

**REPORT OF THE INDEPENDENT  
REMUNERATION PANEL**

**MAY 2011**



## **MEMBERSHIP OF THE PANEL**

The Members of the Panel are:

Mr Bill Bloxsome – Branch Secretary – Unison

Mr Neil Kerr – Chairman, Herefordshire Business Board

Mr Will Lindesay – Chief Executive, Herefordshire Voluntary Action

Mr Chris Oliver, Finance Director, Cargill Meats, Europe

## **BACKGROUND**

The Panel met on 10 May to consider the Councillors Allowances Scheme. The Panel was not invited to consider any significant variations to the level of allowances being mindful of the prevailing financial climate.

A report was submitted to the Panel setting out a number of considerations and evidence of approaches adopted by other authorities in making their Allowances Schemes.

The Panel's conclusions and recommendations are set out below.

### **Index for the purpose of annual adjustment of allowances**

The Panel was asked to consider whether to continue to apply the National Joint Council pay award for local government as an index for the purposes of uplifting allowances.

The Panel was informed that a significant number of authorities used the nationally negotiated pay award as an index.

The Panel accepted the principle that the Basic Allowance should be increased in accordance with that index.

### **Recommendation to Council**

**That allowances be updated annually in line with the National Joint Council for Local Government Services pay award for a further 4 years.**

### **Basic Allowance**

The Panel noted that there was no proposal to change the basis on which the Basic Allowance was calculated.

### **Additional Expenses**

The Panel considered the provision of an allowance for Members to equip themselves sufficiently with ICT to carry out their duties. This would replace the current offer to supply Members with computer equipment centrally.

The Panel was advised that the intention was to provide Members with greater flexibility in their choice of ICT equipment as part of the process of encouraging increased ICT usage as a means of improving the Council's efficiency.

The proposal was not expected to generate any significant additional expenditure, noting that under the current arrangement Members were entitled to be supplied

centrally with equipment. The report to the Panel suggested that provision of a sum of up to £1,000 would be a sufficient allowance.

The Panel considered that increased use of ICT should be supported and encouraged. However, the purpose of an allowance should be to help provide those Members who did not possess appropriate ICT equipment to acquire it. It should not be a means of funding unnecessary replacement equipment or unnecessary additional equipment.

The Panel also considered it important to ensure that any equipment acquired with the allowance was used in accordance with the requirements of the Council's relevant ICT policies.

### **Recommendation to Council**

**That a one off allowance of up to £1,000 be made available to all Councillors in the year of election on the condition that this is to allow them to equip themselves sufficiently with ICT to carry out their Council duties, payment to be made on the basis of actual expenditure evidenced by receipts.**

### **Expenditure on Consumables**

The Panel considered a proposal to compensate Members for expenditure on consumables such as printer cartridges, stationery and broadband rental, used in carrying out their duties.

This would replace the offer of central provision of some consumables by the Council currently open to Members.

The Panel sought to strike a balance between the need to ensure that reasonable expenditure on consumables was appropriately reimbursed and the need to avoid creating an additional, costly administrative burden on the authority.

The Panel concluded that it was reasonable to expect Members to submit claims for actual expenses incurred rather than recommending an allowance. To reduce any administrative burden it was proposed that claims should generally be submitted quarterly. The Panel also thought that an upper limit of £200 per annum would be a reasonable ceiling for claims. However, the Panel agreed there would be advantage in permitting some flexibility provided that there was appropriate authorisation for any payment exceeding that sum.

### **Recommendation to Council**

**That Members be entitled to claim expenses for consumables including Broadband subscription up to a maximum of £200 per year on the basis of claims for actual expenditure evidenced by receipts, which are as a general rule expected to be submitted quarterly, with any payments exceeding that amount requiring approval by the Assistant Director Law, Governance and Resilience.**

## **Special Responsibility Allowances**

The Panel was informed that, with two exceptions, there were no proposals to increase the number or level of special responsibility allowances.

The Panel was asked to consider the possibility that the number of Cabinet Members may be reduced and a small number of Councillors may be appointed as Advisers/Assistants to Cabinet Members and, if this were to be the case, whether a Special Responsibility Allowance should be payable for this role.

The Panel noted that such evidence as had been obtained from other authorities showed that where such advisory/support posts existed not all were remunerated. However, where they were remunerated, that remuneration ranged from 14% of a Cabinet Member allowance in the relevant authority up to 50%. The Panel did not want to see an increase in the budgetary provision for expenditure on Executive SRAs. In the absence of information on the number of advisory posts it was proposed to create and their particular responsibilities it concluded that if such posts were created the allowance should not exceed 50% of the current allowance for an individual Cabinet Member, which would remain unchanged. In addition, the total expenditure on special responsibility allowances for Cabinet Members and any Advisers/Assistants should not exceed the total budget currently allocated for individual Cabinet Member Allowances not being exceeded.

The Panel was also asked to consider the implications of possible changes to the Council's Overview and Scrutiny arrangements. This potentially entailed a change to a commissioning model with one formal Overview and Scrutiny Committee, rather than six Scrutiny Committees as at present, which would commission Task and Finish Groups to undertake work on its behalf. The Panel was asked whether it would recommend the payment of a special responsibility allowance to the Chairman of Task and Finish Groups, if a new model were to be adopted.

As with the potential changes to Executive appointments, the Panel did not wish to see any increase in budgetary expenditure on provision for expenditure on SRAs for scrutiny work, noting that this might be generated by a proliferation of Task and Finish Groups. The Panel decided that the changed working arrangements meant that a Special Responsibility Allowance should be payable in principle to Chairmen of such Groups, subject to the total amount in special responsibility allowances currently payable to the 5 Chairmen of Scrutiny Committees not being exceeded. They noted the intention that the allowance for the Chairman of the Overview and Scrutiny Committee remained unchanged. However, given the variation in the nature of the tasks undertaken by Task and Finish Groups, and the need for an element of flexibility, the Panel did not consider that it could specify a level of allowance on the evidence available to it. It proposed that a Scheme for such payments should be prepared and submitted to Council for approval.

The Panel also emphasised the need for effective project management. It was essential that the delay in completing an allotted task should not lead to any benefit under the Allowances Scheme.

To encourage a focussed and businesslike approach it was suggested that those appointed to lead Task and Finish Groups should be called Project Managers rather than Chairmen.

## **Recommendations to Council**

**That a Special Responsibility Allowance be paid to Advisers/Assistants to Cabinet Members, if appointed, which should not exceed more than 50% of the Band 2 Allowance in the Allowances Scheme currently paid to individual Cabinet Members, subject to the total budget currently allocated for individual Cabinet Member Allowances not being exceeded.**

**That a Special Responsibility Allowance be payable in principle to Chairmen of Scrutiny Task and Finish Groups, subject to the total amount currently payable to the 5 Chairmen of Scrutiny Committees not being exceeded, the level of such Allowances to be determined in accordance with a Scheme to be prepared by the Assistant Director Law, Resilience and Governance and submitted to Council for approval.**

## **Allowances for Political Group Leaders**

The Panel was asked to consider whether for a Political Group Leader to qualify for a Special Responsibility Allowance there should be a minimum number of Members in the relevant Group. This issue had been raised earlier in the year as part of the ongoing work reviewing the Council's Constitution.

The Panel noted that research undertaken by Worcestershire County Council had shown that it was unusual to pay any allowance to party group leaders whose group numbers represented less than 10% of the total council membership. Of neighbouring authorities both Shropshire County Council and Worcestershire County Council applied this rule. Gloucestershire's Allowance Scheme specified that there should be four Members in a Political Group to qualify a Group Leader for an allowance (6%).

## **Recommendations to Council**

**That a Special Responsibility Allowance is only paid to Political Group Leaders on the Council where the Membership of the relevant Political Group exceeds 10% of the total Membership of the Council (ie 6 Councillors).**

## **Travel Allowance**

The Panel was asked to consider the level of allowances paid for car mileage.

The Panel considered that the single rate used by Her Majesty's Revenue and Customs Service for all business mileage remained appropriate noting that this rate had recently been increased by the Government and that staff were also paid at this rate.

The Panel suggested that Group Leaders should also be asked to remind Members of the guidance on car sharing.

The Panel was also asked to consider whether Members should be entitled to choose between claiming mileage allowance for cycle travel, or claiming for an annual service for their cycle instead.

### **Recommendation to Council**

**That mileage allowances should continue to be paid on the single rate used by Her Majesty's Revenue and Customs Service for all business mileage, as is the case for staff.**

**That Members be entitled to choose between claiming mileage allowance for bicycle travel, or claiming for an annual service for their bicycle instead.**

### **Members' Car Parking Passes**

The Panel was asked to consider whether the current system of paying Members car parking expenses for official business by provision of a car parking pass should continue.

The possible alternative suggested was for Members to pay for parking and seek reimbursement as part of the standard travel claim process.

The Panel was keen to avoid introducing an administrative burden. It also recognised the advantages of car parking passes given the unpredictable nature of Members duties. It was advised that Members should only use these passes when on official business, in keeping with their Code of Conduct.

### **Recommendation to Council**

**That the current system of paying Members car parking expenses for official business by provision of a car parking pass should continue.**