

EXETER CITY COUNCIL

**EXECUTIVE
10 FEBRUARY 2009**

COUNCILLORS' ALLOWANCES 2009/10

1 PURPOSE OF REPORT

- 1.1 To consider the report and recommendations of the Independent Remuneration Panel on Members' Allowances in relation to Councillors' Allowances for 2009/10.

2 BACKGROUND

- 2.1 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.
- 2.2 The Panel, comprising representatives of the business and voluntary sectors, met on 15 December 2008. In developing the Panel's recommendations for the 2009/10 Allowance Scheme, Councillors were invited to respond to a survey inviting their views on general and specific aspects of the allowances scheme. This was followed by a small number of face-to-face and telephone interviews between Panel members and the Leader and newer Councillors, giving Members a further opportunity to express their views on the Scheme.
- 2.3 The Panel's report is attached at Appendix I. As for previous years, in arriving at its recommendations, the Panel again reflected on the principles and methodology set out in the earlier report of the independent adviser on members' allowances submitted to the Council in March 2001. They were also aware of the Government's response to the report of the Councillors Commission – "Representing the Future" on the incentives and barriers to becoming a Councillor. The Commission had previously put forward 61 recommendations, covering a wide range of issues. The Panel noted those measures which the Government planned to progress.
- 2.4 In accordance with the Regulations, a notice was published in a local newspaper setting out the Panel's recommendations and notifying the public that copies of their report were available for inspection at the Civic Centre and on the Council's website.

3 RECOMMENDATIONS OF INDEPENDENT REMUNERATION PANEL

- 3.1 The Independent Remuneration Panel has made the following recommendations to Council in respect of Members' Allowances for 2009/10, that:-
- (1) the basic structure of the current members' allowances scheme be retained for 2009/10, pending a more fundamental review including consideration of remuneration in the event of a shadow authority, when the outcome of the current review of local government in Devon is known, some of which may be determined by the Government in Implementation Orders;
 - (2) the basic allowance continue unchanged in 2009/10, updated using the index previously agreed (i.e. the annual local government staff pay award for the previous year);

- (3) subject to updating for inflation, the other Special Responsibility Allowances continue unchanged;
- (4) the principle that any member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only should be retained;
- (5) for the year 2009/10 Councillors' basic and Special Responsibility Allowances should be updated in line with the annual local government staff pay award for 2008/09 (2.45%);
- (6) that all Councillors be permitted to join the Local Government Pension Scheme, should they wish to do so, benefits to be based on both Basic and Special Responsibility Allowances;
- (7) the Travel and Subsistence allowances provisions for staff continue to apply to Exeter City Councillors, where appropriate;
- (8) the current Dependants' Carers' Allowance scheme be maintained and the level of allowance, currently £5.73 per hour, continue to be linked to and updated in line with the minimum wage; and
- (9) the co-optees' allowance payable to the co-opted members of the Standards Committee continue at £25 per session for 2009/10.

4 MEMBERSHIP AND REMUNERATION OF INDEPENDENT PANEL

- 4.1 Whilst the commitment and experience of the Independent Remuneration Panel members is acknowledged and greatly appreciated by the Council, it is considered best practice that the Panel is refreshed at intervals. Last year it was proposed that the existing Panel members should be requested to serve for one further year in order to complete the review exercise, and then consider a phased replacement. In the light of the current review of local government in Devon and with the consent of the current Panel members, it is considered prudent to retain their expertise for the current year with a view to beginning to refresh membership from 2010.

5 FINANCIAL IMPLICATIONS

- 5.1 The cost of the proposed allowances scheme for 2009/10 is £257,595 plus any allowances payable under items 7) to 10) inclusive. A budget of £259,640 has therefore been included in the estimates for 2009/10, subject to approval by Council on 24 February 2009. The Scheme recommended by the Panel for 2009/10 is attached at Appendix 2 to this report.
- 5.2 The Scrutiny Committee - Resources Budget Working Group at its meeting on 2 February 2009 requested that the recommendations of the Independent Remuneration Panel are considered in the context of the challenging financial situation currently facing the Council.

6 RECOMMENDED:-

- (1) That the Independent Remuneration Panel's recommendations as set out in paragraph 3 above are considered and a recommendation made to Council regarding the Scheme; and
- (2) That members consider the comments of the Scrutiny Committee - Resources Budget Working Group.

ASSISTANT CHIEF EXECUTIVE

2 February 2009

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