

REPORT AND RECOMMENDATION OF THE MEMBERS' ALLOWANCES **INDEPENDENT REMUNERATION PANEL**

1. Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003, require, among other things, the Council to have regard to the recommendations of an Independent Panel in agreeing allowances paid to Councillors.

The Panel, which is appointed to make recommendations to the Council in respect of the allowances paid to Councillors, comprises the following:-

Mr Vic Hewitt (Chairman) - Management Consultant, formerly the Chief Executive of North West Employers, the Employers Organisation for the 46 local authorities in the North West of England. I work with Cabinets, opposition groups, Standards Committees and Overview and Scrutiny Committees, designing and facilitating interventions aimed at improving their effectiveness.

Mr Philip Morris - B.A. London University. Headmaster of St. Augustine's R.C. High School in Billington from 1973 to 1994. Married for 48 years.

I was chairman of Blackpool I.R.P. and am still a member on its panel. I am also a member of the I.R.P.'s for Ribble Valley, Hyndburn and Rossendale Councils. Since 1994 has been chairman of Education Appeal Panels for Lancashire, Blackpool and Blackburn Authorities, as well as chairing Education Appeal Panels for Salford R.C. Diocese and Blackburn Anglican Diocese.

Mr Philip Naylor - I am a resident in Rossendale and Chair of the Irwell Vale and Lumb Resident's Association. I am a Senior Consultant at the University of Manchester, responsible for a range of leadership development programmes for senior staff in schools across the North of England. This work is now being extended to other LA service across the Greater Manchester area. I was a Senior Adviser in a North West metropolitan borough and worked closely with officers from a range of departments, elected members, portfolio holders and Cabinet members.

Mr Frank Whitehead - I have been employed within local authorities for thirty two years, for the last ten years as Chief Officer working for Chorley Borough Council. I took early retirement in 2000 and currently work on a part-time basis for Bury Metropolitan Council as a property surveyor.

I serve as a member of the Standards Committee and the Remuneration panel for Hyndburn Council. I am Chair of Governors for a Church of England High school, St Christopher's in Accrington, Church Warden for St. John's church in Accrington.

2. **Work of the Panel**

This is the Independent Remuneration Panel's report of its review of allowances for 2009-10. This report has been compiled and agreed by members of the Panel following a number of meetings held during the Summer and Autumn of 2008.

The Panel had an initial meeting on 30th June 2008 with Councillor Essex, Portfolio Holder; Councillor Aldred, the Member who had requested a review of Allowances at a Full Council meeting; Phil Seddon, Head of Finance, Heather Moore, Committee and Member Services Manager and Pat Couch, Scrutiny Support Officer. General discussions took place after which we had detailed discussions on how best to carry out our review. In addition we reviewed the current level of allowances and compared allowances of other Councils in Lancashire (see Appendix 1).

The Panel this year welcomed and considered the views of Members via the completion of a survey on the amount of time involved in Council activities and their views on the operation and provisions made available under the scheme. A total of 15 surveys had been returned. The Panel also interviewed a selection of Members who responded to the questionnaire, undertaking the following roles:

Leader of the Council
Deputy Leader and Cabinet Member
Leaders of Opposition Groups
Scrutiny Chair
Regulatory Chair – Development Control
Independent Member
Committee Chair
Vice-Chairman
Backbench Member

From this information, the Panel were able to determine the significant involvement of those Members in a variety of Council related roles and the associated impact on their working and personal lives.

3. **BASIC ALLOWANCE**

Indexing and Calculation

The Panel looked at the calculation and indexing of the current Allowances Scheme. It was noted that the Basic Minimum Wage was used as an index and the following formula was used:-

$(2/3 \times \text{average weekly hours}) \times \text{Basic Minimum Wage} \times 48 \text{ working weeks}$
The average weekly hours worked in 2007/08 is estimated at 18.

The Basic Allowance is currently set at £3,300.

The Panel considered options for increasing the Basic Allowance, as they noted, following the survey and interviews, the concerns of Members about

the use of the Basic Minimum Wage as an index to inflate the Allowances. Following advice from the Head of Finance, the Panel agreed that the Retail Price Index (RPI) should be used to increase the allowances each year. The September RPI rate should be used as this is the rate that Financial Services use to forecast budgets for the forthcoming year. This should be reviewed at least every four years.

Public Service Discount

The Panel agreed that the allowance was intended to recognise the time commitment of all Councillors, including such inevitable calls on their time at meetings with officers and constituents but also to reflect an element of voluntary public service.

The statutory guidance requires the maintenance of the principle of public service when setting an appropriate Basic Allowance. An important part of being a Councillor is serving the public and, therefore, not all of what a Councillor does should be remunerated; a portion of a Councillor's time should be given voluntarily.

The Panel in its review assessed the Public Service Discount (PSD) at one third. In other words, the recommended Basic Allowance should be discounted by one third to take into account the public service principle. The Panel noted that the most common level of the PSD chosen by other reviews is one third. It was therefore agreed that no change to this should be made.

Whether to pay over 48 weeks or 52 weeks

A Member had requested the Panel to consider the payment of Allowances over 52 weeks. It was the Panel's view that the calculation of 48 weeks was appropriate and therefore they were recommending no change.

Time Survey – Average Weekly Hours

The Panel considered the evidence from the questionnaires and noted a small fall in the average weekly hours worked. The last survey conducted in 2006 showed an average weekly hours of 18. The recent survey in 2008 saw the average weekly hours to be 17.3. The Panel agreed that because it was only a small change there should be no amendment to the Basic Allowance Calculation in relation to the average weekly hours worked.

The Panel's Recommendation in respect of Basic Allowance

That the use of the Retail Price Index (RPI) be used from 2009/10 to increase the current basic allowance of £3,300 and that it be set at £3398 for 2009/10 (based on the September 2008 rate) and that this should be reviewed at least every 4 years. As Members had a 12 months increase in October 2008, the RPI rate used to calculate the initial increase for April 2009, under the new scheme, is equivalent to 6 months RPI being 2.97%.

4. SPECIAL RESPONSIBILITIES ALLOWANCE

The Panel noted that the payment of Special Responsibility Allowances (SRAs) is discretionary and should be made to those Members who have significant additional responsibilities over and above the generally accepted duties of a Member.

There is no limit on the number which may be paid, although good practice suggests that payment to half of a Council's membership would be at the top end of what is expected.

The Panel reviewed the list of responsibilities for which a SRA was currently payable and the multiplier of the Basic Allowance which applied to each.

The Panel was informed, through the surveys and the interviews of Councillors of a number of issues which might have a bearing on the payment of SRAs:

Vice-Chairmen

From the evidence gathered the Panel agreed that payment for Vice-Chairmen should be withdrawn. There was little evidence of significant additional responsibilities for Vice Chairmen.

The Panel's Recommendation in respect of Basic Allowance

That the payment for Vice-Chairmen be withdrawn.

Chair of Overview and Scrutiny Management Board

The Panel received evidence from the current Chairman of the informal Overview and Scrutiny Management Board, who also Chairs the Performance Overview and Scrutiny Committee to present the case for the role of the Chair of the Overview and Scrutiny Management Board to be recognised as a similar level to that of a Cabinet Member as this role provides the lead scrutiny challenge to Cabinet Members. Whilst acknowledging these comments, the Panel was minded not to recommend the payment of a SRA to the Chairman of the Overview and Scrutiny Management Board at this time. The payments for the Chair of the Performance Overview and Scrutiny Committee and the Chair of the Policy Overview and Scrutiny Committee should continue to be made on the same multiplier i.e. 1 x the Basic Allowance.

Regulatory Chair - Development Control Committee

The Panel received evidence from the current Chairman of the Development Control Committee on the role in terms of level of responsibility, workload and the frequency and duration of meetings. The Panel agreed that this role had significant additional responsibilities and accordingly recommended that the multiplier of the SRA be increased to 2 x the Basic Allowance.

Neighbourhood Forum Chairs

The Panel received information about the Council's proposals on Neighbourhood Management arrangements. The Panel agreed that no allowance should be payable at this current time to Chairs of the Neighbourhood Forums but this should be looked at in the next review.

Other Special Responsibility Allowances (SRAs)

On reviewing other SRAs the Panel agreed that no further changes should be recommended.

The Panel's Recommendation in respect of Special Responsibility Allowances

That the payments for Vice-Chairmen be withdrawn.

That the following SRA's be paid:-

LEADERS/DEPUTY LEADERS	current 2008/09 £	proposed 2009/10 £
Leader of the Majority or Largest Group	13,200 = x 4 Basic Allowance	13,592 = x 4 Basic Allowance
Deputy Leader of the Majority or Largest Group	9,900 = x 3 Basic Allowance	10,194 = x 3 Basic Allowance
Leader of the Minority or Second Largest Group	6,600 = x 2 Basic Allowance	6,796 = x 2 Basic Allowance
 CABINET MEMBERS		
Cabinet Member	6,600 = x 2 Basic Allowance	6,796 = x 2 Basic Allowance
 COMMITTEE CHAIRS	current 2008/09 £	proposed 2009/10 £
Policy Overview and Scrutiny Committee	3,300 = x 1 Basic Allowance	3,398 = x 1 Basic Allowance
Performance Overview and Scrutiny Committee	3,300 = x 1 Basic Allowance	3,398 = x 1 Basic Allowance

Audit Committee	3,300	3,398
	= x 1 Basic Allowance	= x 1 Basic Allowance
Standards	3,300	3,398
	= x 1 Basic Allowance	= x 1 Basic Allowance
Development Control	3,300	6,796
	= x 1 Basic Allowance	= x 2 Basic Allowance
Licensing	3,300	3,398
	= x 1 Basic Allowance	= x 1 Basic Allowance

5. BROADBAND ALLOWANCE

The Panel noted that there was no provision in the current scheme for the payment of an allowance for broadband. The Panel agreed that an allowance should be introduced and they indicated the need for a consistent approach to the payment of any such allowance. The allowance is not necessarily to reimburse the full cost of broadband in all cases, but to assist in meeting a substantial proportion of the costs of broadband.

The Panel's Recommendation in respect of Broadband Allowance

The Panel recommends that members may claim £10.00 per month towards the rental cost of broadband provision upon production of an appropriate invoice or receipt from the supplier.

6. BLACKBERRY PROVISION

The Panel noted that all Councillors were currently offered a Blackberry for mobile email and phone calls related to Council business. The Panel agreed that details of this provision should be included in the scheme.

The Panel's Recommendation in respect of Blackberry Provision

That the offer of a Blackberry be included in the Members' Allowance Scheme.

7. ALLOWANCE FOR IT CONSUMABLES

The Panel agreed that this should be met from the Basic Allowance and no additional allowance be paid.

The Panel's Recommendation in respect of provision of IT Consumables

That no additional allowance be paid for IT consumables and this be met from Members' Basic Allowance.

8. DATA PROTECTION REGISTRATION

The Panel received information relating to the requirement for individual Councillors to register under the Data Protection Act. The current cost of this is £35.

The Panel's Recommendation in respect of Data Protection Registration

That the Scheme should include a provision for payment to be made to the Information Commissioner under The Data Protection Act and the administration of this to be undertaken by Democratic Services.

9. MILEAGE ALLOWANCE

The Panel considered the options relating to the payment of mileage allowance. It was noted that the current method of payment was the National Joint Council (NJC) Rate as set out below.

	451 – 999 cc	1,000 cc or greater
Per mile first 8,500	44.2p	46.9p

(Figures last revised 1st April 2008)

The Panel's Recommendation in respect of Mileage Allowance

That there be no change and that the NJC rates should be used for the payment of mileage allowance.

10. APPROVED DUTIES

The Panel considered the current list of approved duties and information gathered during the interviews with Councillors. The Panel noted that clarity was required on the following statement which was in the current scheme.

“NOTE: A Member may only claim travel and subsistence allowance for attendance at a meeting where he or she has been formally appointed to serve on that body or is a nominated substitute. Members attending a Scrutiny Committee or the Cabinet in order to provide evidence or information on behalf of another Committee may also claim for travel and subsistence. Members attending as observers or in any other capacity will not be entitled to claim”.

The Panel noted that in some circumstances Portfolio Holders were required to attend Scrutiny Committees and that Scrutiny reported their recommendations back to Cabinet. It was also noted that a number of members attended meetings as observers, for example, attending the Cabinet.

The Panel agreed that Members attending any meetings detailed within the approved duties list should be able to claim for travel allowance and that the note above be removed from the scheme. The Panel agreed that political group meetings should not be classed as an approved duty and therefore should not be claimable.

The Panel's Recommendation in respect of Approved Duties

That Members attending any meetings detailed within the approved duties list should be able to claim for travel allowance.