

Subject: Scheme of Members' Allowances 2007/08

Status: For publication

Report to: Cabinet

Date: 21st February 2007

Report of: Head of Planning, Legal and Democratic Services

Portfolio

Holder: Cllr Michael Ormerod, Portfolio Holder for Finance and Risk Management

Key Decision:

NO (Policy and Budget Framework Matter for Council Approval)

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

- 1.1 To consider the recommendations of the Independent Remuneration Panel and the adoption of a Scheme of Members' Allowances for 2007/08.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:

- *Implementing the Member Development Strategy* – The Members' Allowances Scheme is intended to attract dedicated, highly motivated and representative councillors.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 Failure to adopt an appropriate Allowances Scheme may deter employed people, women, people from ethnic minorities, young people and people with young families from serving their communities.

4. BACKGROUND AND OPTIONS

- 4.1 The Council, at its meeting on 3rd April 2006, adopted a revised Members' Allowances Scheme 2006/07, which took into account the changes to the committee structure in the light of the introduction of executive arrangements. The new Scheme also introduced of an allowance for Vice Chairs and for any

co-opted member who chaired the Standards Committee. Other elements of the Scheme remained unchanged from 2005/06.

4.2 The Independent Remuneration Panel met on 25th September and 4th December 2006 to consider whether to recommend any amendments to the Scheme for 2007/08. A list of the areas which the Panel was required to consider is as follows:-

- the duties for which special responsibility, travelling and subsistence and co-optees' allowance should be payable;
- the amount of the basic allowance;
- whether a Dependants' Carers' Allowance should be payable and any such amount;
- Whether to permit, following an amendment to the scheme, the backdating of an allowance payable for the year to apply from the beginning of the year;
- Whether adjustments should be made in accordance with an index, which index, and what period should be allowed before the application of the index is reviewed. (the Authority might not rely upon that index for longer than a period of four years before seeking a further recommendation of the Panel);
- which Members were entitled to pensions;
- The treatment of Basic Allowance or Special Responsibility Allowance, or both, as amounts in respect of which pensions were paid.

The Panel considered a schedule which compared rates of Basic Allowance, Special Responsibility Allowance and other allowances with the other Lancashire Authorities.

4.3 The minutes of the Panel meetings are appended to this report. Council is required to have regard to the Panel's recommendations before adopting a new Scheme of Allowances. A copy of the current Scheme is attached.

4.4 The main changes proposed to the Scheme by the Panel include, an increase in the rate of Basic Allowance, and consequential increases in Special Responsibility Allowances; the inclusion of a Schedule within the Scheme setting out the locally determined rates of travel and subsistence allowance at the same rates as staff and the criteria for an 'approved duty'.

4.5 Members are reminded that the formula for calculating Basic Allowance is based upon the average amount of time spent by Members each week on councillor duties. For 2006/07 this figure was 12 hours, which was discounted by 1/3 to take account of the public service element of a councillor's role. Following a survey of Members' time undertaken in November 2006 the Panel accepted that time spent by Members had increased to an average of 18 hours per week, which after applying the discount rate provides 12 hours for the purposes of the Basic Allowance calculation.

4.6 Any change to the rate of Basic Allowance will have significant budgetary implications, which will need to be considered as part of the budgetary process for 2007/08.

- 4.7 The full list of recommendations of the Panel in relation to the 2007/08 Scheme is as follows:-
- 4.7.1. To agree that the figure for the number of hours spent by Members on Council duties is 18.
 - 4.7.2. To agree to discount the above value to 2/3 of total hours worked, for the purposes of the Basic Allowances calculation, to account for the public service element of a councillor's role.
 - 4.7.3 To agree that the current link between Basic Allowance and SRAs payable is retained, so that SRAs are a multiple of Basic Allowance.
 - 4.7.4. To request the officers to include a schedule within the Scheme, setting out locally determined rates of travel and subsistence allowance and the criteria for an 'approved duty' and to have regard to the recommendations of the Panel regarding its content.
 - 4.7.5. That no allowance be paid to co-optees, except in the case of the Chair of the Standards Committee.
 - 4.7.6 That no change be made to the Dependants' Carers' Allowance
 - 4.7.8. To note that changes to allowances in respect of the 2007 Scheme cannot be backdated to before 1st April 2007.
 - 4.7.9. To retain the Basic Minimum Wage as the relevant index for annual increments and that Paragraph 14 should be amended to clarify how the index is applied to Basic Allowance and the date by which the index would be reviewed.
 - 4.7.10. That no change be made to the eligibility for access to the Pension Scheme.
 - 4.7.11. That Paragraph 11 be amended to read that the power to suspend payments be exercised by the "Standards Committee, upon the advice of the Monitoring Officer".
 - 4.7.12. That no voluntary scheme be introduced for restricting payment to Council Members who fail to attend meetings or are not available to attend meetings.
 - 4.7.13. That no additional allowance be paid to the Mayor.
 - 4.7.14. To agree that no allowance be introduced for ICT at this stage.
- 4.8 Members will be aware that, at its meeting on 31st January 2007, Council approved the extension of the pilot for a revised Overview and Scrutiny structure. If the new structure is retained in 2007/08 consequential amendments will be required to the Schedule of SRAs to reflect the new Committees.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 Financial Implications will need to be considered as part of the Council's Budget and Council Tax process.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 The Council is required to adopt a Scheme of Members Allowances by 1st April each year, in accordance with the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 There are no specific Human Resources implications.

8. CONCLUSION

- 8.1 In determining a Scheme of Allowances for 2007/08, Members will need to take account of the Panel's recommendations, whilst bearing in mind the Council's overall financial and budgetary position.

9. RECOMMENDATIONS

- 9.1 To note the minutes of the Independent Remuneration Panel held on report on 25th September and 4th December 2006 and their formal recommendations about the Scheme of Members' Allowances for 2007/08.
- 9.2 To recommend Council to approve the recommendations in respect of the Scheme as set out in Paragraph 4.7 of the report, with the exception of Paragraph 4.7.1.
- 9.3 To recommend Council to delegate to the Head of Legal and Democratic Services, in consultation with the Portfolio Holder for Finance and Risk Management, the adoption of Schedules within the Scheme in respect of travel and subsistence allowances and 'approved duties', and the rewording of Paragraphs 11 and 14 of the Scheme.
- 9.4 To recommend Council that the appropriate rate for the average amount of time spent by Members each week on councillor duties for the purposes of the Basic Allowance calculation be determine as part of the Budgetary procedure for 2007/08.
- 9.5 To recommend Council to delegate to the Head of Legal and Democratic Services, in consultation with the Portfolio Holder for Finance and Risk Management, the approval of an amendment the Schedule of SRAs to reflect the revised structure of Overview and Scrutiny.

10. CONSULTATION CARRIED OUT

- 10.1 All elected members were consulted in November 2006 about hours worked.

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Background Papers	
Document	Place of Inspection
Notes and working papers relating to the Independent Remuneration Panel	Room 213, Futures Park, Bacup,