

**TITLE: SCHEME OF MEMBERS' ALLOWANCES 2005/06 AND 2006/07**

**TO/ON: INDEPENDENT REMUNERATION PANEL - 3<sup>RD</sup> APRIL 2006**

**BY: LINDA FISHER, HEAD OF LEGAL & DEMOCRATIC SERVICES**

**LEAD MEMBER: COUNCILLOR J GRAHAM, PORTFOLIO HOLDER FOR  
MEMBER DEVELOPMENT AND HUMAN RELATIONS**

**STATUS: FOR PUBLICATION**

## **1. PURPOSE OF THE REPORT**

- 1.1. To review the Scheme of Members' Allowances for 2005/06 in the light of the introduction of the Council's new corporate governance arrangements on 1<sup>st</sup> October 2005 and to recommend a Members' Allowance Scheme for 2006/07.

## **2. RECOMMENDATIONS**

### **To recommend to Council as follows:**

- 2.1. An amendment to Schedule 1 of the Scheme of Members' Allowances 2005/06 to reflect special responsibilities of elected Members under the new Committee structure, details of which are set out at Appendix 2 of the report;
- 2.2 An amendment to Paragraph 10 of the Scheme of Members' Allowances 2005/06 to provide that co-opted Members be entitled to a Special Responsibility Allowance in circumstances where they are appointed to Chair a committee included in Schedule 1;
- 2.3 An amendment to Schedule 1 of the Scheme of Members' Allowances 2005/06 to include an allowance at 1 x basic allowance (£ 1, 939 ) for the Vice-Chairs of the two Overview and Scrutiny Committees and half the basic allowance for Vice-Chairs of the other Committees outlined in Schedule 1 (£ 969.50 ) as outlined in Appendix 2;
- 2.4 That the amendments to the Scheme of Members' Allowances 2005/06 take effect from 1<sup>st</sup> October 2005;
- 2.5 That a Scheme of Members' Allowances for 2006/07 be adopted, which is unchanged from the 2005/06 Scheme as amended;

2.6 To note the request of the Council of 24<sup>th</sup> August 2005 concerning the operation of a voluntary scheme restricting payment for Council Members who fail to attend meetings, or who are not available to attend meetings and that a further report will be provide on this matter.

### **3. REPORT AND REASONS FOR RECOMMENDATIONS AND TIMETABLE FOR IMPLEMENTATION**

3.1 The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003 provide for the making of and amendment of a Members' Allowances Scheme.

3.2 At its meeting on 31<sup>st</sup> March 2004 the Council approved a revised scheme of Members Allowances on the recommendation of the Independent Remuneration Panel, in the light of the move to a pilot scheme of Executive Arrangements. The Scheme was adopted for 2005/06 without amendment. A copy of the 2005/06 Scheme is attached at Appendix 1. The Council has previously determined that its rates of allowance shall be based upon the national minimum wage (£5.05 with effect from October 2005). The figures shown at Appendix 1 show the updated amounts payable as at 1<sup>st</sup> October 2005.

3.3 Following success of the pilot arrangements the Council adopted formal Executive Arrangements with effect from 1<sup>st</sup> October 2005. Paragraph 10(3) of the Regulations provides for the Members' Allowances Scheme to be amended at any time. Accordingly, the Council, at its meeting on 24<sup>th</sup> August 2005, agreed to set up an Independent Remuneration Panel, in the light of the new corporate governance arrangements.

3.4 The revised committee structure has seen the disestablishment of the following Committees, which are referred to in the Schedule of Special Responsibility Allowances (Schedule 1).

- Executive Committee
- Overview and Scrutiny Committee
- Audit Committee
- Standards and Monitoring Committee.

Accordingly, an allowance will no longer be required for the Chairs of these committees in 2005/06.

3.5 The following revised bodies/committees have been created:-

- Cabinet
- Overview and Scrutiny Committee (Policy Development)
- Overview and Scrutiny Committee (Audit and Performance Management)
- Standards Committee

## **CABINET**

- 3.6 Regulation 5(1)(b) states a Scheme may provide an allowance for councillors acting as a Member of an Executive, where the authority is operating executive arrangements. It is proposed, therefore, to establish an allowance for Cabinet Members at 2 x basic allowance (£ 3,878 ).

## **CHAIRS**

- 3.7 Regulation 5(1)(c) indicates that a Scheme may provide for Members for presiding at meetings of a committee or sub-committee of the authority to receive a Special Responsibility Allowance. Accordingly, it is proposed that the Chairs of the new committees receive an allowance, as follows:-

Overview and Scrutiny Committee (Policy Development)	2 x basic allowance	£3,878
Overview and scrutiny Committee (Audit and Performance Management)	2 x basic allowance	£3,878
Standards Committee	1 x basic allowance	£1,939
Development Control	1 x basic allowance	£1,939
Licensing	1 x basic allowance	£1,939

## **CO-OPTED MEMBERS**

- 3.8 The current scheme of allowances does not provide for an allowance for co-opted members. However, the Council will pay the reasonable expenses claimed of co-opted members. The Panel may wish to consider whether a co-opted member should be entitled to a special responsibility allowance in circumstances where he/she is appointed to Chair a committee. The present Chair of the Standards Committee is an Independent (co-opted) Member.

## **VICE-CHAIRS**

- 3.9 Experience of the operation of the new Overview and Scrutiny Committees has shown that the Committees have a significant workload. As such, the Vice-Chairs of those committees may be required to carry out duties in relation to the discharge of the authority's functions which would require an amount of time and effort equal to or greater than that required by other committee Chairs. It is, therefore, proposed to approve an allowance to the Vice-Chairs of the Overview and Scrutiny Committees at the rate of 1 x basic allowance (£1,939) and half the basic allowance (£ 969.50 ) for Vice-Chairs of the other Committees.
- 3.10 The new corporate governance arrangements commenced on 1<sup>st</sup> October 2005. The Panel is asked to consider recommending that the amendment to the Scheme of Allowances for 2005/06 be applied with effect from that date.
- 3.11 Regulation 10 requires the Council to prepare a Scheme of Members' Allowances for each year commencing on 1<sup>st</sup> April. The Council intends to consider a Scheme of Members' Allowances for 2006/07 at its meeting on 12<sup>th</sup>

April 2006. In accordance with Regulation 21, the Panel is requested to make recommendations to the Council after considering the following matters:-

- the duties for which special responsibility, travelling and subsistence and co-optees' allowance shall be available and the amount of such allowances;
- 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 with regard to an index, which index, and what period should be allowed before the application of the index is reviewed;
- which Members are to be entitled to pensions;
- the treatment of Basic Allowance, or Special Responsibility Allowance, or both, as amounts in respect of which pensions are payable.

3.12 The 2005/06 Scheme takes into account the above factors. It is suggested that that Scheme (as amended) be recommended to the Authority as basis of the 2006/07 Scheme.

3.13 A copy a report by the Independent Remuneration Panel on any recommendations shall be sent to the Authority. Regulation 19(1) places a duty on the Council to have regard to the recommendations of the Panel concerning the making or amendment of a Scheme.

3.14 The Council at its meeting on 24<sup>th</sup> August 2005 also resolved as follows:-

- “3. That the Remuneration Panel investigates and recommends a voluntary scheme for restricting payment to Council Members who fail to attend meetings or are not available to attend meetings.
4. That the Panel determines the level of non-attendance which will trigger the operation of the voluntary arrangements and the definition of 'not available', to ensure that these criteria are set independently.”

3.15 It is proposed to provide a more detailed report on this matter to the next meeting of the Independent Remuneration Panel.

#### **4. CORPORATE IMPROVEMENT PRIORITIES**

##### **4.1. FINANCE AND RISK MANAGEMENT**

4.1.1. The cost implications of the changes to the Members' Allowances Scheme can be contained within the overall budget.

##### **4.2. MEMBER DEVELOPMENT AND POLITICAL ARRANGEMENTS**

4.2.1. The review of the 2005/06 Scheme is necessary following the move to Executive decision making arrangements.

**4.3. HUMAN RESOURCES**

4.3.1. None

**5. ANY OTHER RELEVANT CORPORATE PRIORITIES**

5.1. None

**6. RISK**

6.1. None

**7. LEGAL IMPLICATIONS ARISING FROM THE REPORT**

7.1. None

**8. EQUALITIES ISSUES ARISING FROM THE REPORT**

8.1 None

**9. WARDS AFFECTED**

9.1 None

**10. CONSULTATIONS**

10.1 The Council is required to have regard to the recommendations of the Independent Remuneration Panel.

**11. Background documents:**

None

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