SRA), in considering extending the payment of an SRA to them, the Panel had had to take account of advice received from the Council's Legal Team. He confirmed that the legislation governing the payment of SRAs only referred to a Member who presided over a Committee or Sub-Committee. The advice received was that this could not include Chairmen of Working Groups and so the Panel had been unable to make a recommendation to introduce an SRA for this role.

Mr Thompson then referred to the difficulties that the Panel had encountered in terms of the disappointing responses received from Members. This was in relation to the questionnaire issued and the opportunities that had been extended to Members to meet with the Panel. Mr Thompson outlined how this had hampered the work of the Panel. The Terms of Reference and general principles that had been taken into account in undertaking the review had been agreed by the Committee at its meeting held on 27 June 2013 and Mr Thompson confirmed that the Panel had stuck to these objectives.

In returning to the recommendations within the report, Mr Thompson referred to two options that the Committee was being asked to consider with regard to increases in the Basic Allowance. The Basic Allowance was currently £4,920 a year, following the recently awarded 1% increase and the options were:

- 1) To increase by savings in SRA to £5,055 (as set out in paragraph 6.10 of the report); or
- 2) To increase by the savings in SRA and some of the reduction in IT allowance to £5,143 (as set out in paragraph 6.11 of the report).

The Chairman questioned the final figures outlined in the report and these were explained by Mr Thompson who confirmed that the increase in Basic Allowance (if the Committee was proposing to accept Option 2) would be met from savings achieved from a reduction in SRA from some allowances (if agreed) plus the savings

achieved from a reduction in Members' IT allowance, if this option was agreed by the Committee.

The Committee then discussed the recommendations outlined within the report. With regard to the two options presented for increasing the Basic Allowance, the general opinion of the Committee was that Option 2 should be recommended. Looking at the responsibilities and work undertaken by the Chairmen of the three Working Groups, although the Committee accepted that the Panel had been unable to apply an SRA due to the legal advice received, this was questioned by one Member of the Committee. This Member was of the view that Chairmen of the Working Groups did undertake a lot of additional work which could be compared to the workload of other Committee Chairmen. He then questioned why the differences between decision making and responsibility could not attract an SRA and in view of this the matter should be re-visited again in the future by the Panel. Examples of the workload undertaken by one Working Group Chairman, who had been involved in a multi-authority scrutiny review of health and homelessness inequalities was outlined and that Member also questioned whether the Special Responsibility One-Off payment could be looked at again to see if this could be applied to such work. The Head of Democratic Services advised the Committee that the regulations categorically stated that an SRA could only be applied to Committees and Sub-Committees. She outlined that from work undertaken with South East Employers, very few authorities paid an SRA beyond a main Committee and that the Panel also had to be mindful when considering awarding an SRA that this was to reflect work undertaken that was over and above anything a Member would be expected to undertake under the heading of the Basic Allowance. In response to the comment made about One-off payments, the Head of Democratic Services outlined that the Panel had to be extremely careful to ensure that any payment made could not be classed as a meeting or attendance allowance as this had been abolished from the regulations. She reminded Members that such payments had been awarded in the past to Members who had undertaken very intense pieces of work and so this was why authority for such payment had to be given to the Chief Executive and the Head of Democratic Services.

The recommendation to increase the allowance paid to the Leader of the Opposition from £3,917 to £5,000 a year was then discussed. A Member of the Committee asked Members to bear in mind the press headlines that followed the last review back in 2009 when the Chairman of this Committee had been awarded an SRA for the first time. That Member also expressed concern that the increase in 27% to the Leader of the Opposition might attract similar negative press and so this needed careful handling. This point was argued and it was stated by another Member of the Committee that the recommendation was correcting an anomaly from the 2009 review in which a large reduction had been made to the Leader of the Opposition and so any press statement should include reference to the history of what had taken place before. The importance of having effective opposition in place was emphasised along with the workload that came with the role.

Having thanked the Panel for its hard work undertaken in completing its review, the Committee

RECOMMEND TO FULL COUNCIL – That

- (1) option 2 be accepted to increase the Basic Allowance from £4,920 to £5,143 a year from the savings achieved in Special Responsibility Allowances and some of the reduction in IT Allowance. (Paragraph 6.11);
- (2) the Basic Allowance continues to be index linked to the annual staff pay settlement, as agreed in the last review in 2009, and this be a subject for further examination in the next review based on a comparison with other Councils. (Paragraph 6.13);
- (3) the Special Responsibility Allowance payable to the Chairman of the Council and the Vice-Chairman of the Council remains unchanged at £8,320 and £2,745. (Paragraph 7.2);
- (4) the Special Responsibility Allowance payable to the Leader of the Council remains unchanged at £14,196 and there be no change to the Special Responsibility Allowance payable to the Deputy Leader of the Council at £10,400. (Paragraph 7.3);
- (5) the Special Responsibility Allowance payable to Cabinet Members remains unchanged at £8,320. (Paragraph 7.4);
- (6) the Special Responsibility Allowance payable to the Chairman and Vice-Chairman of the Development Control Committee remains unchanged at £6,000 and £1,980 and that the Special Responsibility Allowance payable to Members of the Development Control Committee remains unchanged at £750. (Paragraph 7.6);
- (7) the Special Responsibility Allowance payable to the Chairman and Vice-Chairman of the Licensing and Enforcement/Licensing Committee be decreased from £5,550 to £4,000 and £1,832 to £1,200. The Special Responsibility Allowance payable to Members of the Licensing and Enforcement/Licensing Committee remains unchanged at £250. (Paragraph 7.7);
- (8) the Special Responsibility Allowance payable to the Chairman of the Standards Committee remains unchanged at £1,500 and the meeting allowance for Independent Persons of the Committee remains unchanged at £50 per meeting. (Paragraph 7.8);
- (9) the Special Responsibility Allowance payable to the Chairman and Vice-Chairman of the Audit & Governance Committee remains unchanged at £3,750 and £1,238. (Paragraph 7.9);
- (10) the Special Responsibility payable to the Chairman and Vice-Chairman of the Overview Select Committee remains unchanged on the basis of the previous level for Scrutiny

Chairman and Vice-Chairman at £4,870 and £1,607. (Paragraph 7.11);

- (11) the Special Responsibility Allowance paid to Appeals Panel Members should remain at £50 per half day meeting. (Paragraph 7.12);
- (12) the Special Responsibility Allowance paid to the Leader of the Opposition be increased from £3,917 to £5,000. (Paragraph 7.13);
- (13) the IT Allowance be reduced to £240 per annum with part of the saving being applied to the Basic Allowance. (Paragraph 8.0);
- (14) the meeting allowance paid to Co-opted Members, Independent Persons and Witnesses to Committees and Panels remains unchanged at £50 per meeting attended. (Paragraph 9.0);
- (15) the Carers Allowance of £10 per hour remains unchanged. (Paragraph 10.0);
- (16) the arrangements for the Parish Basic Allowance, based on this being 10% of the District Council Members' Basic Allowance, remain unchanged. (Paragraph 11.0);
- (17) special responsibility one-off payments continues to be paid on an outline basis of £50 per half day for one-off intensive projects, subject to the decision to pay payments being delegated to the Chief Executive of the Council on the advice of the Head of Democratic Services. (Paragraph 12.0);
- (18) the arrangements for travel and subsistence expenses remain unchanged. (Paragraph 13.0);
- (19) the arrangements for pensions for Members remain unchanged. (Paragraph 14); and
- (20) the new allowances scheme to come into effect from 1 November 2013.

(During the course of the discussion on this item, Councillor Dr Walsh declared a Personal Interest as he was Chairman of one of the Working Groups.)