



Council 14 December 2010

Independent Remuneration Panel's Report: Recommendations for Members' Allowances 2010/2011 and 2011/2012

1. Background

- 1.1 The Borough Council is required *'before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel'*.

2. Independent Remuneration Panel Report

- 2.1 Attached as Appendix A is a copy of the Panel's full report.
- 2.2 Attached as Appendix B is a copy of the Members' Allowances Scheme with effect from 1 January 2011 taking into consideration the recommendations made by the Panel.

3. Recommendations

- 3.1 The Council is requested to consider the recommendations as contained within Section 5 of the Panel's report, Appendix A attached.



Independent Remuneration Panel

Recommendations for Members' Allowances: 2010/2011 and 2011/2012 Financial Years

1. Purpose of Report

- 1.1 The purpose of this report is to recommend to full Council the allowances to be paid to Members for the financial year 2010/2011 and an interim scheme for 2011/2012.

2. Background

- 2.1 In accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Borough Council had set up an Independent Remuneration Panel consisting of four members. The members of the Panel are:-

Dr Alan Lower (Chairman);
Mr Robert Hansen;
Dr John Hill; and
Mr Alan Jary.

- 2.2 The Terms of Reference given to the Panel included recommending on:-

- (a) the amount of basic allowance that should be payable to all of the elected Members;
- (b) the roles and responsibilities for which a Special Responsibility Allowance (SRA) should be payable and the amount of each such allowance;
- (c) whether the scheme should include allowances in respect of the expenses of arranging for the care of children and dependents and the level of this allowance; and
- (d) pensions.

- 2.3 The Borough Council is required '*before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel*'.

- 2.4 The Panel met on 3 November 2010, and unfortunately Dr Hill did not attend due to illness.

3. Documentation and Evidence

3.1 The Panel took into account the following documentation and evidence in the course of its review of the Allowance Scheme:-

- (a) comparative data on the latest information obtained from other local authorities and analysed over:-
 - (i) other district councils within Suffolk;
 - (ii) the Audit Commission's former family cluster. These local authorities have been used as comparitors since the inception of the Borough Council's Members' Allowance Scheme;
 - (iii) the current Audit Commission's recommended comparison with 'near neighbours'; and
 - (iv) Rural 50 classification authorities used in previous comparisons. The definition of Rural 50 is district councils with at least 50% but less than 80% of their population in settlements and larger market towns.
- (b) national statistics relating to shire districts collated by the Improvement and Development Agency (I&DEA) based on their 2008 survey, the last survey undertaken by I&DEA.
- (c) an e-mail from Councillor Nettleton arising from a request in the Members' Bulletin of 8 October 2010 for any comments on the current scheme.

4. Conclusions

Taking into consideration information received, and following detailed discussions, the Panel concluded that:-

4.1 Overview

There had basically been no new evidence produced that would indicate that the allowances scheme should be amended, and therefore, it was considered appropriate to maintain the allowances at current levels, subject to the items below.

4.2 Childcare Allowance

The allowance paid in respect of childcare was now below the national minimum wage and this should be increased in line with the national minimum wage, which was currently £5.93 an hour.

4.3 Annual Indexation

- (a) Indexation of the Basic and, therefore, the Special Responsibility Allowances, continue to be index linked to the pay award percentage increase received by staff. The reasons are that this indexation is applicable to both Members and staff who 'work' for the same organisation, is not divisive, is easy to administer and is understood; and
- (b) Indexation of subsistence allowances also to remain linked to those given to staff.

4.4 Next Review

- (a) Following the forthcoming elections in May 2011 a full review of the scheme be undertaken. This review should include Councillors being requested to keep 'timesheets' for a specific period in order that an analysis of workloads can be undertaken. It is considered appropriate that timesheets be requested for a specified period in Autumn 2011. This will enable the results to be analysed and the financial implications can be included in the budget setting process. Furthermore, any proposed amendments to the scheme can be introduced in the 2011/2012 financial year.
- (b) Once the scheme has been determined and approved by full Council then the scheme be retained for the remaining term of the Council, until May 2015, rather than be subject to a full annual review. However, it will be necessary to keep members of the Independent Remuneration Panel informed and it is suggested that this can be done in an annual update by email/post rather than a formal meeting, unless a topic(s) required detailed consideration.

5. Scheme of Allowances: Recommendations

The Panel recommends that:-

(1) Annual Indexation

- (a) Indexation of the Basic and, therefore, the Special Responsibility Allowances, continue to be index linked to the pay award percentage increase received by staff; and**
- (b) indexation of subsistence allowances also to remain linked to those given to staff.**

(2) Next Review

- (a) A detailed review be undertaken following the elections in May 2011; and**
- (b) consideration be given to the approved scheme being applicable for the remaining term of the Council, to May 2015, and only subject to review when required.**

(3) *Childcare Allowance*

(a) *The childcare allowance be increased to up to £5.93 an hour, and linked to the national minimum wage.*

6. Acknowledgement

- 6.1 The Panel is unanimous in commending this report, and the recommendations contained within it, to the Council for acceptance as an appropriate Scheme of Allowances for the Members of St Edmundsbury Borough Council.
- 6.2 Members of the Panel wish to place on record their appreciation to Steven Lincoln, Committee Services Manager, who provided information and co-ordinated the work of the Panel not only for the most recent meeting but over the last eight years that the current Panel has operated.

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Dr Alan Lower (Chairman)

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Mr Robert Hansen

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Mr Alan Jary

November 2010