

# Chorley Council

## REPORT OF INDEPENDENT REMUNERATION PANEL

**JUNE 2007**



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## Members of the Independent Remuneration Panel

Dennis Benson - Chairman

Chairman of Lancashire Teaching  
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John Cowdall

Ex-Chief Executive of West Lancashire  
District Council and Management  
consultant

Tom Waring

Ex-Head of Personnel, Lancashire  
County Council

## Supported by

Donna Hall

Chief Executive

Gary Hall

Director of Finance

Andrew Docherty

Director of Customer, Democratic and  
Legal Services

Steve Pearce

Assistant Head of Democratic Services

Miss R Hawes

Assistant Democratic Services Officer

## Introduction

1. The three Panel Members were appointed by the Council on 19 December 2006 to serve on the Independent Remuneration Panel for a term of office up to five years to review the Councils existing Members' Allowances Scheme and the amounts to be paid.
2. 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. 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.
3. The Panel met on 29 January 2007, 12 March 2007 and 20 June 2007 to undertake this review.

## Terms of Reference

4. The terms of reference for the Independent Remuneration Panel were to consider:
  - a. The amount of basic allowance which should be paid to Members of the Council,
  - b. The duties in respect of which members should receive a special responsibility allowance and the amount of such allowances,
  - c. The arrangements for the annual uplift of the allowances scheme,
  - d. Any other issues referred to the Panel in respect of the payment of remuneration to Members of the Council.

## Issues to be reviewed 2007

5. The current Members Allowance Scheme was approved at the Council meeting held on 1 November 2005 following the consideration of a report by the previous Panel. The scheme may be amended at any time but may only be revoked with effect from the beginning of a year.
6. The Panel was requested to review:
  - a. The Special Responsibility Allowance for the Lead Members for Development Control and Licensing following the recent changes in membership of the Executive Cabinet, as these two posts are also Chairs of regulatory committees that meet on a regular basis
  - b. The Special Responsibility Allowance for the Vice Chairs of the Development Control and Statutory Licensing Committees
  - c. The Special Responsibility Allowance for the Chair of the Audit Committee following the adoption of new terms of reference for the Committee in accordance with the CIPFA/SOLACE guidelines.

7. The new Panel also reviewed the following outstanding issues:
  - a. The methodology for the annual uplift rate for the Allowances Scheme (for a maximum period of 4 years),
  - b. The travel and subsistence allowances for members
  - c. The approved duties for the payment of allowances
  - d. The provision of allowances for co-opted members
  - e. Whether allowances should be withheld if a member is suspended (e.g. arising from a standards hearing) and to make provision for the repayment of allowances

### Methodology

#### Current Members' Allowances Scheme and the Report of the Previous Panel

8. The Panel received the current Members' Allowances Scheme and the report of the previous Panel for information.
9. The methodology behind the Scheme and recommendations of the previous Panel were discussed. It was noted that the Council had not adopted all the recommendations of the Panel.

#### Comparative Information from Lancashire Authorities

10. Officers explained that all Lancashire Districts, Unitaries and Lancashire County Council had been contacted for the details of their Schemes and the document supplied was a comparison of all the Schemes received.
11. The Panel discussed the document and noted that there was no consistent approach to Members' Allowances Schemes.

### Roles and Responsibilities

12. The Panel discussed the roles and responsibilities of the posts referred to in paragraph 6 and the frequency of meetings they attend.

### Recommendations of the Panel

13. The Panel wish to submit the following recommendations to the Council for consideration:
  - a. That the annual uplift of Members' Allowances be at the same rate as the officers annual pay increase and be implemented with effect from 1 April each year;
  - b. That Members' receive the same allowances for travel and subsistence as officers;
  - c. That if, following a Standards hearing, a Member was found to be in breach of the Code of Conduct and suspended their allowances should be withheld for the period of suspension;
  - d. That the payment of a Special Responsibility Allowance for the Chair of the Standards Committee be formalised in the Members Allowances Scheme at the sum of £1595.00 as previously agreed by Council on 9 July 2002;
  - e. That the posts of Lead Members for Development Control Committee and Licensing be redesignated as the Chair of Development Control Committee and Chair of Licensing and Safety Committee respectively;
  - f. That the special responsibility allowance for the Chair of Development Control Committee and Chair of Licensing and Safety Committee be increased from £1,595 to £2,700 per annum;

- g. That a special responsibility allowance of £1,330 per annum be paid to the Vice-Chair of the Development Control Committee and the Vice-Chair of Licensing and Safety Committee;
- h. That a special responsibility allowance of £1,330 per annum be paid to the Chair of the Audit Committee;
- i. That the special responsibility allowance for the Chair of Overview and Scrutiny Committee/Panels be reviewed in due course by the Panel following the introduction of a revised Overview and Scrutiny structure;
- j. That the framework produced by the previous Independent Remuneration Panel should be re-examined with minor amendments to some of the factor weightings, and that the revised framework be used for any further reviews of the Members Allowances Scheme;
- k. That the following revisions be made to the Members Allowances Scheme:
  - Paragraph 3: The inclusion of a statement indicating that the Basic Allowance contains an element for Members to publicise their availability to constituents.
  - Paragraph 10: Inclusion of the methodology for the annual uprate.
  - Paragraph 11: Inclusion of the legal requirement to keep records of payments of allowances, open to public inspection, and be publicised annually.
  - Paragraph 12: The right to allowances will be removed whilst a Councillor is suspended from the Council for breach of the member code of conduct.
  - Paragraph 13: Reference made to equipment and stationary been made available to Councillors.
  - Appendix B: The inclusion of the Approved Duties for which travel and subsistence claims can be made (The Travel and Subsistence Allowances paid to staff will also apply for Members as previously agreed by the Panel).
  - Appendix C: The inclusion of Travel and Subsistence Allowances.

The inclusion of the following guidance notes:

Appendix D: How do I Claim My Allowances?

Appendix E: The Effect on Taxation, National Insurance Contributions and Benefit Entitlement.