

Classification: NULBC **PROTECT** Organisational
MEMBERS ALLOWANCES

Submitted by: The Independent Remuneration Panel/Chief Executive

Portfolio: Communications, Policy & Partnerships

Wards affected: All

Purpose

To review the Council's Scheme of Members Allowances.

RECOMMENDATIONS:-

- (a) To increase the annual Basic Allowance by 2% to £3,432 for all Members.
- (b) To replace the Vice-Chair's Special Responsibility Allowance with a payment of £50 for each meeting that they Chair.
- (c) No change to the Travelling and Subsistence Allowances.
- (d) That the Carer's Allowance continues to be paid at the National Minimum Wage.

1. **Background**

- 1.1 Under the Local Authorities (Members Allowances) (England) Regulations 2003 and subsequent amendments, the Council is required to establish and convene an advisory independent allowances panel (the Panel) to make recommendations on certain allowances. The Panel has been asked by the Council to review basic and special responsibility allowances for roles carried out by Members.
- 1.2 The aim of the review was to assess Member's allowances, keeping within the budget of £305,000. The current Scheme actually totals £309,362 so it is therefore over budget by £4,362.

The Panel comprised the following people:-

Karen Dobson – Principal and Chief Executive of Newcastle-u-Lyme College
Sara Williams – Chief Executive, Staffordshire Chambers of Commerce
Sajid Hashmi – Chief Executive, VAST.

The current Scheme was put in place in 2009. The last Review was done in April 2012 and at the Council meeting on 11 July 2012 Members amended the Panel's recommendation, voting for a freeze on allowances rather than an increase.

2. **Issues and Options**

- 2.1 The Panel has considered the following allowances:-

Basic Allowance
Special Responsibility Allowance
Travelling and Subsistence Allowance
Carers' Allowance

- 2.2 Consideration has also been given to the regulations regarding the claiming of expenses.

Basic Allowance

From the table below it is clear that the basis allowance paid in Newcastle is low compared to that paid in other authorities in our 'family group' and near neighbours.

3. **Proposal**

- (a) To increase the annual Basic Allowance by 2% to £3,432 for all Members.
- (b) To replace the Vice-Chair's Special Responsibility Allowance with a payment of £50 for each meeting that they Chair.
- (c) No change to the Travelling and Subsistence Allowances.
- (d) That the Carer's Allowance continues to be paid at the National Minimum Wage.

4. **Reasons for Preferred Solution**

In carrying out our review the Panel has considered the role of elected Councillors, the daily demands placed on them by their constituents and the changes that are taking place in that role, particularly with respect to working within the community and other partner organisations.

The Panel has considered statistical information gathered on allowances paid in Councils of similar size/characteristics to Newcastle under Lyme and those of other districts in Staffordshire.

The Panel is aware that the Council, or indeed political parties, need to encourage suitable persons to take on the role of Councillor, and whilst remuneration should never be the sole reason for wanting to become a Councillor, potential candidates should not be deterred by being financially worse off after taking into account time spent on council work. There is also a need to realise that there must always be a voluntary element in the role of a Councillor. To be a 'healthy Council' candidates from all walks of life must be attracted. It is clear that one of the reasons people become Councillors is because they wish to lead change and make a difference to the lives of the people they represent, but they should be compensated for the time they give. Being a Councillor can take a considerable amount of time out of an individual's life.

A copy of the Panel's full report is contained in Appendix 1.

5. **Legal and Statutory Implications**

- 5.1 Allowances are paid under the Local Government and Housing Act 1989, the Local Government Acts 1972 and 2000 and the Local Authorities Members Allowances Regulations 2003.

6. **Equality Impact Assessment**

- 6.1 The Panel has taken due account of equality issues.

7. **Financial and Resource Implications**

7.1 The table below is a summary of the costs of the current scheme and the Panel's proposals for 2015/16 and subsequent years until further amended.

Costs of Members' Allowances Scheme

ROLE	No.	<u>Current</u>		<u>Max Cost</u>	<u>Proposal</u>	<u>2015/16</u>
		£	£		(Using 2% increase)	<u>Max Cost</u>
Leader of Council	1	13590	13590	-	13590	
Deputy Leader of Council	1	9510	9510	-	9510	
Cabinet Portfolio Member	7	5660	39620	-	39620	
Chair of Planning	1	4230	4230	-	4230	
Chair of Public Protection	1	3430	3430	-	3430	
Chair of Licensing	1	3430	3430	-	3430	
Chairs Scrutiny Committees	5	2830	14150	-	14150	
Chair of Audit & Risk Committee	1	2830	2830	-	2830	
Chair Standards Committee	1	2830	2830	-	2830	
Vice Chair Planning	1	1410	1410	0	0	
Vice Chair Public Protection Committee	1	1130	1130	0	0	
Vice Chair Licensing Committee	1	1130	1130	0	0	
Vice Chairs Scrutiny	5	1130	5650	0	0	
Vice Chair Standards Committee	1	1130	1130	0	0	
Vice Chair Audit & Risk Committee	1	1130	1130	0	0	
Minority Group Leaders	2	1130	2260	-	2260	
Basic Allowance	60	3365	201902	3432	205940	
Total			<u>309362</u>		<u>301820</u>	

8. **Major Risks**

8.1 That the allowance scheme is inadequate to meet the needs of the Council or that it is financially unsustainable or seen as unfair with consequential damage. The scheme proposed is considered to address these issues.

9. **Key Decision Information**

9.1 This is a non-Executive decision.

10. **Earlier Cabinet/Committee Resolutions**

275/08, 783/07, 11 July 2012

11. **Background Papers**

Appendix 1 – Panel report