

Appendix B

**THE SCHEME OF
COUNCILLORS' ALLOWANCES
FOR
STEVENAGE BOROUGH COUNCIL**

**A SUPPLEMENTARY REPORT OF THE
INDEPENDENT REMUNERATION PANEL**

JUNE 2004

SUPPLEMENTARY REPORT OF THE INDEPENDENT REMUNERATION PANEL

1.0 Summary of Recommendations

The following is a summary of the supplementary recommendations made by the Independent Remuneration Panel (IRP) convened by Stevenage Borough Council to consider certain additional aspects of the Members' allowances scheme and advise the Council accordingly. It is recommended:

- 1) **That the special responsibility allowance (SRA) for the post of Chair of Planning & Development be regraded to Scale II with effect from 1st. April 2004.**

(see para. 6.1)

- 2) **That an additional special responsibility allowance be made available for the new post of Chair of Licensing & General Purposes Committee and set at the Scale II level.**

(see para. 6.2)

- 3) **That the Council consider terminating the current arrangements by which ICT is provided to and maintained for Members and, as an alternative, replacing it with an additional basic allowance sum for all Members of £750 p.a., so that they can make their own ICT provision.**

(see para. 6.3)

- 4) **That a code of practice for the use of Council IT facilities be adopted, setting out the basis on which such facilities or allowances are provided, to protect the Council and its Members from accusation of misuse and/or malpractice and to ensure compatibility/interoperability of the system.**

(see para. 6.3)

- 5) **That the various allowances within the current Scheme for the year 2003/04 be increased by the appropriate amount of the NJC award when this is finally approved at national level and then back-dated to April 1st. 2004.**

(see para. 6.4)

- 6) That thereafter and until 2006/07, insofar that the Council's management and committee structures remain broadly unchanged, annual adjustments be made to the various allowances reflecting NJC increases to the relevant staff salary points on which the particular allowances are based.

(see para. 6.4)

- 7) That, in acknowledging the call for greater transparency and accountability in both the public & private sectors, the Council establish a system of assessing and developing the effectiveness of Members & those undertaking roles of special responsibility as a priority and undertaken as a matter of urgency.

(see para. 6.4)

- 2.1 This supplementary report has been produced by the Independent Remuneration Panel reconvened by Stevenage Borough Council to give further consideration to certain aspects of its Scheme of Allowances made under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 2.2 The IRP Panel had previously met during November 2003 to consider the new regulations [Regulations SI 2003 No. 1021] and produced a detailed report with recommendations:
- a) as to the responsibilities or duties qualifying for special responsibility, co-optees; travelling & subsistence allowances
 - b) as to the amount of such allowances and the basic allowance
 - c) as to whether dependants' carers' allowances should be payable, and, if so, the amount
 - d) as to whether adjustments to the level of allowances can be backdated if the Scheme is amended
 - e) as to whether adjustments to the level of allowances may be determined according to an index and, if so, which and for how long that the index should apply - the maximum possible being 4 years
 - f) as to which Members are entitled to pensions and whether they should be calculated on basic or special responsibility allowances or both.
- 2.3 Following consideration and acceptance of the Panel's report in December 2003, the Council has asked for some additional recommendations to be made in respect of:
- Chair of Planning & Development
 - Implementation of the Licensing Act 2003
 - Information Communication & Technology (ICT) Allowance
 - General indexation of Allowances

3.0 Panel Membership and & Terms of Reference

3.1 The previous Independent Remuneration Panel which was reconvened consisted of

- The Rev'd Michael Banks MA, retired parish priest and former Chief Executive of Stevenage Borough Council (Chair)
- Mr. Roger Gochin BSc, Principal & Chief Executive of North Hertfordshire College, Stevenage
- Mr. Stephen Hollingsworth MA, Management Consultant and Chairman of Stevenage Leisure Ltd.

3.2 Terms of Reference: the Panel is required to make a supplementary report with recommendations:

- a) as to a re-assessment of the level of special responsibility undertaken by the Chair of Planning & Development
- b) as to the level of responsibility allowance in respect of the responsibilities and duties of the Chair of the new Licensing and General Purposes Committee
- c) as to the payment of an ICT allowance to Members to support their use of information technology
- d) as to whether the Members' allowances should be indexed and increased in line with inflation thereby by avoiding the need for constant reviews.

4.0 Process of this additional review exercise

4.1 The Panel has met on two separate occasions during May/June 2004:

- to be briefed on the new requirements of this additional review
- to be updated about the progress and operational effectiveness of the Council's management and operational arrangements with reference to the findings of the Audit Commission's Comprehensive Performance Assessment (CPA) of the Council's operations and the aspects of planning & development control, new licensing arrangements and ICT
- to interview the Leader of the Council and senior & Chief Officers regarding the above matters
- to collect observations and arrive at conclusions before formulating recommendations

- 4.2 Once again, mention should be made of the helpful assistance that was provided to the Panel by the Assistant Chief Executive, the Borough Solicitor and the Council's Officers in providing the specific background material required.
- 4.3 The following items of information were considered by the Panel in reaching its recommendations:
- The Local Authorities (Members' Allowances) Regulations 2003 No. 1021
 - New Council Constitution Guidance on Members' Allowances for Local Authorities in England (DETR – April 2001)
 - Stevenage Borough Council's Comprehensive Performance Assessment (Audit Commission - May 2004)
 - Terms of Reference, Constitution & Powers of SBC's Planning & Development Committee
 - Protocol & Best Practice Guidance for Members of SBC's Planning & Development Committee
 - Statement of Licensing Policy & Implementation of the Licensing Act 2003
 - Details of SBC's Policy re. Members' ICT provision
 - Comparative information from certain County, District & Unitary Authorities

5.0 Context of the Report: Stevenage Borough Council

- 5.1 As part of its review last year the Panel had access to the detailed results of the Council's Peer review (May 2003) undertaken as part of the national Local Government Improvement Programme and also the details of the Council's ongoing Improvement Plan. These were helpful in providing objective perspective and strategic commentary on the Council's planning, management & operational arrangements.
- 5.2 On this occasion the Panel was pleased to have access to the findings of the recently-published Audit Commission's assessment of the Council's performance in improving services for its local people. The Panel noted that on a rating scale – poor, weak, fair, good & excellent – the Council's CPA May 2004 was rated 'good' by the inspection team.

5.3 The Inspectors stated that:

“The Council has able and committed Members & Officers and the capacity to improve services. It understands the needs of local people; provides a range of good quality services and acts to sort out problems within these services ...”

5.4 In essence, this assessment highlighted the Council’s many good points and provided supportive advice with suggested areas of improvement which included further ‘embedding’ the performance management culture, developing the equalities & diversity programme and making improvements to some service areas such as housing.

6.0 Findings & Recommendations

6.1 SRA: Chair of the Planning & Development Committee - the Panel re-considered the responsibilities of the role of the Chair of Planning & Development. It was informed that the Chairman’s role is a high profile position within the Council. Planning is an issue that attracts public attention and the post-holder needs to keep abreast of current developments in planning law and regulations.

The Panel also noted that the Planning & Development Committee is the first and in most cases sole point of reference for planning applications and as such carries a heavy workload with monthly meetings and considerable background work in between formal meetings.

Whilst noting this substantial workload has lesser discretionary responsibility due to the quasi-judicial nature of the Committee, the Panel was mindful of the following:

- The Committee’s powers are delegated directly from the Council and are in fact a ‘full delegation’ i.e. decisions are final and not referred on to the Council
- The decisions made are within a specific but complex legal framework. They are legally binding and challengeable on appeal or in the courts with the result that decisions can result in costs with the result that decisions can result in costs against the Council if it is found to have acted unreasonably or without sufficient justification.
- Thus the role of the Chair carries an important responsibility to ensure the business is conducted fairly and evenhandedly, such that all parties are given the appropriate opportunity to make representations, thereby minimizing the opportunity for successful legal challenge.

The Panel therefore recommends that:

The special responsibility allowance (SRA) for the post Chair of Planning & Development be regarded to Scale II with effect from 1st. April 2004.

6.2 SRA: Chair of the Licensing & General Purposes Committee - the Panel during its main review exercise had been apprised of the changes to the licensing regime which requires significant Council input with the implementation of the Licensing Act 2003.

The Panel noted that the Council at its special meeting on 28th January 2004 recommended that a Licensing & General Purposes Committee be established with the following principal terms of reference:

- Responsibility for all the Council's functions in relation to the Licensing Act 2003 including to consider & determine the following matters (where not delegated to Officers):-
 - Applications for Premises Licences & Personal Licences and all related issues.
 - The designation of public places where consumption of alcohol is to be prohibited.
- To consider and determine certain matters where a right of appeal exists against the decision of a Members' body or an officer including:
 - Further reviews under the relevant Regulations by applicants for Housing Benefit and Council Tax Benefits.
 - Appeals in relation to housing needs assessment.
 - Appeals/reviews in relation to refusals to grant Hackney Carriage/Private Hire Licences.

Previously the Panel anticipated clear parallels between the Chairs of the new Licensing Committee and the Planning Committee and upon further reflection it seems clear that this is justified as the parameters of both roles are very similar.

Both have:

- significantly heavy workloads
- full delegation of powers from the Council and not reporting through the Executive
- a quasi-judicial role
- decisions involve careful judgements of cases: listening to presentations by applicants & objectors
- added responsibility pressure in that unreasonable and insufficiently justified decisions could result in costs awarded against the Council

The Panel therefore recommends that:

An additional special responsibility allowance be made available for the new post of Chair of Licensing & General Purposes and set at the Scale II level.

6.3 ICT Allowance – it is becoming increasingly common for local authorities to communicate with Members electronically and to obtain, analyze, present and store information. The Panel was made aware that support of this kind is provided to Members by the provision of computers and support services free of charge.

However, it was also reported that under the current data protection and freedom of information legislation there are some concerns being expressed about the implications of effective SBC monitoring.

The Panel believes that, following the course taken by a number of other local authorities, it would be appropriate for the Council to make a provision within the basic allowance for Members to provide and maintain their own ITC equipment, and to withdraw the current arrangements whereby ITC is provided and maintained by the Council.

However, in view of the fact that the regulations require the Members' basic allowance to be the same for all, it follows that whatever arrangements are made need to apply to all Members (i.e. either all members need to continue with the current arrangements, or all need to make their own provision from within an increased basic allowance.)

Bearing that in mind and having considered the various issues involved the Panel feels that if the Council takes the view that it wants Members to make their own provision of ITC equipment and services, an increased in the basic allowance of up to £750 p.a. is appropriate.

It therefore recommends that:

the Council consider terminating the current arrangements by which ICT is provided to and maintained for Members and, as an alternative, replacing it with an additional basic allowance sum for all Members of £750 p.a., so that they can make their own ICT provision.

a code of practice for the use of Council IT facilities and equipment be adopted, setting out the basis on which such facilities or allowances are provided, to protect the Council and its Members from accusations of misuse and/or malpractice and to establish standards for hardware and software to ensure interoperability and effective exchange of data within the system.

6.4 Future Increases in Allowances – Indexation – the Panel was asked to consider whether Allowances should be increased in line with inflation (or some other formula) to avoid the need for constant review.

In its previous review exercise the Panel agreed with the principle of indexation and saw the logic and merit of linking the annual adjustment to the average annual percentage increase in the appropriate salary band for Council staff.

With regard to the award for 2004/05, apparently the position is as yet unresolved and still subject to continuing negotiation – though agreement is anticipated in the near future.

The Regulations state that where a Members' Allowances Scheme uses an index for the annual adjustment, the authority must not rely on that index for more than four years without seeking a review and further recommendation from an independent remuneration panel.

As the Panel considers that the principle of relating the range of allowances to the principal officer salary framework is still valid, it is minded to agree with the proposal that annual adjustments should be in accordance with the NJC award for the particular PO grades (minimum point) until 2006/07, i.e. four years from the Review Exercise of November 2003, which was backdated to include 2003/04.

In reaching this conclusion, the Panel was impressed by the positive statements made by the Inspectors in the recent CPA report which noted that within the Council:

“Executive members and senior officers provide active & visible leadership to the organization, facilitated by the chief executive’s inclusive style. Members, including opposition members, managers and staff are clear about and committed to the aims of the Council and the improvements needed...”

Nonetheless, the Panel would also wish the Council to reflect on its earlier observations regarding:

- the proportion of SRAs within the Council’s Scheme
[see - 8.1 IRP Report Nov. 2003]
- transparency & accountability
[see - 8.2 IRP Report Nov. 2003]

Should the Council wish to re-organize its management or committee structures to any significant degree during the four year period, then the Panel assumes that a new Independent Remuneration Panel would be convened to review the proposed changes and come forward with a revised approach and new recommendations for a new Scheme to reflect the changed circumstances.

Bearing this in mind, the Panel recommends that:

the various allowances within the current Scheme for the year 2003/04 be increased by the appropriate amount of the NJC award when this is finally approved at national level and then back-dated to April 1st. 2004;

thereafter, and until 2006/7, insofar that the Council's management & committee structures remain broadly unchanged, annual adjustments be made to the various allowances reflecting NJC increases to the relevant staff salary points on which the particular allowances are based;

in acknowledging the call for greater transparency & accountability in both the public & private sectors, SBC establish a system of assessing and developing the effectiveness of Members and those undertaking roles of special responsibility as a priority and undertaken as a matter of urgency.

7.0 Conclusion

We confirm that the foregoing views are those of the members of this Independent Remuneration Panel which endorses and commends these recommendations to the Borough Council for its consideration.

With the publication of this Supplementary Report the assignment allotted to the Panel is now concluded and therefore, it disbands...

Michael Banks

Roger Gochin

Stephen Hollingsworth

June 2004

