



GOVERNANCE COMMITTEE

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| Subject Heading: | Members' Allowances Scheme: Review |
| CMT Lead: | Andrew Blake-Herbert, Group Director, Finance and Commerce Ian Burns, Assistant Chief Executive |
| Report Author and contact details: | Ian Buckmaster, Committee Administration & Member Support Manager |
| Policy context: | Reviewing the Members' Allowances Scheme |
| Financial summary: | |
| Has an Equality Impact Assessment (EIA) been carried out? | Not applicable |

The subject matter of this report deals with the following Council Objectives

| | |
|--|-------------------------------------|
| Ensuring a clean, safe and green borough | <input type="checkbox"/> |
| Championing education and learning for all | <input type="checkbox"/> |
| Providing economic, social and cultural activity in thriving towns and villages | <input type="checkbox"/> |
| Valuing and enhancing the lives of our residents | <input type="checkbox"/> |
| Delivering high customer satisfaction and a stable council tax | <input checked="" type="checkbox"/> |

SUMMARY

This report is submitted following discussion at the last meeting about Members' Allowances, in particular the Special Responsibility Allowance for Chairmen of Committees.

Opportunity is also taken to seek Members' agreement to an amendment to the Scheme following the appointment of the Independent Person for standards of Members' conduct.

RECOMMENDATIONS

- 1 That the report as to the Members' Allowances Scheme be noted.
- 2 For consideration as to whether any changes to the Scheme (other than that referred in 3 following) should be recommended to the Council.
- 3 That it be RECOMMENDED to the Council that paragraph 15 of the Scheme be amended as proposed in paragraph 8 of the report.

REPORT DETAIL

Members' Allowances Scheme generally

- 1 The Council's current Members' Allowances Scheme provides as follows:

| Category of Allowance | Amount Per Member £ |
|--|--------------------------------|
| Basic Allowance paid to all Members | 10,208 |
| Special Responsibility Allowances: | |
| Leader of the Council | 51,191 |
| Deputy Leader of the Administration | 35,705 |
| Cabinet Members | 32,705 |
| Leader of Principal Opposition | 18,000 |
| Leader of Principal Minority Opposition | 6,390 |
| Leader of Minority Opposition | 2,227 |
| Deputy Leader of Principal Opposition | 3,825 |
| Mayor | 14,418 |
| Deputy Mayor | 7,650 |
| Overview and Scrutiny Committees Chairmen | 14,418 |
| Licensing and Regulatory Services Committee Chairmen | 20,430 |
| Audit, Pension, Highways, Governance Committee Chairmen | 7,650 |

- 2 In addition, a standard rate of allowance for statutory co-optees is £117 per meeting attended. Co-optees may also claim travel expenses, for all travel whether within or outside the borough.

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- 3 Where a Member holds more than one appointment attracting a Special Responsibility Allowance (SRA), only the higher SRA is payable. In addition, Members may opt to receive less than their full entitlement to allowances: currently two Cabinet Members have waived part of their Cabinet Member allowance, and one Member has opted to receive no allowance at all.
- 4 Leaving aside the waived allowances, the total annual provision for basic allowances in 2012/13 is £576,045 and that for SRAs is £602,945. There is currently a funding shortfall estimated at £23,950, which is being addressed. It should be noted that the provisions for allowances include not only the actual payments, but payment by the Council of employers' National Insurance Contributions, which are a statutory obligation (even where the Member is him or herself exempt from paying NICs).
- 5 At the last meeting of the Committee, a suggestion was considered that the Chairman of the Adjudication & Review Committee should be paid the same SRA as the Chairmen of the Audit, Pensions, Highways and Governance Committees. This report was requested to assist Members' consideration of the issue.

Allowance for Independent Person

- 6 At its meeting in November, the Council appointed the new Independent Person for standards of Members' conduct. The Independent Person is entitled to be paid an allowance for carrying out his duties and it has been agreed that he should be paid a flat rate of £1,000 per annum, by monthly instalments. This will be less expensive than the arrangement previously, whereby the former Independent Members of the Standards Committee were paid £117 per meeting attended (£240 in the case of the Chairman of the Committee). For 2012/13, this will be a pro rata amount of £337 as payment will be due only for the period 28 November 2012 to 31 March 2013.
- 7 Assuming this arrangement is agreed, Council will need to approve an amendment (as follows) to the current Members' Allowances Scheme, which will be carried forward into the new Scheme for 2013/14 when it goes before Council for approval.
- 8 The amendment is to paragraph 15 of the Scheme, to read (with deleted words struck through and additions shown in italics):

15 **Co-Optees and Independent Persons' Allowances**

The standard rate of allowance for statutory co-optees is £117 per meeting attended.

The Independent Person for standards of Members' Conduct will be paid an annual allowance of £1,000, in monthly instalments.

Co-optees and Independent Persons will be reimbursed for all travel costs in accordance with the above, whether the travel is within or

outside the Borough, but ~~co-optees should~~ will not be paid subsistence.

IMPLICATIONS AND RISKS

Financial implications and risks:

Current provision for Members' Allowances has a funding shortfall, which is being addressed. Any additional payment will add to the shortfall.

Legal implications and risks:

The Council has an obligation to pay allowances but the rates of allowance are at the Council's discretion, subject of recommendations of an Independent Remuneration Panel. The Council's Scheme complies with the recommendations of the London Councils' IRP.

There is no obligation to pay any particular office holder an SRA or a particular rate of SRA.

Human Resources implications and risks:

No HR issues arise. The payment of allowances is not a matter for HR.

Equalities implications and risks:

There are no equalities issues.

BACKGROUND PAPERS

There are no background papers