

***Members' Remuneration 2013/14**

To: Finance and Governance, Cabinet Advisory Board

Date: 24 January 2013

Main Portfolio Holder: Finance and Governance

Author of Report: Lee Colyer, Head of Finance and Governance

Classification: Non-Exempt

Ward: N/A

Summary

The Council is required to seek recommendations from the Joint Independent Remuneration Panel (JIRP) although it is not obliged to follow those recommendations but to have regard to them. The JIRP last produced a report in February 2009 and the regulations indicate that a new review should be undertaken at least every four years.

At the Full Council meeting on 22 February 2012 it was recommended that the JIRP be engaged to undertake a review of members' allowances to inform allowances from 2013/14 (Minute FC59/11).

This report sets out the recommendations of the Panel.

Link to Strategic Compass

Passionate about providing value

Report Status

For decision

Route to Implementation

The views of the Cabinet Advisory Board will be included within the report when it is considered by Cabinet on 7 February 2013 and for approval by Full Council on 20 February 2013.

BACKGROUND/INTRODUCTION

1. The Council is required to review its members' allowances scheme annually, although it may be amended by the Council at any time. The Council is required to publicise the scheme when set.
2. When reviewing a scheme the Council must have regard to the recommendations of its Independent Remuneration Panel. However, it is the responsibility of the Council to determine the scheme having regard to all appropriate matters and the Council is not bound by the recommendations of the Panel.
3. The Joint Independent Remuneration Panel was established to review and make recommendations on members' allowances for Sevenoaks, Tonbridge & Malling and Tunbridge Wells Borough Councils in November 2001.
4. In undertaking a comprehensive review of members' allowances the JIRP will ascertain the volume of work required for members of this Council and the governance structure which determines the level of additional work and responsibilities for Chairmen and Vice Chairmen. The JIRP also takes into account movements in local pay of residents and then deducts 40 per cent to represent the public spirit element to arrive at a schedule of allowances.
5. The Council has previously decided to phase in the recommendations, however the amounts for the Leader and Cabinet members have never fully reached the level recommended by the JIRP. The Council has also annually considered whether the original allowances should be uplifted for inflation and each year has decided not to do so.

WHAT IS THE ISSUE THAT REQUIRES A DECISION AND WHAT DOES THIS MEAN FOR THE PEOPLE OF TUNBRIDGE WELLS?

6. The report of the JIRP is included at Appendix B and is the result of a thorough independent review which includes detail of the basis for its recommendations.
7. The Council currently has 48 elected members representing 20 wards plus 5 independents. The total allowances and expenses paid in 2011/12 amounted to £382,000.
8. Not all councils are the same, as the range and level of services differ considerably which in part determines the level of knowledge, workload and public engagement required. The Council also needs to attract the right mix of individuals to become councillors from all walks of life, not just those who can afford not to work or who have spare time. To compensate for a proportion of the time required to be a councillor an allowance is paid along with other costs arising from the role such as childcare and travel expenses.
9. During the year the Council has introduced new governance arrangements which have further reduced the overall cost as follows:
 - There are now only five Cabinet members rather than six as the Leader has continued to be responsible for his portfolio without the need for another Cabinet member; this has saved £8,990;

- The abolition of the Standards Committee has saved £5,600; and
 - The decision to pay all mileage allowances at the HMRC official rate also saved a further £6,000.
10. Following a review of the governance arrangements and the running of Cabinet Advisory Boards it is further proposed to reduce the two planning committees to just one which will further save £7,320.
11. The Local Authorities (Members' Allowances) (England) Regulations 2003 Part 3 (13), allow for any member to elect to forego all or part of their allowance entitlement. The relevant form needs to be completed annually which is available from the Head of Finance and Governance. Through this arrangement £5,000 is saved annually.

Specific Issues for Consideration

12. Appendix C shows the approved allowances for 2012/13 along with those recommended by the JIRP **costing an additional £37,000** and an alternative proposal for Council to consider which would result in **no additional cost**.

13. The main changes are as follows:

- **Basic Allowance:**

It is recommended by the Panel that the current allowance of £5,279 be increased using the methodology of working 15 hours per week multiplied by the average hourly wage of residents of £14.61 less 40% (public spirit) giving an allowance of £6,312 (+20%) or alternatively this could be set at £5,500 (+4%) which is less than the allowance paid to non-executive board members at Town and Country Housing Group.

- **For opposition group leaders** the Panel recommends an allowance of 5% of the basic allowance multiplied by the number of members. There will no longer be a fixed amount paid to all opposition group leaders as is currently the case.

- **Special Responsibility Allowances:**

For the Council Leader and the Cabinet Members: The Panel recommends a set multiple of the basic allowance of 3 and 1.5 times respectively.

For Chairmen: It is recommended by the Panel that these all be a set multiple of the basic allowance and all Vice-Chairmen no longer receive a Special Responsibility Allowance apart from the Vice Chairman of the Planning Committee. (Under the alternative proposals the Vice Chairman of Licensing Committees would also continue to receive £495 each.)

- **Co-Optees Allowances**

The Panel recommends that these remain at £800 per annum.

- **Carers' Allowances**

The Panel recommends that the childcare allowance increase from a maximum of £6.00 per hour to £6.19.

The Panel recommends that the Dependent Carer's Allowance increase from a maximum of £15.50 per hour to £16.00 per hour.

14. Members do need to consider the unprecedented financial climate and the overall impact any changes to allowances will have on the Council's budget.
15. The Panel also recommend that the Council give serious consideration to reducing the number of councillors as a long-term strategic option to reduce the cost of representation.

WHO HAVE WE CONSULTED AND HOW? (OR WHO WILL WE CONSULT FOLLOWING THE DECISION?)

16. The JIRP held discussion with the Leader of the Council, the leaders of other political parties, other members and senior officers. Details of the current scheme are published on an annual basis along with the payments made in a local newspaper and on the Council's website.

HOW WILL THE DECISION BE COMMUNICATED?

17. Any comments from the Cabinet Advisory Board will be included within the report when it is considered by Cabinet on 7 February 2013 and for approval by full Council on 20 February 2013.

CONCLUSIONS

18. The Council needs to determine a schedule of members' allowances which recognises the level of work required and encourages a broad range of people to be councillors whilst considering the impact on constrained public finances.

RECOMMENDATIONS:

1. That the views of the Finance and Governance Advisory Committee are sought as to whether:
 - (a) The recommendation of the JIRP report should be implemented; or
 - (b) The proposed allowances using a multiple of the basic allowance of £5,500 be implemented and the multiple for the Leader and Cabinet be set at 3.5 and 2 times the basic allowance respectively; or
 - (c) An alternative schedule of allowances.
2. That serious consideration be given to reducing the number of councillors in the Borough.

REASON FOR RECOMMENDATIONS:

19. There is an annual requirement for Council to set a scheme for members' remuneration and to commission an independent panel to inform the decision.

Contact Officer: Lee Colyer, Head of Finance and Governance

Background Papers

Joint Independent Remuneration Panel Report, November 2008.

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

Members' Allowances Practice Note

South East Employers Members' Allowances Survey 2012/13 for District Councils

Appendices to Report

APPENDIX A Cross cutting issues

APPENDIX B Joint Independent Remuneration Panel, Report December 2012

APPENDIX C Summary of 2012/13 allowances, JIRP recommendations and proposed for 2013/14