

REPORT TO EXECUTIVE

Date of meeting 1 December 2015

Report of the Independent Remuneration Panel on Members' Allowances

Title:- MEMBERS' ALLOWANCES 2016/17

Is this a key decision

No

Is this an Executive or Council function?

Council

1 What is the report about?

To consider the recommendations of the City Council's Independent Remuneration Panel in relation to Members' Allowances for 2016/17.

2 Recommendation

That the Independent Remuneration Panel's recommendations regarding the scheme set in paragraph 8 below are agreed by Council.

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 advise the local authority on its scheme of Members' Allowances and in particular to recommend the allowance to be paid to members.

The 2003 Regulations permit members' allowances schemes to make provision for an annual adjustment of allowances by reference to a previously agreed index, as well as taking account of local circumstances.

4 What are the resource implications including non financial resources

The budget for the scheme of allowances in 2016/17 totals £258,470 and that sum has been included in the estimates for 2016/17. The Scheme recommended by the Panel for 2016/17 is attached to this report and recommends an increase in the budget of £20,000.

5 Section 151 Officer Comments

The resources required are detailed above and will be added to the 2016/17 budget to be approved in February 2016.

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

There are no issues for the Monitoring Officer.

8 Report details

The Independent Remuneration Panel comprised of two Local Government advisors, and two members of the previous Panel who represented the local business community met on one occasion.

The review process included:-

- consideration of the regional analysis of allowance schemes in other councils;
- the changing nature of the role of Councillors within the City; and
- the continuing appropriateness of the Council's current allowances scheme.

The Panel was supported by the Corporate Manager, Democratic & Civic Support, and Democratic Services Manager.

The Independent Remuneration Panel has made the following recommendations to Council in respect of Members' Allowances for 2016/17 that:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2016/17;
- (2) the basic allowance be increased by £425 to £5,000 per annum, and that all Special Responsibility Allowances be calculated as a multiple of this (as indicated on Appendix A to this report);
- (3) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, should be retained;
- (4) Travel and Subsistence allowances available for staff continue to apply to Exeter City Councillors, where appropriate;
- (5) 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 £7.85 (retaining the uplift of the standard rate of income tax, thus increasing the hourly rate to £9.42)
- (6) the sum of £50 paid to the Independent Persons affiliated to the Audit & Governance 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) be retained.

In drawing up its recommendations detailed above, the Panel was mindful of the constraints faced by all local authorities and the Council's current financial position, and also considered the approach adopted in previous years of Members' Allowances increasing in line with any pay awards made to officers.

In drawing up its proposals, the Panel considered:-

- the payment of the living wage to the City Council's lowest paid staff (It was noted that the living wage was currently £7.85 and would increase to £8.25 from 1st April 2016);
- the increasing population of the city, and in particular the levels of growth taking place outside of the City boundaries which would have an impact on the services provided by the City Council, and the need for this to be taken more and more into account when considering service provision;
- the increased partnership and collaborative working now needed between City Councillors and their counterparts in neighbouring authorities, especially with the Greater Exeter Combined Authority approach; and
- the remuneration paid to Exeter City Councillors, which had, in its opinion, fallen in comparison with other benchmarked authorities;
- The forthcoming boundary changes within the City which would lead to larger geographical areas for the majority of City wards;. If the allowance remained aligned to the staff pay increase that would only continue to offer a modest increase;
- the further development of performance monitoring or appraisal, but it was not suggested that this should be aligned to their remuneration.
- It was also noted that meetings of the Constitution Working Group had been convened to discuss an improved alignment of responsibilities to the Committee structure, but that would not alter the level of Member responsibilities.

It was considered that the Lord Mayoralty and Deputy Lord Mayoralty expenses should continue to be aligned to the Basic Allowance.

The Chair of the Panel would attend the Executive and Council meetings to present the report and recommendations.

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.

DEREK PHILLIPS, CHAIR OF EXETER'S INDEPENDENT REMUNERATION PANEL

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

Background papers used in compiling this report:-

None

APPENDIX A

Payable with effect from 1 April 2016

Basic allowance payable to all Members - £5,000 per annum

****Special Responsibility Allowances**

15/17

£

Leader (basic x 325%)	16,250
Other Executive Members with Portfolios (basic x 175%) (x6)	8,750 each
Other Executive Member without Portfolio (basic x 50%) (x1)	2,500
Chairs of Scrutiny Committees (basic x 100%) (x3)	5,000 each
Chair of Planning Committee (basic x 100%)	5,000
Chair of Licensing Committee (basic x 75%)	3,750
Chair of Audit and Governance Committee (basic x 50%)	2,500

*** Any Member qualifying for more than one special responsibility allowance is paid the higher allowance only*

Lord Mayor's Expenses Allowance	5,000
Deputy Lord Mayor's Allowance	1,250

Dependents' Carers' Allowance

Allowance in line with the living wage offered to the lowest paid City Council employee of £7.85 plus an uplift of the standard rate of tax. £9.42 per hour (or part) is payable to Councillors whilst on "approved duties." with effect 1 April 2015.

NB This sum will rise to £8.25 (retaining the uplift of the standard rate of income tax, thus increasing the hourly rate to £9.91)

Travel and expenses

To match those payable to officers of the Council for any approved duties undertaken, with travel expenses being paid for any journeys undertaken outside of the City boundaries.

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