

Full Council

7 December 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Members' Allowances 2017/18

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor Paul Barrington-King, Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer, Director of Finance and Corporate Services
Head of Service	Jane Clarke, Head of Policy and Governance
Lead Officer/Report Author	Lee Colyer, Director of Finance and Corporate Services
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

Full Council will need to decide which option to implement:

Option A - The proposals of the Joint Independent Remuneration Panel (JIRP) or;

Option B - The current scheme or;

Option C - A protected scheme based on the JIRP proposals.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Confident Borough

Timetable

<i>Meeting</i>	<i>Date</i>
Management Board	14 September 2016
Discussion with Portfolio Holder	12 September 2016
Finance & Governance Cabinet Advisory Board	4 October 2016
Cabinet	27 October 2016
Member Briefing	7 December 2016
Full Council	7 December 2016

Members' Allowances 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 On 24 February 2016, Full Council agreed to the engagement of the Joint Independent Remuneration Panel (JIRP) to undertake a review of members' allowances to develop a new scheme for 2017/18.
 - 1.2 This report contains the four-yearly review of members' allowances undertaken by the Independent Panel as required by legislation. The review takes into account members' workload, responsibilities and the required time commitment and then arrives at a fair level of recompense for those commitments. The Panel is mindful of the need to broaden the diversity of councillor representation by minimising financial barriers to participation in local government.
 - 1.3 Implementation of the appended report would reduce the cost of members' allowances by £20,000 from the current annual budget of £360,000. However, the Council is not obliged to follow the Panel's recommendation but to have regard to them.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The Council is required to undertake a full review its members' allowances scheme every four years. The last full review was considered by Council in late 2012.
- 2.2 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.
- 2.3 The Joint Independent Remuneration Panel (JIRP) was established to review and make recommendations on members' allowances for Sevenoaks, Tonbridge & Malling and Tunbridge Wells Borough Councils in November 2001.
- 2.4 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 special responsibilities. The JIRP also takes into account the level of local pay for residents and then deducts 40 per cent to represent the public spirit element to arrive at a schedule of allowances.

Schedule of annual allowances recommended by the JIRP (Full details in the appended report)

- Basic Allowance of £5,000 for each member (currently £5,500)
- Leader of the Council - £20,000 (currently £19,250)

- Deputy Leader of the Council - £15,000 (new allowance replacing the current Cabinet rate of £11,000)
- Cabinet Member - £10,000 (currently £11,000)
- Committee Chairs:
 - Overview & Scrutiny - £3,000 (currently £1,375)
 - Licensing - £2,000 (currently £1,375)
 - General Purposes - £2,000 (currently £1,375)
 - Joint Transportation Board - £2,000 (currently £1,375)
 - Planning - £5,000 (currently £5,500)
 - Audit and Governance - £2,000 (currently £1,375)
- Planning Committee Vice Chair - £1,000 (currently £1,320)
- Opposition Group Leader - £250 per group member (currently £275 per group member)
- Audit & Governance Co-optees - £800 (currently £800)

2.5 These allowances are recommended to increase annually in line with officer salaries, which historically have increased by 1.5 per cent.

2.6 The Child Care Allowance is recommended to be set at the forthcoming National Living Wage and the Dependent Carer's Allowance should be at the rate payable subject to a maximum of £16 per hour, as at present.

2.7 Travel expenses will remain at the cost of standard class public transport and the mileage rate at the HMRC published rate.

2.8 Meal allowances and subsistence allowances where necessary will be at the same rate as for council officers using the South East Employers' published rates.

2.9 The Independent Panel also suggested that the Council consider reducing the number of councillors as a means of reducing the total cost of members' allowances.

3. AVAILABLE OPTIONS

3.1 There are three options available to the Council;

Option A: Accept the recommendations of the Independent Panel;

Option B: Have regard to the recommendations of the Independent Panel but continue with the current level of allowances; or

Option C: Have regard to the recommendations of the Independent Panel but devise a different rate and structure of allowances. An alternative scheme has been costed in Appendix C which implements the proposals of the JIRP but applies a protection to the allowances currently received by members whilst they continue in their elected term of office and continue to occupy the same special responsibility.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 No clear recommendation has been supported by the Finance and Governance Cabinet Advisory Board or Cabinet. A financial summary of the costs associated with each option is shown below:

	OPTION A	OPTION B	OPTION C
	JIRP Proposals	Current Scheme	Protected Scheme using JIRP Proposals
Estimated Cost	£	£	£
Year 1 2017/18	338,850	358,920	365,795
Year 2 2018/19	343,933	364,304	361,769
Year 3 2019/20	349,092	369,768	358,921
Year 4 2020/21	354,328	375,315	361,461
Total Cost	1,386,203	1,468,307	1,447,946

- 4.2 Full Council will need to make a decision as to which option to implement.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The JIRP held discussions with the Leader of the Council, the leaders of other political parties and other members and senior officers. Details of the members' allowances scheme and the payments made are published annually in a local newspaper and on the Council's website.

RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.2 The Finance and Governance Cabinet Advisory Board was consulted on this decision at its meeting on 4 October 2016 and agreed the following recommendation:

That the recommendation set out in the report be not supported, on the basis of option 3.2, namely 'inadequate evidence on which to base the decision'.

DECISION OF CABINET

- 5.3 That the recommendations of the Joint Independent Remuneration Panel, as set out at Appendix A to the report, be submitted for consideration by Full Council.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Final approval will be made by Full Council and the scheme of members' allowances will come into effect on 1 April 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to consider and publish a scheme of remuneration for members before the start of each financial year and, in addition, to review the scheme fully every four years.	Interim Head of Legal Partnership, 25 November 2016
Finance and other resources	The Members' Allowances budget for 2016/17 is £360,000. If the recommendations of the Panel are fully implemented then this would reduce the budget for 2017/18 by £20,000. The cost of subsequent years will increase in line with officers' pay which is likely to be around 1.5 per cent. Any member can elect to forgo all or part of their allowance entitlement by writing to the Director of Finance and Corporate Services on an annual basis.	Director of Finance and Corporate Services, 21 November 2016
Staffing establishment	There are no staffing implications.	Director of Finance and Corporate Services, 21 November 2016
Risk management	There are no new risk management issues.	Director of Finance and Corporate Services, 21 November 2016
Environment and sustainability	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Community safety	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Health and Safety	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Health and wellbeing	There are no new issues.	Director of Finance and Corporate Services,

		21 November 2016
Equalities	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016

8. REPORT APPENDICES

The following documents are to be published with and form part of the report:

- Appendix A: A review of Members' Allowances by the Joint Independent Remuneration Panel, August 2016
 - Appendix B: Financial breakdown of the JIRP Proposals (Option A) and the Current Scheme (Option B)
 - Appendix C: Financial breakdown of a Protected Scheme (Option C) using the JIRP Proposals.
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9. BACKGROUND PAPERS

None