

MEMBERS ALLOWANCES –
REPORT OF THE INDEPENDENT REMUNERATION PANEL

Introduction

The Remuneration Panel met on 20 January, 2015 to review the current Members Allowance Scheme.

Under the Local Authorities (Members Allowances) (England) Regulations 2003 and subsequent amendments, Council's are required to establish and convene an Advisory Independent Allowances Panel to make recommendations on certain allowances.

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 £4362.

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.

The Review Panel has considered the content of this report and hope that the Council will accept our recommendations which we believe combine the strengths of the previous report and the seismic changes that have taken place in the financial and commercial worlds since the previous report was presented. We believe that our recommendations offer fair and affordable remuneration for the time and effort Members put into their roles and responsibilities.

This report contains the Panel's recommendations on a number of allowances contained within the existing scheme.

In carrying out our review we have 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.

We have considered much statistical information gathered on allowances paid in Council's of similar size/characteristics to Newcastle under Lyme and those of other districts in Staffordshire.

We are 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 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.

We cannot consider individual Councillors performances, that is for each political group and ultimately the electorate.

Whilst we have looked at roles and responsibilities we have also been mindful that the Council has to continuously control its budget, which is currently over the limit and any amounts proposed must be affordable.

We have considered the following allowances:-

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

Basic Allowance

The role of a Councillor is not just about attending meetings and campaigning for election. Councillors are expected to be on duty 24 hours a day 7 days a week by some of their constituents and to be experts in all types of issues, often finding themselves in the un-enviable position of being criticised by those on the opposite side of the fence to those they have supported. Trying to quantify the time spent by Councillors on Council duties is very difficult and great variances can occur.

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

Whilst demands on Councillors can vary from one authority to another we believe that the demands on Newcastle's Councillors are not significantly less than in these other authorities.

Table 1 – Comparison of Basic Allowances

Authority	£
Kettering	5288
North East Derbyshire	5060
South Staffs	5000
Wyre Forrest	4900
St Edmundsbury	4879
Chorley	4284
Erewash	3972
Stafford Borough	3837
Newark	3800
Amber Valley	3759
Broxtowe	3741
Newcastle u Lyme	3365
High Peak	3002
Staffordshire Moorlands	2902
Average	4128

Newcastle has one of the highest numbers of elected members and, therefore, any increase in the basic allowance needs to be multiplied by 60, which could have a significant effect on the Council's budget. We have also taken into account that an element of the role must be considered voluntary.

We agreed that there should be an increase in the Basic Allowance as none had been applied for a few years. At the last Review Panel, Members had agreed that it be kept in line with staff increases. An award of 2% had been given to staff for 2015/16 and therefore that is what we have recommended for Members (Appendix 1).

Special Responsibility Allowances

Having agreed that all Members should have an increase in their Basic Allowance and bearing in mind that the current scheme was already over budget, we considered the role of the Vice Chairs.

Vice Chairs currently receive an annual allowance of £1130 but they may not be required to chair any meetings during the year. Whilst it is appreciated that some Vice Chairs may be more involved with the work of their committee, there are some Chair's, for example, of the Conservation Advisory Working Party and the Member Development Panel which meet regularly but do not receive an allowance. With this in mind, it is proposed that Vice Chair's be paid a sum of £50 for each meeting which they Chair rather than receive a monthly allowance.

Financial Implications

Attached at Annex 1 is a summary of the costs of the current scheme and our proposals for 2015/16.

Travelling and Subsistence Allowances

The Council currently pays the nationally agreed rates for travelling and subsistence. It is proposed that the current arrangements stay in place.

Carers Allowance

We would recommend that the Council continues to pay the National Minimum wage (for over 22's) as the Carer's Allowance.

We hope that you are able to accept our proposals:

- To increase the annual Basic Allowance by 2% to £3432 for all Members.
- To replace the Vice-Chair's Special Responsibility Allowance with a payment of £50 for each meeting that they Chair.
- No change to the Travelling and Subsistence Allowances.
- That the Carer's Allowance continue to be paid at the National Minimum Wage.

Karen Dobson

Sara Williams

Sajid Hashmi

**Independent Remuneration Panel
January 2015**

Appendix 1 Financial Implications

Costs of Members' Allowances Scheme

ROLE	No.	<u>Current</u>		<u>Proposal</u>	<u>2015/16</u>
		£	<u>Max Cost</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>