

CITY COUNCIL - 9 MARCH 2009

REPORT OF THE LEADER

MEMBERS' ALLOWANCES SCHEME 2008/09 **– REVIEW BY INDEPENDENT REMUNERATION PANEL**

1 SUMMARY

- 1.1 The Independent Remuneration Panel has carried out a review of the allowances scheme and this report considers their recommendations. A copy of the Panel's recommendations is contained in Appendix A.

2 RECOMMENDATIONS

2.1 IT IS RECOMMENDED that:-

- (1) the recommendations of the Independent Remuneration Panel, excepting recommendation 6, be adopted in full, and they be thanked for their work on the Scheme;
- (2) indexation of allowances be continued, with indexation linked to the level of annual increase in local government employees' pay;
- (3) the current scheme be amended in accordance with the above recommendations and the revised Members' Allowances Scheme, set out in Appendix B to this report, be adopted;
- (4) a recruitment exercise be undertaken for fresh membership of the Panel.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 The Council is required to consider and respond appropriately to the views of the members of the Independent Remuneration Panel. One area of divergence has been identified and reasons for my alternative are expanded on in section 5 of this report.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

4.1 The City Council is required to consider the Panel's recommendations, but is not bound to adopt them and can, provided it acts reasonably, take decisions on allowances which are not in accord with such recommendations.

5 BACKGROUND

5.1 The Independent Remuneration Panel performs a statutory role of reviewing the Members' Allowances Scheme and the City Council is required to consider its recommendations.

5.2 It has recently reviewed the Scheme and a copy of its report has been sent separately to all Councillors. Appendix A is a summary of its recommendations.

5.3 The views of the Panel in its recommendations on Executive Assistants, the inflator index, a Special Responsibility Allowance for the Chair of the Audit Committee and Travelling Subsistence and Care allowances are noted and supported.

5.4 Recommendation 2.1(2) above reflects a difference of view with the Panel. With the work of the Member Development Group I consider that a satisfactory rate of progress is now being made on performance management issues and, notwithstanding my support for the Panel's recommendations in this area in the current and previous reports, I do not agree with, or therefore suggest acceptance of, the recommendations of the report insofar as they relate to the indexation of rises in the Members' Allowances Scheme.

5.5 The effect of the proposed changes is set out in Appendix B (also circulated separately).

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

6.1 The financial implications of the recommendations in this report for the current financial year can be contained within the budget for Members' Allowances.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

7.1 The City Council has a duty to consider the recommendations of the Independent Remuneration Panel before adopting or amending its Scheme of Allowances.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 None.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 Report of the Independent Remuneration Panel dated January 2009

9.2 Members' Allowances Scheme 2006.

9.3 Local Authorities (Members' Allowances) (Amendment) Regulations 2003.

**COUNCILLOR JON COLLINS
LEADER**

INDEPENDENT REMUNERATION PANEL SEVENTH REPORT (2008)

SUMMARY OF RECOMMENDATIONS

**REVIEW OF SIXTH REPORT (2007)
CONSIDERATION OF PANEL REPORTS BY THE CITY COUNCIL**

RECOMMENDATION ONE

That the City Council give an indication of preferred timescales for considering a Panel report at the beginning of the IRP process, to enable the Panel to programme its work effectively and assist in bringing an informed but realistic approach to the Panel when considering timetables for possible progress on issues.

(Reasons: to ensure that Panel recommendations remain relevant to City Council activities, to eliminate or reduce barriers to implementation and promote a greater likelihood of timely progress on outstanding matters)

CURRENT REVIEW

**PROGRESS ON THE INTRODUCTION OF PERFORMANCE
MANAGEMENT AND MONITORING FOR COUNCILLORS**

RECOMMENDATION TWO

That, for the introduction and publicising of individual elected member annual reports and the introduction of performance appraisal and development review processes (PDRs) for all elected members, be endorsed, supported and implemented without delay.

(Reasons: to demonstrate support for the Member Development Steering Group and commitment to the introduction of performance management and monitoring)

RECOMMENDATION THREE

That in, in the case of individual member annual reports, consideration should be given to modelling these on those used by Kirklees Metropolitan District Council (adapted to local circumstances) and include information on how the recently introduced ward member individual budgets have been spent.

(Reason: to increase the level of relevance of annual reports)

RECOMMENDATION FOUR

That the PDR process be adopted and applied uniformly to all City Councillors across all political groups.

(Reason: to demonstrate a commitment to maximising the effectiveness of the PDR process)

CONTINUED INDEXATION OF MEMBERS' ALLOWANCES TO THE PAY SETTLEMENT OF LOCAL GOVERNMENT EMPLOYEES

RECOMMENDATION FIVE

That the inflator to be used in any indexation of increases in the Members' Allowances Scheme should be the level of increase in local government employees' pay.

(Reason: to ensure the prudent use of financial resources)

RECOMMENDATION SIX

That the practice of applying indexation rises to the Members' Allowances Scheme be discontinued until the provisions of recommendation two to four have been introduced.

(Reason: to ensure progress on previous Panel recommendations)

EXECUTIVE ASSISTANTS – REMUNERATION LEVEL

RECOMMENDATION SEVEN

That to clarify responsibilities and expectations and assist the development of the role, relevant Portfolio Holders and Executive Assistants should identify and agree an annual programme of activities, against which progress of Executive Assistants can be demonstrated. The outcomes should be reported to the Leader or Executive Board on an annual basis as part of the member development process.

(Reasons: to provide greater clarity for the role of an Executive Assistant and to demonstrate development and effectiveness in the role)

ELIGIBILITY FOR PAYMENT OF A SPECIAL RESPONSIBILITY ALLOWANCE FOR CHAIR OF THE AUDIT COMMITTEE

RECOMMENDATION EIGHT

That the current Members' Allowances Scheme be amended to include the payment of a Special Responsibility Allowance to the Chair of the Audit Committee at an amount equivalent to that of the Chair of a Regulatory Committee (currently £5,579.89).

RECOMMENDATION NINE

That the level of Special Responsibility Allowance be reviewed as part of our next review and in light of any changes in responsibilities as a result the development of the role.

(Reasons: to reflect the more onerous duties of the position over and above the normal duties of a Councillor, the greater need for objectivity and impartiality in the conduct of the position and its current evolutionary nature)

TRAVELLING, SUBSISTENCE AND CARE ALLOWANCES

TRAVELLING AND SUBSISTENCE

RECOMMENDATION TEN

That the current schedule of payments for travel and subsistence for elected members and officers be harmonised to produce a single scale, using the current payments for officers as its basis and for future adjustments.

(Reason: to simplify internal administration procedures, reduce associated costs and staff time and the margin for errors in payments)

CARE ALLOWANCE

RECOMMENDATION ELEVEN

That the upper limit of the Carer's Allowance be increased to, and mirror, the maximum level of benefit that can derive to an employee purchasing childcare vouchers under the Employee's Childcare Voucher Purchase Scheme (currently £904).

RECOMMENDATION TWELVE

That an elected member may receive payments under this element of the Scheme only where paid for care is necessary and the costs incurred to enable them to carry out their role as a councillor, and where either they are not in receipt of allowances or payments towards care, from the individual(s) being cared for, or where those being cared for are, themselves, ineligible for appropriate government paid allowance(s).

(Reasons: to reflect the increased costs associated with caring and to make a reasonable adjustment to assist councillors in fulfilling their duties)

PAYMENT OF ALLOWANCES TO CO-OPTES AND APPOINTED MEMBERS

No recommendation made under the current report. This issue has been identified for further consideration as part of the Panel's review in 2009.