

Meeting: COUNCIL

Date: 12th JULY 2006

MEMBERS' ALLOWANCES – REPORT OF INDEPENDENT PANEL – JUNE 2006
(Constitutional Services)

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1 PURPOSE

To consider the recommendations from the Independent Panel concerning the Council's Members' Allowances Scheme and approve a new Scheme based upon the recommendations made.

2 RECOMMENDATIONS

- 2.1 That the Council consider the report of the Independent Panel and approve a new scheme of allowances as set out at Appendix B, based on the Panel's report.
- 2.2 That an Independent Panel be asked to re-examine the structure of the present scheme to consider the rationale and approach, test the robustness of previous conclusions and take account of any potential changes to the Council's management process, with a view to producing a new or revised scheme, effective from the beginning of 2007/08.

3 BACKGROUND

- 3.1 The Council agreed the present scheme of Members' Allowances on 1st March 2006. The details of the Scheme approved for 2006/2007 was as recommended by an Independent Panel that reported in November 2003, followed by a supplementary report in June 2004,
- 3.2 The Independent Panel who have made recommendations on this occasion comprised Rev'd Michael Banks, MA FCIS, Fintan Donohue, BA(Hons)Law, MPhil and Ian White MSc, CBE. The Panel was convened and has reported in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.

4 REASON FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1.1 The full report of the Independent Panel may be found at Appendix A and makes the following recommendations –
- 1) *The existing rationale and framework of basic and special responsibility allowances be retained until the end of 2006/07 and the actual amounts*

increase by 2.95% to reflect the 2006/07 NJC award – backdated to 1st April 2006.

- 2) *The Independent Remuneration Panel be asked to re-examine the structure of the present scheme to re-visit the rationale and approach, test the robustness of previous conclusions and take account of any potential changes to the Council's management process, with a view to producing a new or revised scheme, effective from the beginning of 2007/08.*
- 3) *An additional responsibility allowance (SRA) be made available for the new post of Chair of the Audit Committee; and it be set at the Scale III level until the next review and experience of the post is established.*
- 4) *The post of Independent member of the SBC Audit Committee should attract an annual honorarium in line with that paid to the Independent Member of the Standards Committee.*
- 5) *The SBC Chair (Vice-Chair) of the joint SBC/HCC Highways Panel now be included within the Members' Allowance Scheme and an additional special responsibility allowance (SRA) be made available and set at the Scale IV level.*

4.2 A new scheme based on the Panel's recommendations is attached at Appendix B.

4.3 The statutory requirement to publish details of the Panel's report has been complied with, a public notice having appeared in the Comet Newspaper in the week beginning 26th June 2006.

5 IMPLICATIONS

5.1 Financial Implications

Provision has been made in the 2006/2007 Budget for the indexation increase of 2.9% to the Allowances as recommended by the Panel.

However, the Panel also recommends an additional Scale 3 SRA (Chair-Audit Committee), a Scale 4 SRA (Joint Highways Panel) and an Independent Member payment (Audit Committee). As the scheme approved in March was based on 8 Scale 3 SRAs and Annual Council on 23rd May 2006 only appointed 7 Chairs of Scrutiny Panels the additional cost of the recommendations of the Panel equate to the one additional Scale 4 and the additional payment for an Independent member i.e. £5,772 p.a.. This additional cost will be addressed when preparing the probable estimates.

5.2 Legal Implications

In making the new Scheme, the Council must have regard to the Panel's report but is not strictly obliged to follow its recommendations, although it would be advisable to have good reasons for not doing so.

It should be noted that whilst amendments to allowances may be backdated (recommendation 1 of the Panel) the payment of new allowances (Chair Audit Committee, SBC lead Highways Joint Member Panel Chair and Independent member of Audit Committee) may not be backdated and if approved will apply from 13th July 2006.

The Government has also issued guidance to local authorities on Members Allowances some of which is classed as 'statutory' and may not be disregarded although it is not prescriptive. A full copy of the Guidance is available in the Members' Library but the Panel has expressly drawn the Council's attention to Secretary of State's statutory guidance on the number of Special Responsibility Allowances. (Appendix C).

BACKGROUND DOCUMENTS

- The Local Authorities (Members' Allowances) (England) Regulations 2003

APPENDICES

- Report of the Independent Panel Appendix A
- Proposed SBC Members' Allowances Scheme Appendix B
- Extract from Guidance from ODPM Appendix C