

COUNCIL

No direct Ward Relevance

29th January 2007

14. **INDEPENDENT REMUNERATION PANEL – INTERIM REPORT & INITIAL RECOMMENDATIONS**

(Report of the Borough Director)

1. **Purpose of Report**

- 1.1 To consider an initial, interim report of the Independent Remuneration Panel in respect of their current review of Members' Allowances for 2007/08, 2008/09 and ongoing.
- 1.2 To consider the appointment of new Panel Members.

2. **Recommendations**

The Council is asked to RESOLVE that

- 1) **Officers submit a Bid for additional revenue funding for consideration during the next, Budget-setting, cycle of meetings, in accordance with the outcomes of the Panel's interim report, as detailed in the report;**
- 2) **Mr Ron Dent and Captain Steve Whittingham be appointed to fill the current vacancies on the Independent Remuneration Panel;**
- 3) **the Head of Democratic Services be authorised to appoint additional, appropriately qualified, independent representatives to maintain a balanced working Panel of five members - such appointments to be subject to formal review at each Annual Meeting of the Council.**

3. **Financial, Legal, Policy and Risk Implications**

Financial

- 3.1 The proposals indicate additional unfunded Revenue Budget costs.

Legal

- 3.2 Under the Local Authorities (Members' Allowances) (England) Regulations 2003 (made under the Local Government and Housing Act 1989 and Local Government Act 2000), the Council has to make a scheme for the payment of Members' allowances.

The scheme may be amended at any time but may only be revoked with effect from the beginning of a financial year.

- 3.3 Before an authority makes or amends a scheme, it must have regard to recommendations made by an Independent Remuneration Panel.
- 3.4 An Independent Remuneration Panel should consist of at least three members, none of whom -
- (a) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
 - (b) is disqualified from being or becoming a member of an authority.

Policy

- 3.5 The operation of the Independent review process is more a matter of the above statutory requirement than of Council Policy. The Scheme of Allowances is one of the Council's Constitutional documents.

Risk

- 3.6 The Council must have an approved Scheme. Risks relate to the difficulty of encouraging and retaining membership of the Council, when the costs of being a Councillor can be considerable in terms of lost time / income, travelling costs, telephone & line rental costs, stationery & equipment costs, childcare, etc.

Report

4. Background

- 4.1 The Council last significantly reviewed Members' Allowances in December 2004, further to a report of the IRP. Levels of allowances have been reconsidered by the Council each year subsequently as part of the budget-setting process and, as Members have not wished to amend the Scheme, the IRP had not been reconvened.
- 4.2 Current budget levels 2006/07 are: General Allowances - £72,500
 Special Responsibility Allowances - £36,820
 Mileage Allowances - £3,310
 Total - £112,630.

The Review Panel does not take into account Members' Training or Support Budgets, Equipment Provision budgets, Subsistence, or Mayoral Allowances within its formal remit, though it may elect to comment on these matters as related issues.

- 4.3 The Panel has now been reconvened and, at the time of preparing this report, has met twice. In view of the timing of the current review in relation to the Council's budget-setting processes, the Panel wished to lay down an early marker to indicate the trend of their current thinking on the Scheme of Allowances. So far the proposed Revised Estimates only include a provision for an inflation increase of 3%, in line with other such increases
- 4.4 Two original Panel members have resigned owing to changed circumstances. Appropriate replacement members have been identified, and these are put forward for formal approval by the Council:
- Mr Ron Dent
 - Mr Steve Whittingham (Captain of the Salvation Army).

5. **Key Issues**

- 5.1 The Panel has considered:
- a) changes in the relative value of Members' Allowances, when compared with inflation figures over the last few years;
 - b) changes in levels of allowances in Redditch, in comparison with other neighbouring authorities' schemes, and those of other authorities within the "family group" of similar Councils (the Schedule at Appendix 1 refers);
 - c) the results of a Members' survey – 17 responses received to date – which indicates Members' views of the current Scheme;
 - d) changes in Members' roles and their relative "values" indicated in the survey results.
- 5.2 The Panel's next meetings involve interviewing a representative range of Members to "flesh out" the survey responses: Male and female Councillors; young and older; working and not working; newly-elected and long-standing; all-party; with and without childcare responsibilities, etc.
- 5.3 However, the IRP has already reached some broad conclusions about the current level of Allowances, leading to these early, unquantified recommendations.
- 5.4 The Panel believes that, because the relative value of the Allowances Scheme the Council originally approved has been allowed to slip, by the Council not adding inflation, or other, increases each year, it now needs raising to an equivalent level.

- 5.5 The Panel notes that Basic Allowance of £2,500 would now be “worth” some £2,900, had inflation been added each year, as they had originally recommended. Therefore, *as a starting point only*, and regardless of other considerations, the Panel suggests that current Allowances need increasing by approximately 10% overall (effectively 3 years at 3%) to bring them back into line with their original intentions.
- 5.6 The Panel also points out that Redditch Borough Council now offers the lowest level of allowances in the County and “Family Group” of local authorities, indicating a further need to significantly review the level of allowances.
- 5.7 The Panel underlines that, as well as considering the need for increased levels of allowances, its detailed work will also focus on reviewing the need for, and rebalancing the relative values of, the current allowances.

6. Other Implications

- 6.1 No direct Community Safety, Human Resources or Sustainability implications have been identified.
- 6.2 In terms of Social Inclusion, allowances form part of the strategy to ensure equality of access to Council Membership and community representation.

7. Conclusion

- 7.1 The Panel believes that, pending its detailed report, which will not be available in time for Budget-setting for the financial year 2007/08, the Council should give consideration to a level of increase which it would accept for the next financial year.
- 7.2 If it does not do this, it would mean that any increases could only be effective from 1st April 2008 (financial year 2008/09), unless savings were identified elsewhere.
- 7.3 The Council is therefore asked to consider the recommendations indicated at Section 2 of the report.

8. Consultation

- 8.1 This report has been written on behalf of the Independent Remuneration Panel.
- 8.2 Only the Head of Democratic Services and Members’ Services Officer have been involved in its preparation, at this stage in the review.

9. **Background Papers**

Working papers and notes of IRP meetings.

10. **Author of Report**

The author of this report is Steve Skinner (Head of Democratic Services), who can be contacted on extension 3256 (e.mail : steve.skinner@redditchbc.gov.uk) for more information.

11. **Appendix**

Appendix 1: Comparisons table.

COMPARISON OF ALLOWANCES PAID – within Worcestershire and within “family”										
Authority	Basic	Leader	Deputy	Cabinet/ Exec	Planning	O&S	Licensing	Standards	Portfolio Holders	Opposition
	£	£	£	£	£	£	£	£	£	£
RBC	2,500	5,000	3,500	2,000	1,500	1,500	1,250	200	nil	1,000
BDC	3,350	9,250	6,000	3,500	2,750	2,750	1,750	1,750		variable
MHDC	3413	8,000				5,336	1,001	650	5,336	82 x mbrs
WoDC	3,008	7,020		4,680	4,680	1,560	1,170			80 x mbrs
WyDC	3,634	8,260		5,507	5,507	5,507	1,033			81 x mbrs
WFDC	4,698	11,742	8,808	7,635	5,283	5,871	5,283			5,871
WCC	8,397	28,928		15,360		15,360				9,062
TamworthDC	4,677	9,353	7,015	6,125	4,231	4,231	4,231	1,392		4,231
Rugby BC	4,683	8,931	4,470	3,786	2,412	2,412	1,041	696	1,041	145
Stevenage	7,063	16,382		9,943	9,943	9,943	9,943	1,361		
Wellingboro'	3,140	6,280	4,170			4,710	1,175	290	390	4,710

These are common appointments across authorities. Post titles and positions which attract Special Responsibility Allowances vary. Not all authorities pay Vice-Chairs or Deputy Leaders. Other conditions also vary, such as payments to Opposition Groups by number of members: in one case 5 members being required to make a “Group” for the purposes of payments. There are also variations in terms of capping of payments and ancillary benefits within individual schemes.

