

**WYRE FOREST DISTRICT COUNCIL****COUNCIL****18<sup>th</sup> MAY 2011****Report of the Independent Remuneration Panel**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	-
<b>CORPORATE PLAN AIM:</b>	A Well Run and Responsive Council
<b>CABINET MEMBER:</b>	Leader of the Council
<b>DIRECTOR:</b>	Ian Miller, Chief Executive Caroline Newlands, Director of Legal and Corporate Services
<b>CONTACT OFFICER:</b>	Penny Williams Democratic Services Manager
<b>APPENDICES:</b>	Appendix A Summary of current scheme Appendix B Recommendations of the Independent Remuneration Panel 2011/2012

**1. PURPOSE OF REPORT**

- 1.1 To receive the report of the Independent Remuneration Panel (IRP) and to decide the scheme of allowances to be paid to Members for the financial year 2011/2012.

**2. RECOMMENDATION**

The Council is asked to:

- 2.1. **HAVE REGARD TO** the conclusions and recommendations of the IRP in making any amendments to the Members' Allowances Scheme for 2011/12;
- 2.2 **DECIDE** whether to make any amendments to the Scheme for 2011/12 with effect from 18 May 2011;
- 2.3 **AUTHORISE** the Director of Legal and Corporate Services to amend Part 17 of the Constitution as appropriate to give effect to the Council's decisions.

**3. BACKGROUND**

- 3.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 No 1021 require local authorities to establish an Independent Remuneration Panel to review and provide advice on Members' allowances.
- 3.2. On 24<sup>th</sup> February 2010 the Council agreed to join a multi-authority IRP comprising Malvern Hills, Worcester City, Wychavon, Bromsgrove, Wyre Forest and Malvern Hills Councils.

- 3.3 The multi-authority IRP gathered information about the authority in the summer and a series of meetings of the Panel were held throughout the autumn months, including a meeting between the Panel and two members of the Council.
- 3.4 The IRP agreed that it would not produce one single scheme applicable to all participating authorities but would review and report to each authority separately.
- 3.5 The IRP is required to produce a report in relation to the authority or authorities in respect of which it was establishing making the following recommendations:
- (i) special responsibility allowances
  - (ii) travelling and subsistence allowance
  - (iii) co-optee's allowance
  - (iv) basic allowance
  - (v) dependant carer's allowances
  - (vi) travelling and subsistence allowance

The IRP report was submitted to the Council meeting on 23rd February 2011 and can be seen at this link:

[http://www.wyreforest.gov.uk/council/docs/doc43384\\_20110223\\_council\\_report.pdf](http://www.wyreforest.gov.uk/council/docs/doc43384_20110223_council_report.pdf)

- 3.6 On 23<sup>rd</sup> February Council agreed to adopt the present scheme of allowances as the scheme to be operated for 2011-2012 until Annual Council 18<sup>th</sup> May 2011; and to consider any amendments to the scheme in light of decisions at that meeting on the committee structure and any other relevant factors at Annual Council in May 2011. The present scheme of allowances is shown in Appendix A and the recommendations from the Independent Remuneration Panel are in Appendix B.
- 3.7 Regulation 10(1) of the 2003 Regulations requires that, before the beginning of each financial year, an authority shall determine the scheme for the payment of allowances for that year.
- 3.8 Regulations 10(3) and (6) allow a Council to amend its scheme at any time during a year and a Council may backdate any changes to the start of the financial year concerned.

#### **4. KEY ISSUES**

- 4.1 Regulation 19 of the 2003 Regulations provides that, in making or amending the scheme of allowances, the authority is required to "have regard to the recommendations made in relation to it by an Independent Remuneration Panel".
- 4.2 At the Council meeting on 23<sup>rd</sup> February Council concluded that it would be premature to make substantive changes to the scheme of allowances at that point, as the Annual General Meeting would decide the structure of committees etc. for the next municipal year. These and any other relevant factors would need to be taken into account in finalising the scheme of allowances for 2011/12. It was also felt that decisions on changes to the scheme of allowances should be taken by the Councillors who would be affected by them, rather than by Councillors who were standing down at the May elections or who lost their seat then.

- 4.3 In reaching its decisions, the Council is recommended to give reasons in cases where it does not accept the IRP's recommendations.

**5. FINANCIAL IMPLICATIONS**

- 5.1 The Council's budget contains funding for the present scheme of allowances. The financial implications of any changes to the scheme will depend on the Council's decisions and will need to be contained within the budgetary provision.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 The relevant provisions of the 2003 Regulations have been mentioned above.

**7. EQUALITY IMPACT NEEDS ASSESSMENT**

- 7.1 This report has been screened for its equality impact on the areas of race, disability, gender, gender identity, religion and belief, sexual orientation and age. It was not considered to have a disproportionate impact on any target area and therefore no full equality impact assessment is required.

**8. RISK MANAGEMENT**

- 8.1 Regulation 19 requires the Council to have regard to the recommendations of the Independent Review Panel. Whilst the Council does not have to follow the recommendations, as with any decision of Council, it is subject to the risk of challenge by the way of judicial review and therefore reasons for decisions must be made clear.

**9. CONSULTEES**

- 9.1 The Leader of the Council

**10. BACKGROUND PAPERS**

- 10.1 Independent Remuneration Panel Report to Council 24<sup>th</sup> February 2011
- 10.2 Appointment of a Member – Joint Independent Remuneration Panel for Members' Expenses – report to Council 28<sup>th</sup> July 2010
- 10.3 The Local Authorities (Members' Allowances) (England) Regulations 2003

**Members' Allowances Scheme 2010/2011**

	<b>£ per annum</b>
<b>Basic Allowance All Councillors</b>	4,992

**Special Responsibility Allowance**

<b>Band 1</b> Leader	12,486
<b>Band 2</b> Deputy Leader	9,366
<b>Band 3</b> Cabinet Members	8,121
<b>Band 4</b> Leader of main Opposition	6,240
Chair of Corporate Resources Scrutiny Committee	6,240
Chair of Community and Regeneration Scrutiny Committee	6,240
<b>Band 5</b> Chairman of Planning Committee	5,616
Chair of Licensing & Environmental Committee	5,616
Chair of Audit Committee	5,616
<b>Band 6</b> Leaders of other Opposition groups (subject to a minimum 5 members)	2,496
<b>Band 7</b> -	-
<b>Band 8</b> Vice Chair Licensing & Environmental Committee	1,248
Vice Chair Planning Committee	1,248
Vice Chair Corporate Resources Scrutiny	1,248
Vice Chair Community and Regeneration Scrutiny	1,248
Vice Chair Audit Committee	1,248

## IRP Recommendations 2011/2012

	£ per annum
<b>Basic Allowance All Councillors</b>	4,200

**Special Responsibility Allowance**

<b>Band 1</b> Leader	10,500
<b>Band 2</b> Deputy Leader	7,560
<b>Band 3</b> Cabinet Members	6,300
<b>Band 4</b> Leader of main Opposition	6,240
Chair of Corporate Resources Scrutiny Committee	5,250
Chair of Community and Regeneration Scrutiny Committee	5,250
<b>Band 5</b> Chairman of Planning Committee	4,200
Chair of Licensing & Environmental Committee	3,150
Chair of Audit Committee	1,050
<b>Band 6</b> Leaders of other Opposition groups (subject to a minimum 5 members)	2,496
<b>Band 7</b> -	-
<b>Band 8</b> Vice Chair Licensing & Environmental Committee	0
Vice Chair Planning Committee	0
Vice Chair Corporate Resources Scrutiny	0
Vice Chair Community and Regeneration Scrutiny	0
Vice Chair Audit Committee	0

The following pages were tabled on the evening of Council

**Proposals for Members' Allowances Scheme with effect from 18 May 2011**

Recommended to Council:

Council has REGARD to the conclusions and recommendations of the Independent Remuneration Panel (IRP) in making any amendments to the Members' Allowances Scheme for 2011/12;

Council RESOLVES to amend the Allowances Scheme for 2011/12 with effect from 18 May 2011;

Council AUTHORISES the Director of Legal and Corporate Services to amend Part 17 of the Constitution as appropriate to give effect to the Council's decisions

Council ACCEPTS the recommendations of the IRP except as follows:

**Basic allowance** The IRP's recommendations do not give sufficient recognition to the fact that allowances have been frozen since 2008; and that the freeze will continue for 2011/12 when RPI is currently running at 5.2% (April 2011). There has thus been a significant real terms reduction in the value of allowances. In recognition of this, it is proposed to set the public service discount at 30%. This results in a basic allowance of £4,900.

In addition, the total cost of basic allowances is expected to fall further in future if the Council seeks an electoral review by the Boundary Commission to reduce the number of Councillors. The appropriate level of allowances should be reviewed closer to the time that the size of the council is reduced.

**Cabinet members and chairs of committees** The IRP's recommended multipliers for these posts are accepted, with the following exceptions:

Post	Multiplier	Allowance (£)
Deputy leader	1.875	9,188
Cabinet members	1.625	7,963
Chair of Planning and Licensing Committees	1.125	5,513
Chair of Audit Committee	0.5	2,450

It is felt that the IRP's recommendations have not taken full account of relevant factors:

- the IRP's recommendations were submitted before proposals about reducing the size of the Cabinet from 6 members to 5 and merging the two scrutiny committees into one. It is felt appropriate to retain broadly the present level of allowances for these roles, as the same work will be done by fewer members. In the case of the vice chair of the scrutiny committee, this could include chairing a proportion of any review panels established by the scrutiny committee;
- sufficient account has not been taken of the importance of the roles of the Chair of the Planning and Licensing Committee who lead decision-making committees that are subject to close public interest. Both committees require a high level of technical understanding and, in respect of the licensing committee, the chair has additional responsibilities liaising with the Taxi Trade with the District supported by Worcestershire Regulatory Services;
- while the principle of a lower multiplier for the Chair of the Audit Committee is accepted, in view of the lower frequency of meetings compared to other committees, the recommendation from the IRP does not take sufficient account of the growing complexity of the process for approving accounts and auditing and the need for the Chair of the Committee to be fully conversant with them. For example, significant changes are being implemented this year as result of new International Financial Reporting Standards.

**Allowances for vice chairs of Committees** It is felt that the IRP has not given sufficient consideration to the preparation that vice chairs have to undertake in advance of meetings, including attendance at briefing and agenda setting meetings with officers – they do not know when they might be called upon to chair a meeting. It is therefore proposed to retain allowances for vice chairs with a multiplier of 0.25, with the exception of the vice chair of the Audit Committee where a lower multiplier of 0.125 would be appropriate for the reasons mentioned above.

**That Council DECIDES to cease payment of Councillors telephone allowance**

The Council pays a telephone allowance of £23 a month to all councillors. Equivalent payments to relevant staff were brought to an end in 2010. While the telephone allowance lies outside the scheme of basic and SRA's and the IRP's recommendations, it is proposed to end the telephone allowance. The effect is to reduce further the overall payments made to all members, by £11,592 in a full year.

**That Councils NOTES that the proposed amended Councillor Allowance Scheme and reduced committee frequency will save £163,304 over the next four years.**

The agreed rationalisation of meetings will save £4,521 pa and the revised Councillors Allowance scheme will save £36,305 pa. The total savings are £40,826 pa from this proposal.

**Members' Allowances Scheme – proposals with effect from 18 May 2011**

	<b>£ per annum</b>
<b>Basic Allowance All Councillors</b>	4,900

**Special Responsibility Allowance**

<b>Band 1</b> Leader	12,250
<b>Band 2</b> Deputy Leader	9,188
<b>Band 3</b> Cabinet Members	7,963
<b>Band 4</b> Leader of Main Opposition Group Chair of Overview and Scrutiny Committee	6,125 6,125
<b>Band 5</b> Chair of Planning Committee Chair of Licensing & Environmental Committee	5,513 5,513
<b>Band 6</b> Leaders of other Opposition groups (subject to a minimum 5 members) Chair of Audit Committee	2,450
<b>Band 7</b> Not used in present scheme of SRAs	1,838
<b>Band 8</b> Vice Chair Overview and Scrutiny Committee Vice Chair Planning Committee Vice Chair Licensing & Environmental Committee	1,225 1,225 1,225
<b>Band 9</b> Vice Chair Audit Committee	613