

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

ACTING CHIEF EXECUTIVE'S REPORT TO COUNCIL

16 May 2018

1. **REPORT TITLE** **INDEPENDENT REMUNERATION PANEL REPORT 2018/19**
- Submitted by:** **Acting Chief Executive – John Tradewell**
- Portfolio:** **Corporate and Service Improvement, People and Partnerships**
- Wards affected:** **All**

1. FOREWORD

- 1.1 This report of the Independent Remuneration Panel (the Panel) sets out our conclusions and recommendations on members' allowances for the period 1 April 2018 to 31 March 2019 for the consideration of Newcastle-under-Lyme Borough Council (the Council).
- 1.2 The Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2001 to provide advice and recommendations to the Council on amounts to be paid under its members' allowances scheme. Members of the Panel are appointed by the Council and are independent members of the community. The Council is required to have regard to our recommendations in deciding what to pay councillors.

2. PANEL MEMBERSHIP

- **Phil Butters** (Director of Estates and Development, Keele University)
- **Sarah Carrington** (Business Development Director, VAST)
- **Sara Williams** (Chief Executive, Staffordshire Chambers of Commerce)

3. TERMS OF REFERENCE

- 3.1 The Panel is required to gather information, to consider evidence and to make recommendations to the Council on:
- the amount of basic allowance to be paid to members
 - those positions that should receive special responsibility allowances, and the level of those allowances
 - travel, subsistence and certain other allowances

4. The Process we have followed

- 4.1 The Panel met during March and April 2018 and have also corresponded via e-mail. We considered a range of comparative information in respect of allowances paid in the other borough and district authorities in Staffordshire. In order to understand the views of the councillors themselves we arranged for a questionnaire, to be sent to all councillors and we considered the responses. We have also considered the advice of the Council's acting Chief Executive.

5. Introduction

5.1 The prime role of the Panel has been to assess and recommend the allowances to be made available to elected members, and in formulating our recommendations we have borne in mind:

- The contribution that members make to the Council and their communities and the extent to which this is dependent on a sense of corporate social responsibility and public service and that members are motivated to a significant extent by a sense of public good.
- The current economic climate and the continuing substantial financial constraints on the Council.

5.2 Nevertheless, we have also recognised that those who decide to stand for election should not be required to make unreasonable sacrifices in their private lives. In this context, the Panel continues to recognise that there is a substantial gap between the level of financial remuneration provided nationally to elected councillors and the commitment they are expected, or believe that they need, to make, both in terms of time and responsibility, to fulfil the increasingly demanding roles in public life.

5.3 The Panel was also conscious that a major change was occurring at the elections in May 2018 with the number of elected members reducing from 60 to 44. We recognised that this is going to have a significant effect on the role of elected members in terms of an increase in the number of residents that they represent, but also in the potential structures within the Council after the election as a result of their being fewer members. It is difficult to anticipate the changes that will occur fully and precisely, but the Panel have done their best and stand ready to review them in a year's time once the changes as a result of the May elections have bedded in.

6. PROPOSALS CONSIDERED

6.1 The Panel's proposals are set out below.

Basic Allowance

The Panel felt that the Basic Allowance payable to all members should increase from £3,365.04 to **£4,250** to reflect the reduction in the number of members and the greater workload that this will generate for individual members.

Leader

The Panel felt that the Leader's role in the Council would remain essentially the same despite the other changes taking place and for this reason feel that only a nominal increase from £13,590 to **£13,600** was warranted.

Deputy Leader

The Panel felt that the Deputy's role in the Council would, similarly to the Leader's role, would remain essentially the same and for this reason felt the allowance should remain almost the same at **£9,500** (instead of £9,510).

Cabinet Members

For Cabinet Members with portfolios it was felt that a small increase from £5660 to **£5,800** was appropriate. At the same time, the Panel felt that the role of Cabinet Member without portfolio did not warrant an additional allowance – if the role did not have specific individual responsibilities it was difficult to see how a Special Responsibility Allowance could be justified

Scrutiny Chair

The Panel felt that a small increase in the allowance for Scrutiny Chairs was warranted from £2,830 to **£3,000**. This reflects the likelihood that a smaller Council membership will almost certainly mean a smaller number of scrutiny committees, and brings the allowance very close to the average in other district and borough authorities in Staffordshire.

Audit and Standards Committee Chair

The Panel felt that the Council might want to replicate the practice in other similar authorities whereby the Audit and Risk Committee was combined with the Standards Committee. If the Council were to move to this arrangement an allowance of **£3,000** for the Chair would be appropriate.

Planning Chair

The Panel felt that this was a very significant and high profile role justifying a significant allowance. For this reason they felt that an increase from £4,230 to **£4,500** was justified and this would more closely reflect the allowances paid in other authorities in Staffordshire.

Licensing and Public Protection Chair

The Panel noted that the Council was considering moving to combine the work of the current two regulatory committees into one. As with the Planning Committee, this would result in a significant and high profile role for the Chair that justifies an allowance of **£4,500** (as compared to the allowance of £3,430 paid to the current Chairs of the Public Protection and Licensing Committees).

Vice Chairs

The Panel felt that the role of Vice Chair of both the Planning and the Licensing and Public Protection Committees justified a significant allowance as the post holders can be called on to substitute for the Chairs due to the frequency of meetings, and that this results in them having to take on an important role with regulatory and decision-making responsibilities. The Panel felt that an allowance of **£1,800** was appropriate.

In relation to Scrutiny Committees, the Panel felt that the work tended to be done by the Chair rather than the Vice Chair for the most part, and as a result no Special Responsibility Allowance was warranted.

Leader of Principal Opposition

The Panel recognised the vital part that the opposition plays in the democratic process in holding the administration to account. The Panel noted that the Council had a tradition of having a large main opposition party and felt that the leadership of this group was an important role within the Council. For this reason it is proposing that this role is recognised and reflected in an allowance for the Leader of the Principal Opposition of **£5,000**.

Minority Party Leaders (5 members or more)

Party leadership carries with it significant responsibilities in a democratic organisation. This should continue to be recognised with an allowance (where, due to the reduced membership, a group has 5 members or more) of **£1,130** (which is unchanged from the current scheme).

Mayor

The Panel has been asked to include the allowance for Mayor in its recommendations. Having looked at the allowances for Mayors and Chairmen paid in a number of the other borough and district authorities in Staffordshire, the allowance paid in Newcastle seems to be well above the norm. For this reason the Panel feels that the allowance should be reduced to **£9,500**. At this level it would be the second highest allowance paid by the authority after that payable to the Leader, which reflects the importance of the Mayoral role to the work of the Council as being second only to that of the Leader.

Deputy Mayor

The Panel felt that the allowance for the Deputy Mayor be increased nominally from £2,986 to **£3,000**.

6.2 Other provisions in the allowance scheme

The Panel make no recommendations for change to other elements in the allowance scheme.

7. Conclusions

- 7.1 In developing the allowances proposed the Panel have tried to anticipate the changes to the political structures of the Council that will follow the reduction to 44 elected members.
- 7.2 The changes proposed can all be justified by reference to the practice in place in other boroughs and districts in Staffordshire.
- 7.3 The overall cost of the proposals will result in a lower cost to the Council overall than the current scheme in place.
- 7.4 We have completed our task for this year and would like to express our thanks to the Members and Officers of the Council for all their help and support in producing this report.