

Chichester District Council

CABINET

5 January 2016

Review of the Members' Allowances Scheme: Report of the Independent Remuneration Panel

1. Contacts

Report Author:

Philip Coleman, Member Services Manager,

Tel: 01243 534655 E-mail: pcoleman@chichester.gov.uk

Cabinet Member:

Philippa Hardwick, Cabinet Member for Finance and Governance

Tel: 01428 661866 E-mail: jphardwick@chichester.gov.uk

2. Recommendation

- 2.1. That Cabinet considers the report of the Independent Remuneration Panel and advises the Council as to their recommendations.**

3. Background

- 3.1. The Council has a scheme of members' allowances, which is normally reviewed in the first year after the election of a new Council. A review is now due, for implementation from 1 April 2016.
- 3.2. The process is governed by the Local Authorities (Members' Allowances) (England) Regulations 2003. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme. Because it is difficult for councils to consider these matters objectively, they are required to establish and maintain an independent remuneration panel to provide them with advice on their scheme. Local authorities must have regard to this advice, but are not required to follow it.
- 3.3. As the Government's guidance explains:
- "The approach, therefore, is one where questions as to the amounts payable to members are matters for local determination. In this way, councils can take full account of their particular circumstances, including the precise form of their new constitution, and be directly accountable to their electorate. This accountability is sharpened through each council being advised on its own allowances scheme by a local panel whose members are required to be independent."
- 3.4. The report of the Council's Independent Remuneration Panel (IRP) is appended to this report. An extended extract from the Government's guidance is set out at Appendix 2 of their report.

4. Outcomes to be achieved

- 4.1. The scheme of allowances should conform to Government regulations and guidance, and be fair to both the councillor and the council taxpayer. It should ensure that councillors are not out-of-pocket, and that their allowances reflect a fair recognition for the time devoted to the various roles they fulfil. The allowances should, therefore, be set at levels that do not impose financial penalties on members for their time and effort or impose an unreasonable burden on council taxpayers.
- 4.2. The regulations require the Council to give public notice in at least one local newspaper of receipt of the IRP's report, and then of the adoption of a scheme of members' allowances, and then annually publish the total sum paid to each member.

5. Proposal

- 5.1. The Cabinet is asked to consider the IRP's report and to advise the Council as to the adoption or otherwise of the IRP's recommendations. The recommendations are summarised in the second chapter of their report, and set out in bold text in the body of the main report.
- 5.2. The IRP was made aware of the Council's financial situation. Although this has not been their primary concern, they have sought to ensure their recommendations are realistic and consistent. Ultimately, however, it is for the Council to balance the IRP's recommendations against other financial pressures.
- 5.3. Except in 2013 when members voluntarily froze their allowances, the allowances have increased annually from the levels approved in 2012 in line with changes in the Retail Prices Index as provided in the Scheme, (except for travelling and subsistence allowances which were adjusted in line with allowances paid to staff). The IRP recommends that, for the next four years, allowances should continue at the level to be set in 2016, without index-linked adjustments. (See paras. 3.5 – 3.8 of their report).
- 5.4. The IRP recommends an increase in the basic allowance payable to all members from £4,541 to £4,725. This recommendation takes into account the intention to fix the allowance for four years, and includes an element for members' use of IT consumables in view of the recommended abolition of the separate allowance for this paid hitherto to members who do not have Council-issued equipment (see paras. 3.9 – 3.20 and 3.51 – 3.54 of their report).
- 5.5. The IRP also recommends changes to the amounts of special responsibility allowances (SRAs) and to the differentials between them. In particular, they propose differentiation between the SRAs payable to the chairmen of the four main committees, which have hitherto been the same. In most cases SRA's are to increase a little, but the SRAs for the Leader of the Opposition and the chairmen of the Corporate Governance & Audit

and Licensing Committees decrease slightly. (See paras.3.21 – 3.37 of their report).

5.6. They suggest clarification of the duties for which travelling allowances are payable, and add attendance at party group meetings (subject to safeguards), the SDNPA Planning Committee (for members with wards in or partly in the National Park) and meetings with officers at the Council's offices about ward business. They clarify that, apart from those duties specifically covered by the scheme, travelling expenses should not be payable for duties that take place within the Member's ward. (See paras. 3.38 – 3.47 of their report).

5.7. They also make a recommendation about the payment of an allowance of £50 per meeting for independent non-councillor appointees who assist and advise the Council, including themselves. (See paras. 3.57 – 3.58 of their report).

6. Alternatives that have been considered

6.1. As mentioned above, the Cabinet may recommend alternatives to the IRP's recommendations, but should state its reasons for doing so.

7. Resource and legal implications

7.1. The budget implications are set out in Appendix 1 of the IRP's report. If their recommendations are adopted in full, an increase in the base budget of about £11,000 would be required in 2016/17, but not thereafter (except for any changes in travelling and subsistence allowances which are linked to staff rates).

8. Consultation

8.1. The IRP consulted members during the course of their work, as explained in their report.

9. Community impact and corporate risks

9.1. The Council needs to take into account the impact on council taxpayers and staff.

10. Other Implications

Crime & Disorder:	None
Climate Change:	None
Human Rights and Equality Impact:	None
Safeguarding and Early Help:	None

11. Appendix

11.1. Report of the Independent Remuneration Panel

12. Background Papers

12.1. There are no background papers to this covering report. Background papers considered by the IRP are listed in paragraph 3.1 of their report.