Report Title: Members Allowances – Recommendations from the Independent Remuneration Panel

Report Author: Senior Member Services & Scrutiny Support Officer – on behalf of the Chairman of the Members’ Allowances Independent Remuneration Panel

Summary: The Members Allowances Independent Remuneration Panel met on the 16th September to review the Council’s Basic Allowance and all of the Special Responsibility Allowances (SRAs). They also considered SRAs for the two new Advisory Committees and the possibility of introducing some kind of Consumables Allowance for Councillors. The Panel recommended some changes to the levels of Allowance which are outlined in the report along with some other matters detailed within the recommendations.

Key Decision: NO

Affected Wards: N/A

Recommendations: The Council is asked to consider the report of the Members Allowances Independent Remuneration Panel and, if agreed, implement the Panel's recommendations accordingly (as contained in Paragraph 27 of the report). The Council’s Scheme of Members Allowances will need to be updated to reflect the Panel's recommendations.

Policy Overview: When making changes to the Scheme of Allowances, the Council should take the views of the Independent Remuneration Panel into consideration. Notice that the Council has received a report from the Independent Panel, and the outcomes, will be advertised in the local paper in accordance with the regulations.

Financial Implications: Should the Council agree the Panel’s recommendations, there would be a potential increase to the budget for 2013/14 of £9,987.37 and a further £2,880 per annum from 1st April 2014 (as outlined in Paragraph 24 of this report)

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Members Allowances – Recommendations from the Members’ Allowances Independent Remuneration Panel

Introduction

1. The Members Allowances Independent Remuneration Panel met on the 16th September 2013 to review the Council’s Basic Allowance and all of the Special Responsibility Allowances (SRAs). They were also asked to consider SRAs for the two new Advisory Committees and the possibility of introducing a Consumables Allowance for Councillors intended to provide a separate fund from which Councillors could re-claim the cost of particular items such as printer cartridges, paper and postage stamps. The Panel is chaired by Mr Christopher Page, and the other members are Mrs Judy Blount and Mr Mike Eede. At the Panel’s previous meeting in December 2012 it was agreed that another meeting should be convened during 2013 to review the full level of allowances payable under the Members Allowances Scheme. For avoidance of doubt, the Panel was not asked to examine Childcare and Dependent Carers Allowance or Travel and Subsistence Allowances at this time.

2. The Panel considered a number of background documents by way of information including: - the Terms of Reference of the Panel; an explanatory paper prepared by the Senior Member Services Officer including the current level of allowances payable and comparative data with other Kent Districts and Councils in the wider South-East region; the agreed Terms of Reference of the two new Advisory Committees; the South East Employers Members Allowances Survey 2012/13; a copy of the Council’s current Members Allowances Scheme; and the Local Government (Members Allowances) (England) Regulations 2003. The Panel also interviewed four of the five Group Leaders including the Leader of the Council.

3. The Panel’s recommendations are set out within the report. Part 6 of the Council’s Constitution (Members Allowances Scheme) will have to be updated to reflect any amendments agreed by the full Council.

Method of Annual Adjustment

4. The Panel agreed that the method of annual adjustment for both Basic Allowances and the SRAs should continue to be linked to the annual pay award for staff. This index should run for four years and be reviewed again at the time of the next full review.

Basic Allowance

5. The Panel considered the level of Basic Allowance currently paid (£4,378.12 per annum) in the context of allowances paid by other Local Authorities. It was agreed that there should be no change at this stage. This is with an assumption that some extra help can be given with the purchase of some consumables (please see Paragraphs 20 – 22).
Special Responsibility Allowances (SRAs)

6. The Panel agreed that in order to ensure that the SRAs continued to be based on a logical construct that was transparent, simple and could be easily understood by both Members and the public, they should continue to be linked to the Leader’s Allowance as a benchmark. Therefore if the Leader’s SRA was seen as 100% then the other SRAs should be a percentage of that. The Panel recommended some changes to the distribution of the SRAs by adjusting the percentages of the Leader’s SRA. Most significantly the Panel recommended an increase to the Leader’s SRA which was considered low in comparison to other Kent Districts, and a reduction to the Deputy Leader’s SRA which was considered high in comparison. As a result of the increased Leader’s SRA there will need to be consequential knock-ons to the percentages connected with other SRAs, although there will be no significant changes to the amounts paid below Leader level (some have increased marginally and some have decreased marginally). Full details of the changes are listed below and the net effect is outlined in the Budget Implications section of this report.

N.B. – All recommendations were made considering comparative data from Kent and South East Districts and taking into account the comments of those Group Leaders interviewed and the potential knock-on effects of raising the Leader’s SRA.

Leader

7. It was recommended that the Leader’s SRA be increased to £18,000 per annum (currently £14,321.33). It was considered that the current level was low in comparison to other Kent and South-East Districts. Given the Leader’s workload and the size and nature of Ashford as a growing Borough, and the consistent comments of those Members interviewed, the Panel agreed that the SRA for the Leader should be pitched slightly higher than the Kent average rather than lower, as it was currently.

Deputy Leader

8. It was recommended that the Deputy Leader’s SRA should be reduced as it was relatively high in comparison to other Kent Districts. The current level at Ashford was 66% of the Leader’s SRA and it was recommended that this be reduced to 50%. Given the increased Leader’s SRA this would result in a Deputy Leader’s SRA of £9,000 per annum (a reduction from £9,538.01 currently).

Other Cabinet Members

9. The Panel considered these were set at about the right level. Given the recent increase of Cabinet Members from eight to ten it was not thought that this level should rise significantly. Given the increased Leader’s SRA, the Panel recommended that this should be based on 40% rather than the existing 50% or £7,200 per annum (a slight increase from the current £7,160.67).
Chairman of Planning Committee

10. The Panel recognised the importance of this role, particularly in the Ashford Borough, and the workload and responsibility attached. They recommended a level of 33% for this SRA or £6,000 per annum (a slight increase from the current £5,728.53).

Chairman of the Overview & Scrutiny Committee

11. Whilst recognising the importance of this role, the Panel did consider that in setting percentages of the Leader’s SRA this should be pitched slightly lower than the Chairman of the Planning Committee given the workload and responsibility attached to the respective roles. Therefore they recommended a level of 30% for the Chairman of Overview & Scrutiny or £5,400 per annum (a slight reduction from the current £5,728.53).

Chairman of Audit Committee

12. The Panel recommend a level of 25% for this SRA or £4,500 per annum (a modest reduction from the current £4,773.78).

Vice-Chairmen of Planning, Overview & Scrutiny and Audit Committees

13. The Panel recommended that these continue to be paid at 33% of the respective Chairman’s SRA.

Lead Members

14. The Panel recommended a level of 10% for this SRA or £1,800 per annum (a modest reduction from the current £1,909.51). It was noted that no Lead Members had been appointed for 2013/14.

Chairmen of Licensing, Joint Transportation Board and Independent Person in relation to Standards matters.

15. The Panel recommended a level of 8% for these SRAs or £1,440 per annum (a modest increase from the current £1,432.13).

Chairman of Overview & Scrutiny Task Group

16. Chairmen of these Task Groups are currently paid a one-off sum of £50 as an SRA in recognition of the effort needed to drive Task Groups and as an incentive to volunteer as Chairman. The Panel considered that this was an insignificant and almost ‘derisory’ amount and recommended that this allowance be removed.

Group Leaders

17. The Panel recommended no change to the current level of £220.12 per annum per Group Member (a Group is considered a minimum of 2 Members).
The Two New Advisory Committees

18. The Panel was advised of the establishment of the Transportation, Highways & Engineering Advisory Committee and the Education & Vocational Skills Advisory Committee back in May 2013 and the need to set an allowance for the Chairmen of these two new Committees. The Panel recommended that this should be in line with the Chairs of Joint Transportation and Licensing and the Independent Standards Person at 8% of the Leader’s SRA or £1,440 each. This would need to be backdated to May 2013 when the Committees were constituted.

Recommended Levels of Allowances Payable from the 1st April 2014

19.  

<table>
<thead>
<tr>
<th>Allowance</th>
<th>Amount Payable £</th>
<th>% of Leaders Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>4,378.12</td>
<td>N/A</td>
</tr>
<tr>
<td>Leader</td>
<td>18,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>Deputy Leader</td>
<td>9,000.00</td>
<td>50%</td>
</tr>
<tr>
<td>Other Cabinet Members</td>
<td>7,200.00</td>
<td>40%</td>
</tr>
<tr>
<td>Chairman of Planning</td>
<td>6,000.00</td>
<td>33%</td>
</tr>
<tr>
<td>Chairman of Overview &amp; Scrutiny</td>
<td>5,400.00</td>
<td>30%</td>
</tr>
<tr>
<td>Chairman of Audit</td>
<td>4,500.00</td>
<td>25%</td>
</tr>
<tr>
<td>Lead Members</td>
<td>1,800.00</td>
<td>10%</td>
</tr>
<tr>
<td>Chairman of Licensing and Health &amp; Safety</td>
<td>1,440.00</td>
<td>8%</td>
</tr>
<tr>
<td>Standards Committee Independent Person</td>
<td>1,440.00</td>
<td>8%</td>
</tr>
<tr>
<td>Chairman/Vice Chairman of Joint Transportation Board (whichever is held by the Ashford Borough Council Member)</td>
<td>1,440.00</td>
<td>8%</td>
</tr>
<tr>
<td>Chairman of Education &amp; Vocational Skills Advisory Committee</td>
<td>1,440.00</td>
<td>8%</td>
</tr>
<tr>
<td>Chairman of Transportation, Highways &amp; Engineering Advisory Committee</td>
<td>1,440.00</td>
<td>8%</td>
</tr>
<tr>
<td>Group Leaders</td>
<td>220.12 per Member</td>
<td></td>
</tr>
</tbody>
</table>
NB 1: Eligible Vice Chairmen (Planning, Overview & Scrutiny and Audit) are paid 33% of their respective Chairman’s SRA

NB 2: It should be noted that under a protocol previously agreed by the Leader, the Leader of the Council, Deputy Leader and Cabinet Members are not entitled to claim more than one SRA other than that allocated to a Group Leader. Therefore, if a Member fills one of those roles and a Chairmanship/Vice-Chairmanship as detailed above simultaneously, they will be entitled to receive only the higher of the two amounts.

Consumables Costs

20. The Panel considered a proposal from the Leader of the Council with regard to the establishment of a Consumables Allowance for Councillors. This would be administered in the same way as the current Travel and Subsistence Allowances whereby re-imbursement for a qualifying item can be made on production of a receipt or proof of purchase. He had stated that with the ever increasing cost of items such as printer cartridges, computer paper and postage stamps, along with the increasing demand for Councillors to use their own IT to digest documents and communicate from home, there was an increasing financial burden being placed on Elected Members. This was considered particularly true for those who only received the modest Basic Allowance.

21. The Panel noted that the Council had no power under the relevant statutory regulations (The Local Authorities (Members’ Allowances) (England) Regulations 2003) to pay a Consumables Allowance as part of an Allowances Scheme. Accordingly the Panel did not consider they had any power to approve or reject such an allowance. However, given that they were asked to consider the proposal, they did support in principle that certain consumables costs should be met by the Council. The Panel also noted that the current Scheme of Members Allowances states at Paragraph 1 that the Basic Allowance “is intended to cover a notional £240 per year for telephone calls related to Council activity on the part of Members, and other incidental expenses such as stationery and computer peripherals such as print cartridges”. In discussions with the Group Leaders it became apparent that the main point of strain for some Members appeared to be the cost of printer ink cartridges, so the Panel suggested that consideration be given to extending the Members IT Scheme. Members who were incurring abnormally heavy printing costs could take the standard PC/laptop and printer package from IT. The scheme could then be extended to allow Members to claim printer cartridges for that particular printer directly from IT. This would mean that IT would have to hold a stock of these and there would obviously be a knock-on budget implication. To avoid IT having to keep stocks of multiple types of printer cartridge, Members who made their own IT arrangements would not be eligible to obtain cartridges from the Council.

22. Since the Panel Meeting I have consulted the Council’s IT Operations Manager about this and he has concerns about the Panel’s proposal as he considers that holding stocks could be wasteful. He also had concerns that the proposal could be seen as unfair to those Members who made their own IT arrangements who would not be able to access print cartridges. In view of
these comments the Council is asked whether it would like to accept the recommendation of the Panel with regard to printer cartridges, leave matters unchanged with regard to consumables, or consider some other mechanism to allow Members’ printer cartridge costs to be reimbursed. For example, the creation of a separate budget (outside of the Allowances Scheme) against which Members could claim for printer cartridge costs.

**Future Reviews**

23. The Panel agreed that the full level of allowances should be reviewed again in four years’ time, along with the method of adjustment, but the Panel would meet again in the meantime if any matters for consideration arose.

**Budget Implications**

24. The current SRA Budget is £108,000, although a pressure was already expected for 2013/14 due to the two additional Cabinet Members and the two new Advisory Committees. Taking into account the two additional Portfolio Holders and the recommendations of the Panel there is an overall estimated growth to this year’s budget of £9,987.37, and if the recommendations for 2014/15 are implemented as proposed, the maximum SRA budget would be £120,665.16 - an overall annual increase of £12,665.16. However, this is expected to be slightly lower due to Cabinet Members also being appointed to positions eligible for additional SRAs, but this cannot be guaranteed. There will also be an unspecified but very minor saving from the proposal to remove the one-off sums paid to Chairmen of the Overview of Scrutiny Task Groups.

25. There could be an additional budget implication depending on the decision of the Council on Consumables/Print Cartridges.

**Summary of Recommendations**

26. The recommendations of the Panel do not have to be agreed by the Council but there is a duty to have regard to them in making or amending a Members Allowances Scheme. (The Local Government (Members Allowances) (England) Regulations 2003, Part 4, Paragraph 19).

27. (a) No change be made to the Basic Allowance and the method of annual adjustment continue to be linked to the annual cost of living rise for staff (this index to run for four years and be reviewed at the time of the next full review).

(b) Changes be made to the distribution of the SRAs by way of increasing the Leader’s SRA and adjusting the percentages with effect from 1st April 2014. The proposed changes are detailed in full in Paragraphs 7 – 17 of the report and the Table at Paragraph 19.

(c) The SRA for the Chairmen of the new Transportation, Highways & Engineering and Education & Vocational Skills Advisory Committees be paid at 8% of the Leader’s SRA – or £1,440 per annum and payment of this be backdated to May 2013 when the Committees were constituted.
(d) The SRA of £50 for the Chairmen of Overview & Scrutiny Task Groups be removed with effect from 1st April 2014.

(e) The Council is asked what action, if any, it would like to take with regard to the issue of a Consumables Costs (Paragraphs 20-22 of the report refer).

(f) The full level of allowances should be reviewed again in four years’ time, along with the method of adjustment, but the Panel will meet again in the meantime if any matters for consideration arise.

With the exception of the SRAs for the new Advisory Committees, it is intended that any recommendations in relation to allowances agreed by the Council come in with effect from 1st April 2014 so that they can be built into this year’s budget build.

Portfolio Holder’s Views

28. The Leader of the Council was interviewed at the Panel Meeting and his views on the report will be given at the Council Meeting.

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