

BROMSGROVE DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES for 2006/07

1. Introduction

- 1.1 In accordance with statutory requirements the Independent Remuneration Panel was appointed by the Council in 2001 to consider and make recommendations on Members' Allowances. The Panel has agreed that it wishes to continue to review and make recommendations on an annual basis. The Council has a duty to have regard to the recommendations made to it by the Panel before it agrees any amendments to the Council's Members' Allowances Scheme.
- 1.2 The Panel held a series of meetings during January to early March 2006 to undertake the review of allowances for the 2006/07 financial year. During our review we were supplied with comparative information as to the level of allowances paid by a number of authorities including district councils within the County and other councils within the Audit Commission 'family' group. We also met collectively with the Leader of the Council and a representative from each of the opposition groups (Councillors G. N. Denaro, P. M. McDonald and M. H. Gill). We would like to take this opportunity to formally thank these Members for their time and contributions. We have also received written representations from two Members.

2. Developments since the Panel's last review

- 2.1 The Panel has noted that the Council continues to be in Voluntary Engagement with the Government and aims to achieve recovery by March 2007. We have received a copy of the Audit Commission's Progress Assessment and related papers and have noted the contents.
- 2.2 The Panel has noted that the political leadership of the Council has changed since its last annual review and that the Cabinet has increased from six to seven Members. The Panel has also noted that the Council has agreed changes to the Council's Committee Structure in order to improve the scrutiny process and performance management within the authority, which has led to the creation of the new Audit, Performance Management and Scrutiny Steering Boards. The Panel has therefore reviewed Special Responsibility Allowances to reflect these changes. The Panel has also taken the opportunity provided by the changes to the Council's Committee Structure to review the differentials between the levels of Special Responsibility Allowance payable for different positions.

3. Underlying Principles

- 3.1 The Panel believes that people who seek Council office do so out of a sense of public service and not principally for the remuneration that may be available. However, the Panel also believes that the time and effort put in by elected Members should be recognised and rewarded.
- 3.2 The Panel recognises that local government has changed significantly in recent years, requiring different ways of working. Councillors are now expected to be much more professional in their approach and need to undergo training and development to achieve competencies in various skills so as to enable them to perform efficiently and effectively and to keep abreast of the issues and changes affecting local government. We understand that the Council now requires Members to undertake certain training before they can be considered for certain positions of responsibility.
- 3.3 The Panel also recognises that the Council's commitment to improving its performance and achieving recovery is increasing the time commitment, effort and workload of Members who take on certain positions of responsibility.

- 3.4 The Panel acknowledges that in comparison with a number of similar authorities, the level of allowances paid by the Council is relatively low and it would not wish to see the Council slip further behind.

4. **Basic Allowance**

- 4.1 Basic Allowance is intended to recognise the time commitment of all councillors, including calls on their time such as meetings with officers, constituents, political group meetings, etc. The Panel is aware that an increase of 2.95% has been agreed for Council staff for 2006/07. However, having taken into account the various factors outlined in sections 2. and 3. above, together with the views we received from Members, we feel that the Basic Allowance payable to all Members should be increased by £500 to £3,350.

5. **Special Responsibility Allowances**

- 5.1 During our consultation meeting with the Leader and other Members, the Panel received representations for significant increases in the level of Special Responsibility allowance payable for certain positions. In addition, it was suggested to the Panel that varying levels of Special Responsibility Allowance should be payable to all Members serving on the Planning Committee, the three new Boards, the Appeals Committee and Task Groups, with deductions for non-attendance and payment for substitute Members on a pro rata basis.
- 5.2 In formulating our recommendations the Panel has been mindful of the Government Guidance on the payment of Special Responsibility Allowances which states that such allowances may be paid to those Members who have significant additional responsibilities, over and above the generally accepted duties of a councillor. It is the Panel's view that a person who seeks the office of councillor should expect to have to serve on one or two Council committees as the norm.
- 5.3 Furthermore, the Panel would not support the payment of a Special Responsibility Allowance to virtually every Member of the Council which would be the potential outcome of paying such allowances to all Members of the committees referred to in 5.1 above. In our opinion this would be against the spirit of the Members' Allowances Regulations and Guidance. Almost half the total number of Members of the Council serve on the Planning Committee alone and one third of Members will serve on the Scrutiny Steering Board. In addition, the Regulations only allow Special Responsibility Allowance to be paid for membership of a committee "which meets with exceptional frequency or for exceptionally long periods".
- 5.4 We would also point out that the statutory framework of Basic and Special Responsibility Allowances replaced the traditional Attendance Allowance. There is no provision within the Regulations for Special Responsibility Allowance to be linked to attendance or for such allowance to be withdrawn for non-attendance at a meeting.
- 5.5 The Panel feels that the weight of responsibility and time commitment placed on the Leader and Cabinet Members needs to be reflected in an increased level of Special Responsibility Allowance.
- 5.6 The Panel is aware that the role of the Standards Committee may change as a result of revisions to the Council's Constitution. However, as the Committee will still have an important role to play in promoting and maintaining high standards of conduct by councillors, we feel that the level of Special Responsibility Allowance payable to the Chairman should remain at around the same level as at present.
- 5.7 The Panel understands that the workload of the main Licensing Committee has reduced due to increased delegation to officers and the role of the Licensing Sub-Committee. We feel that the Special Responsibility Allowance payable to the Chairman should be reduced in net and relative terms. We do not feel that that the payment of a Special Responsibility Allowance to those that serve on the Licensing Sub-Committee would be justified.
- 5.8 The Panel recognises that meetings of the Appeals, Electoral Matters and Appointments Committees are held as and when required. We therefore feel that Special Responsibility Allowances for the Chairmen of these Committees should be payable per meeting.

- 5.9 The Panel do not wish to recommend the payment of Special Responsibility Allowances to Vice-Chairman of any Committees/Boards. The Council's Members' Allowance Scheme already provides that if a Vice-Chairman is required to chair a meeting, they can receive a pro rata amount of the annual allowance payable to the Chairman.
- 5.10 In view of the political composition of the Council, the Panel feels that a Special Responsibility Allowance should continue to be payable to each Leader of an opposition group based on a flat rate payment multiplied by the total number of Members in the group. We recommend that the flat rate payment be increased from £120 to £125. However, in the event that the Council appoints a Leader of the Opposition, the Panel feels that a Special Responsibility Allowance should be payable for this position based on a flat rate payment of £125 multiplied by the total number of opposition Members with no Special Responsibility Allowance payable to Leaders of other opposition groups.

6. Travelling and Subsistence Allowances

- 6.1 In the light of written representations and comments made during the consultation meeting with Members, the Panel has reviewed the question of which duties should qualify as 'approved duties' for the payment of travelling allowances. We have been guided by the Members' Allowances Regulation on this matter.
- 6.2 We wish to take this opportunity to emphasise that:
- Training events already qualify as an 'approved duty'.
 - Meetings involving Members from a single party do not and cannot qualify as an 'approved duty' as the Members' Allowances Regulations require that members from at least two political groups must be invited. Group meetings with mentors cannot therefore not be included on the list of 'approved duties'.
 - Informal meetings between an individual Member and officers and/or other parties do not qualify for travelling allowances under the Regulations.
- 6.3 We have noted that Members are increasingly being invited to attend ad hoc Focus Groups in connection with the Council's recovery, external inspections and so on, in order to present their views on various matters. The Panel is of the view that the list of 'approved duties' should be amended to include this category of meetings, provided that Members of at least two political groups are invited to attend.
- 6.4 There have been no claims for subsistence during the current Municipal Year. The Panel therefore feel that subsistence allowances should remain as at their present levels.

7. Recommendations

The Panel unanimously recommends for 2006/07:

- (1) That the Basic Allowance payable to every Member be increased by £500 to £3,350.
- (2) That the following Special Responsibility Allowances be payable:

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| Leader | £9,250 |
| Deputy Leader | £6,000 |
| Cabinet Members | £3,500 |
| Chairman of Planning Committee | £2,750 |
| Chairman of Audit Board | £2,750 |
| Chairman of Performance Management Board | £2,750 |
| Chairman of Scrutiny Steering Board | £2,750 |

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| Chairman of Licensing Committee | £1,750 |
| Chairman of Standards Committee | £1,750 |
| Chairmen of Task Groups | £200 (to be payable on completion of task) |
| Chairman of Appeals Committee | £100 per meeting |
| Chairman of Electoral Matters Committee | £100 per meeting |
| Chairman of Appointments Committee | £100 per meeting |
| Leaders of opposition groups or Leader of Opposition | £125 x number of members of the group £125 x total number of opposition members (with <u>no</u> payment to Leaders of other opposition groups) |

- (3) That the list of 'approved duties' for the payment of travelling allowances be amended to included the following category:

"Focus Groups or other informal meetings held in relation to the recovery of the Council, external inspections or otherwise in connection with the functions of the Council or any of its committees or sub-committees, provided that members of at least two political groups are invited to attend".

- (4) That no change be made to subsistence allowances.

Independent Remuneration Panel
1st March 2006

Mr. J. Browne

Mr. A. Finn

Mr. P. Sandhu

Mr. J. Topping