

Meeting: Council
Portfolio Area: Council
Date: 3rd October 2007

REPORT OF INDEPENDENT PANEL ON MEMBERS' ALLOWANCES
(Constitutional Services)

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1 PURPOSE

To consider the report of the Independent Panel on Members' Allowances and in the light of the report determine a new scheme of allowances.

2 RECOMMENDATIONS

- 2.1 That the recommendations of the Independent Panel approved and a new scheme of allowances be adopted from 1st November 2007 (subject to specific backdating recommended), a draft of which, being based on the Panel's report, is set out at Appendix B.

3 BACKGROUND

- 3.1 A full study of the Council's Members' Allowances Scheme was last undertaken by an Independent Panel in November 2003. The Scheme agreed by Council following the report of that Panel has been subject of two supplementary reports to Council in June 2004 and July 2006. When Council considered the supplementary report in 2006 it was also agreed that a full review of Members' Allowances should be undertaken in 2007 and accordingly an Independent Panel was convened and reports to Council in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 3.2 The Independent Panel met in July and August 2007 and comprised –
- The Rev'd Michael Banks MA, retired parish priest and former Chief Executive of Stevenage Borough Council (Chair)
 - Fintan Donohue BA(Hons) Law Mphil, Principal and Chief Executive of North Hertfordshire College

- Ian White MSc CBE, former Director of Social Services, Hertfordshire County Council and former Chair of Beds. & Herts. Strategic Health Authority.

3.3 In accordance with the regulations, on receipt of the Panel's report the Council has ensured that copies are available for inspection by members of the public at Daneshill House and has placed a public notice in a local newspaper stating that such a recommendations from the Panel have been received; describing the main features of the Panel's recommendations and the recommended amounts for each allowance; stating that copies of the report are available for inspection; and specifying the address of the principal office at which copies are made available.

3.4 The 2007/2008 Scheme, based on previous recommendations of an Independent Panel, was last agreed in February 2007. The Council may not amend a Scheme without first having regard to the recommendations made in relation to it by an Independent Remuneration Panel.

4 REASON FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The full report of the Panel is attached at Appendix A and a draft of a new Scheme, based on that report is attached as Appendix B.

4.2 It is for Council to consider the recommendations of the Panel and agree a Scheme.

5 IMPLICATIONS

5.4 Financial Implications

Provision has been made in the 2007/08 Budget for the indexation increase of 2.5% to the Allowances, which is within the increase recommended by the Panel (currently estimated at 2.475% for 2007/08).

However, the Panel also recommends 4 new Special Responsibility Allowances (SRA's) for the Chairs of Scrutiny Topic Panels, and the removal of the 7 SRA's for the defunct Scrutiny / Review Panels. In addition, the updated scheme recommends that both the Basic and Special Responsibility Allowances be re-based.

The Budget for Members Allowances for 2007/08 is £504,420. An updated budget for 2007/08 of £497,162 has now been estimated subject to approval of the revised scheme. The updated budget for 2008/09 is £485,760.

5.2 Legal Implications

The provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 have directed the convening of the Independent Panel; its consideration, report and recommendations; and the process of publicising the recommendations

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.

Under the Local Government Act 2000, the Government has issued guidance to local authorities 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
- Guidance on Consolidated Regulations relating to SRA's taken from "New Council Constitutions" issued by the ODPM.

APPENDICES

- Appendix A – Report of Independent Panel and related Appendices
- Appendix B – Draft Scheme
- Appendix C – Extract from Guidance on Consolidated Regulations relating to SRA's taken from "New Council Constitutions" issued by the ODPM.

STEVENAGE BOROUGH COUNCIL

**DRAFT SCHEME OF ALLOWANCES BASED ON THE INDEPENDENT Panel's
RECOMMENDATIONS**

EFFECTIVE FROM 1st May 2003 and for 2004/05 unless amended)

Stevenage Borough Council has made the following Members' Allowances scheme under the Local Government Act 2000 and the Local Authorities (Member's Allowances) (England) Regulations 2003.

1. This scheme may be cited as the Stevenage Borough Council Members' Allowances Scheme, and shall have effect for the current year commencing on 1st May and on the 1st April in subsequent years.
2. In this scheme,
"Councillor" means a Member of the Stevenage Borough Council who is a Councillor;
"year" means the period ending on 31st March 2004.
3. Basic Allowance
A basic allowance shall be paid to each Councillor from 1st April.
4. Special Responsibility Allowances
 - 1) For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in the schedule to this scheme.
 - 2) Subject to paragraph 6, (part year entitlements) the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
 - 3) Members are only able to claim one SRA.
5. Renunciation
A Councillor may by notice in writing to the Chief Executive elect to forego any part of their entitlement to an allowance under this scheme.
6. Part-year Entitlements
Payment of Basic and Special Responsibility Allowances will be pro-rata where Councillors do not serve for a full year on the Council.
7. Payments
Payments shall be made on a regular monthly basis. Claims for dependent carer's allowances and travel and subsistence allowance shall be made within two months of being incurred.

8. Suspension of Payments

The Council will withhold all allowances to any Councillor who is suspended for misconduct and will require Councillors to repay any allowance already paid during a period of suspension.

Basic Allowances and Special Responsibility Allowances

| | | |
|-----------------|---|---------|
| Basic Allowance | Paid to All Members | £5,760 |
| (i) | Scale I Leader of the Council | £15,050 |
| (ii) | Scale II Cabinet – Executive Committee Members + Chair of Scrutiny Overview Committee | £9,135 |
| (iii) | Scale III Chairs of Scrutiny/Review Panels + Chair of Planning and Development | £7,255 |
| (iv) | Scale IV Chairs of Joint Local Committees | £4,300 |

Payment to Specific Co-opted Members

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|--|--------|
| Independent Standards Committee Chairman Honarium (1-off payment) | £1,250 |
| Independent Standards Committee other Member Honarium (1-off payment) | £1,000 |

Carer's Allowance

The following amounts may be claimed for Councillors attending approved duties.

| | |
|----------------|---------------------------|
| Childcare | Maximum of £5.00 per hour |
| Dependant care | Maximum of £8.50 per hour |

Payment to relatives will not be admissible and there will be a maximum allowance of 20 hours per month. Receipts will need to be provided.

Travel, Subsistence and Other Allowances

The allowances for travel and subsistence will be the same as those fixed for employees of the Council from time to time. These allowances are currently under review and will be amended over the next few months.

(Member Allowances)

Extract from Guidance on Consolidated Regulations relating to SRA’s taken from “New Council Constitutions” issued by the ODPM.

- 71.** The Regulations do not limit the number of special responsibility allowances (SRA’S) which may be paid nor do the regulations prohibit the payment of more than one SRA to any one member.
- 72.** However, these are important considerations for local authorities. If the majority of members of a council receive an SRA, the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of an SRA.
- 73.** It does not necessarily follow that a particular responsibility, which is vested to a particular member, is a significant additional responsibility for which an SRA should be paid. Local authorities will need to consider such particular responsibilities very carefully. While such responsibilities may be unique to a particular member, it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work, which is acknowledged within the basic allowance and not responsibilities for which an SRA should be recommended.