

Report of	Meeting	Date
The Independent Remuneration Panel	Council	6 December 2011

MEMBERS' ALLOWANCES SCHEME

PURPOSE OF REPORT

- To consider the recommendations of the Independent Remuneration Panel to the Council in relation to Members' Allowances.

RECOMMENDATION(S)

- That the attached revised Members' Allowances Scheme be approved, with effect from 15 May 2012, which includes the following detailed changes:
 - To define a medium Group as between 6 and 12 Members and to propose an Allowance of £1848.30 for their Leader (previously the amount was not specified).
 - To define a small Group as between 2 and 5 Members and to propose an Allowance of £924.15 for their Leader (previously £1848.30).
 - Secretary allowances: to delete all secretary allowances as these are viewed as a political role.
 - Chair of the Equalities Forum: not to pay this allowance where it is held by an Executive Member (previously £1414.40).
 - Vice-Chair of the Overview and Scrutiny Committee: To reduce to £1414.40 in line with other Vice-Chair allowances.
 - To continue to increase allowances in line with any annual officer pay increases.
 - To continue to increase travel and subsistence allowances in line with officer payments.
 - To introduce a dependant carers allowance based on the following conditions:
 - To be payable when a Councillor is undertaking "Council approved duties" according to Chorley Council guidance notes on approved duties:
 - For the independent care of a child, who is resident with the Councillor, aged 15 years and under
 - For the professional care of a dependant relative.
 - A dependant relative is defined as where the Councillor is the main carer and one of the following categories apply:
 - Elderly relative requiring constant care,
 - Disabled relative requiring constant care,
 - Relative with learning disabilities requiring constant care
 - Qualifying Situation
 - The child or foster child of a Councillor (one payment per household in the case of a spouse or partner)
 - Dependant relative of a Councillor (one payment per household in the case of a spouse or partner)
 - Rates of Payment
National Minimum Wage, unless there were specific circumstances.
 - To recommend that Members should not be able to join the Local Government Pension Scheme.
 - To suggest that Members consider the potential for the Overview and Scrutiny Committee and the Audit Committee to be merged. If Overview and Scrutiny Committee was merged with Audit Committee the allowance for the Chair of the Overview and Scrutiny Committee should remain at the same level.

EXECUTIVE SUMMARY OF REPORT

3. The current Members Allowances Scheme was agreed in 2007 and the Local Authorities (Members Allowances) (England) Regulations 2003 state that schemes should be reviewed as a minimum every four years. Minor changes to the current scheme were agreed in 2008 to reflect changing Committee roles but a full review is now due. The process is that the Independent Remuneration Panel meet and make recommendations which are then put forward for full Council's consideration. A revised scheme has been drawn up and is before Councillors for their consideration. Councillors are not required to agree with Independent Remuneration Panel recommendations, just take them into account.

Confidential report Please bold as appropriate	Yes	No
--	-----	----

CORPORATE PRIORITIES

4. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			√

BACKGROUND

5. Allowances can only be paid to Members of local authorities in accordance with the Local Government and Housing Act 1989, as amended by the Local Government Act 2000 and supplemented by the Local Authorities (Members Allowances) (England) Regulations 2003.
6. These statutory provisions require local authorities to make a formal Scheme of Allowances for their Members and to establish and maintain an Independent Remuneration Panel to make recommendations to Councils about their Schemes. The Council is required to have regard to recommendations that have been made by its Independent Remuneration Panel.
7. The members of the Independent Remuneration Panel are: Mr Dennis Benson (Chair), Mr Allan Jones and Mr Tom Waring who were appointed by the Council on 4 April 2011 for a three year term of office.

REQUIREMENTS AND CURRENT SCHEME

8. The Regulations state that each Authority must make a Scheme which includes a Basic Allowance and Special Responsibility Allowances (SRA) for special responsibilities. The current Scheme includes a schedule of allowances which Chorley Council pays to its Elected Members.
9. A scheme may also provide for:
- Dependants' carers' allowance
 - Travelling and subsistence allowance
 - Co-optees' allowance
 - Pensions

MEETINGS OF THE PANEL

10. The Panel have met four times, on 13 April, 10 June, 30 August and 24 November. Consideration was given to the Regulations which govern Allowances and the current scheme. After reviewing the methodology behind the Scheme we felt it was fit for purpose and should be retained for continuing use. As a whole the Scheme was working well and although there was a need to review certain allowances it had to be expected that roles would change over time. We appreciated the need to bear in mind the current economic climate when considering the level of allowances.
11. We considered comparative information for Lancashire authorities and the bench marking group but noted that it was difficult to compare like with like. We met with the previous Chief Executive to receive her feedback on the scheme.
12. Over the course of the meetings we discussed several issues and a summary of these is set out below.
13. Political groups: We discussed sizes of groups and felt that a medium group should be defined as 6 to 12 Members and a small group as 2 to 5 Members. Previously the allowance for Leader of a medium group was undefined (as there are currently no medium groups) and we considered this should be £1848.30 with the Leader of a small group being £924.15 (half the Leader of a medium group allowance).
14. Group secretaries: only one Authority paid the allowance in Lancashire, whilst none of the benchmarking authorities paid such an allowance. We felt it was inappropriate for the Council to remunerate this role as this was a political role and so have recommended these allowances be deleted.
15. Chair of the Equalities Forum: this allowance had been introduced when the meeting was chaired by a back bench member. As the Chair is now an Executive Member this allowance should be deleted where it is held by an Executive Member.
16. Vice-Chair of the Overview and Scrutiny Committee: the number of meetings has reduced since the allowance was originally set and so we have recommended this allowance should be reduced to be in line with other Vice-Chair allowances.
17. Dependant Carers Allowance: We felt that the Council ought to be encouraging people with caring responsibilities to become Councillors as part of it's commitment to equality. The rate of payment should be the National Minimum Wage, unless there are specific circumstances. Across Lancashire there is no pattern as to the rate payable as payments ranged from £3 per hour to up to a maximum of £750 per year.
18. Mechanism for increasing allowances: the link to the staff pay award scheme for the annual increase and the link to staff rates for travel and subsistence allowances works well. Several other Lancashire Authorities also use this mechanism so no change is recommended here.
19. Pensions: We noted that Council took the decision not to include pensions in their Scheme in November 2005 and there has been no indication of a change in approach.
20. We met with the Group Leaders to receive their feedback on our draft proposals and there was broad agreement. We had considered increasing the allowance for the role of Chair of the Development Control Committee in view of the number of meetings and associated briefing meetings; the responsibilities of the Committee; and the public accountability but agreed with Group Leaders that in the current economic climate an increase is not

appropriate. We also did not wish to add another level of remuneration by recommending a lesser increase.

21. Two Group Leaders felt the Chair of the Overview and Scrutiny Committee allowance should be reduced, but one felt strongly that it should remain the same as the Committee has responsibility for providing challenge to the Executive. One Leader supported the proposal to consider the potential for the Overview and Scrutiny Committee and the Audit Committee to be merged and one disagreed. We felt that if, in the future, Overview and Scrutiny Committee was merged with Audit Committee the allowance for the Chair of the new Committee should remain the same.
22. The Panel are recommending a number of changes which are detailed in paragraph 2 and a suggested revised Scheme is appended to this report.
23. Two additional changes have been included in the revised Scheme to clarify current practice. These are relating to the requirements registration with the Information Commissioner (paragraph 22 of the Scheme) and around claiming car mileage (Appendix C of the Scheme, paragraph 9).

COST IMPLICATIONS

24. The Panel have drawn up with the recommendations set out in paragraph 2 the following cost implications relating to the recommendations:

Allowance	£ currently	£ proposed	Cost implication £
Leader of a Small Group	1848.30	924.15	Reduction of 924.15 x 2
Secretary allowances	1655.81 x 2, 537.31 x 2	0	Reduction of 4386.24
Equalities Forum	1414.40	0	Reduction of 1414.40
Vice-Chair of the Overview and Scrutiny Committee	2594.44	1414.40	Reduction of 1180.04
Total			8828.98

Proposal	Cost implication
To increase allowances in line with officer pay increases	No change
To increase travel and subsistence allowances in line with officer payments	No change
To introduce a dependant carers allowance	Dependant on uptake
Members should not be able to join the Local Government Pension Scheme.	No change

IMPLICATIONS OF REPORT

25. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal	√	Integrated Impact Assessment required?	√
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

26. The savings, should the new Scheme be adopted, are £8828.98 as shown in paragraph 24. This figure will be added to future budget forecasts.

COMMENTS OF THE MONITORING OFFICER

27. The report complies with the relevant Regulations and takes a reasonable approach to the remuneration for Members’.

DENNIS BENSON
CHAIR OF THE INDEPENDENT REMUNERATION PANEL

Background Papers			
Document	Date	File	Place of Inspection
Local Authorities (Members Allowances) (England) Regulations 2003	2003		Democratic Services
Current Members Allowances Scheme	2010		Council Constitution

Report Author	Ext	Date	Doc ID
***	***	***	***