

REPORT TO EXECUTIVE

Date of meeting 15 JULY 2014

Report of the Corporate Manager, Democratic & Civic Support

Title:- MEMBERS' ALLOWANCES 2014/15

Is this a key decision

No

Is this an Executive or Council function?

Council

1 What is the report about?

To consider the report and recommendations of the City Council's Independent Remuneration Panel in relation to Members' Allowances for 2014/15. This report was previously presented to the Executive on 4 February 2014, but withdrawn to seek comments of other stakeholders.

2 Recommendations

- (1) That the Independent Remuneration Panel's recommendations as set in paragraph 3 above are considered and a recommendation made to Council regarding the Scheme.
- (2) That a detailed survey be undertaken amongst Councillors to ascertain their time commitments whilst undertaking their various member roles;
- (3) That a representative from the South West Assembly together with an Independent Advisor on Members' Allowances be invited to join this Council's Independent Panel on Members' Allowances, to replace two of the existing Panel members; and
- (4) That up to £5,000 be made available to cover any costs associated with the proposed review.

3 Reasons for the recommendation

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to provide the local authority with advice on its scheme of Members' Allowances and recommend the amounts to be paid. The 2003 Regulations permit members' allowances schemes to make provision for an annual adjustment of allowances by reference to a previously agreed index.

4 What are the resource implications including non financial resources

The budget for the scheme of allowances in 2014/15 totals £258,470 and that sum has been included in the estimates for 2014/15, subject to approval by Council on 25 February 2014. The Scheme recommended by the Panel for 2014/15 is attached at Appendix 2 to this report – the above recommendations do not affect the current year's budgetary figure.

5 Section 151 Officer comments

None as detailed in paragraph 4 above

6 What are the legal aspects?

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to provide the local authority with advice on its scheme of Members' Allowances and recommend the amounts to be paid.

7 Monitoring Officer's comments

None

8 Report details

The Panel, comprising four representatives drawn from the business and voluntary sector, met on the 9 January 2014. In developing the Panel's recommendations for the 2014/15 Allowance Scheme, Councillors were invited to submit any comments on general and specific aspects of the allowances scheme for consideration by the Panel. Two councillors took up this opportunity.

The Panel's report is attached at Appendix 1. As for previous years, in arriving at its recommendations, the Panel reflected on the principles and methodology set out in the report of the independent adviser on Members' Allowances submitted to the Council in March 2001. In 2004, this Council, on the recommendation of the Independent Remuneration Panel, agreed that the index in accordance with which the allowances should be adjusted in future years would be the annual local government staff pay award for the previous year.

Following consideration of this principle at its meeting earlier last year, and in recognition of the fact that the Basic and Special Responsibility Allowances had not been increased since 2008/09, the Panel had recommended that these allowances be increased by 1% for the 2013/14 year only. No agreement had, at that point, been made in respect of the annual local government staff pay award offered by the Employers' side for 2013/14, although subsequent agreement was reached for a 1% pay award.

When reviewing the scheme again for 2014/15, the Panel reminded itself of its decision in 2013, and considered that this increase had in effect been given ahead of schedule, and that no further increase should therefore be made this year.

As required by the Regulations, a notice was published in a local newspaper in January 2014, setting out the Panel's recommendations and notifying the public that copies of the report were available for inspection at the Civic Centre and on the Council's web site.

The Independent Remuneration Panel has made the following recommendations to Council in respect of Members' Allowances for 2014/15 that:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2014/15;
- (2) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, should be retained;
- (3) the Councillors' Basic and Special Responsibility Allowances including the Lord Mayor and Deputy Lord Mayor's Expenses Allowances should continue to be linked and updated in line with the Local Government Employers (LGE) staff pay award for the previous year; (except for this coming year 2014/15 as

that increase in staff pay had been recognised in the 2013/14 increase in allowances);

- (4) the Travel and Subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate;
- (5) That the existing payment of £7.50 per month contribution toward broadband (one payment per household) be retained until such time as an alternative IT provision was made (this has already been implemented following the roll out to Members of i-pads).
- (6) That the current Dependants' Carers' Allowance scheme be maintained and that the level of allowance, should now match the Living wage currently offered to the lowest paid Exeter City Council employees of £7.65 (retaining the uplift of the standard rate of income tax, thus increasing the hourly rate to £9.19)
- (7) the Panel considered that a sum of £50 be paid to the Independent Persons affiliated to the Audit & Governance Committee Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year.)

Paragraph 4.4 of the Panel's report requests that a survey should be undertaken amongst all councillors seeking their views as to, amongst other things, the number of hours spent on council business, as well as their remuneration in general.

Since the Panel met earlier this year, further consideration has been given to this, and it is suggested that the following also be included in the review:-

- Travelling expenses for Members;
- Subsistence allowances for Members;
- IT consumables for Members;
- Comparisons with other similar councils, as well as our neighbouring authorities as to the content of their Members' Allowances schemes and the allowances which they pay.

To achieve this, and to ensure some new ideas, methodology and local government experience are brought to the Independent Panel, it is considered appropriate that two new members are invited to join the Panel, replacing two of the existing Panel.

To this end, approaches have been made to the South West Assembly and an Independent Advisor on Members' Allowances, both of whom have indicated their willingness to be a part of this Council's Independent Panel.

Due to the specialist nature of the work, as well as the extent of the proposed survey, it is anticipated that costs will be incurred in undertaking this work, and it is requested that a small budgetary provision of no more than £5,000 be made available to cover these costs.

9 How does the decision contribute to the Council's Corporate Plan?

The need for an up to date Scheme of Members' Allowances ensures that the Council supports the democratic process.

10 What risks are there and how can they be reduced

There are no risks with what is being proposed.

11 What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

The adoption of a Scheme of Members' Allowances ensures that all interested persons are aware of the remuneration levels available to Councillors.

12 Are there any other options?

The Council has the ability to not accept the recommendations being put forward by the Panel and propose some of its own. The fact that this report includes a way forward in respect of future reviews, particularly for 2015/16, should give confidence to the Council that the levels of remuneration will be considered against other benchmarks so as to ensure they are applicable.

JOHN STREET, CORPORATE MANAGER DEMOCRATIC AND CIVIC SUPPORT

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Report of the Independent Adviser on Members' Allowances, March 2001