

**Subject:** Report of the Independent Remuneration Panel on Members Allowances

**Date of Meeting:** 10 March 2009

Further Meeting: Council 19 March 2009

**Report of:** Director of Strategy & Governance

**Contact Officer:** Name: Mark Wall Tel: 291006  
E-mail: mark.wall@brighton-hove.gov.uk

**Wards Affected:** All

### For general release

#### 1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To receive the report of the Independent Remuneration Panel (IRP) as part of its current review of the Members' Allowances Scheme.

#### 2. RECOMMENDATIONS

- 2.1 That the recommendations of the Independent Remuneration Panel, as set out in its report and attached as appendix A to the report be noted and referred to the Council for final approval.
- 2.2 That the Chief Executive be authorised to amend the Brighton & Hove Members' Allowances Scheme to reflect the foregoing, to submit to Council for adoption, and to issue the revised scheme following council approval.
- 2.3 That the allowance payable to each of the members of the Independent Remuneration Panel continue to be increased by the council's salary inflation assumption of 2.3% for 2009 with effect from 15 May 2009, (i.e. the day after the Annual Council meeting), in recognition of their time commitment and their important role.

#### 3 BACKGROUND/INFORMATION

- 3.1 In order to revise its Members' Allowances Scheme, the Council is required to have regard to the recommendations of the Independent Remuneration Panel. The Panel has taken the view that in line with the Local Authorities (Members' Allowances) (England) Regulations 2003 and the introduction of the new governance arrangements in May 2008, it should undertake a comprehensive review of the Members' Allowances Scheme and make recommendations to the Council in March 2010 on :

- (a) The level of Basic Allowance to be paid to all councillors;
- (b) The responsibilities for which Special Responsibility Allowances (SRAs) should be payable (only one Special Responsibility Allowance is payable per councillor);
- (c) The levels of SRA payable;
- (d) The payment of Travel & Subsistence Allowances and appropriate mileage and subsistence rates payable to councillors undertaking approved council duties;
- (e) The payment of a Co-optee's Allowance
- (f) The payment of Childcare & Dependant Carer's Allowances, the level of such payments and any upper limits that should apply.

3.2 The Panel has in accordance with its recommendations approved by Council in April 2008, begun its review of the Members Allowances Scheme and produced an interim report for information at this point in time.

3.3 The Panel has met with the Leader of the Council, Councillor Mary Mears, and undertaken a survey of all Members which it will be using to help to inform its review over the next 12 months.

#### **4. CONSULTATION**

4.1 As part of the 2008-10 review, the Panel has met with the Leader of the Council in order to gain a better understanding of the proposed council structures, the balance between decision-making and scrutiny and the levels at which individual positions can reasonably be set.

4.2 The recommendations of the Independent Remuneration Panel are being reported to Governance Committee where all party groups are represented, before being submitted to Full Council on 19 March 2009.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

5.1 The proposed Members' Allowances revenue budget for 2009/10 has been set at £1,080,000 subject to agreement at budget council, the Members' Allowance only element will be £1,053,00 with the inclusion of provision made for national insurance and superannuation contributions based on the level of take up. The Basic Allowance of £11,205 will rise by 2.3% salary inflation to £11,463 giving a total of £619,002 plus on-costs for the full year.

5.2 With the full review of the Panel not due until March 2010, budget provision will need to be made in the 2010/11 Budget estimates for any possible increases in allowances back-dated to May 2009 and from May 2010.

*Finance Officer Consulted: Anne Silley*

*Date: 10.02.09*

Legal Implications:

- 5.3 The proposals in this report comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and associated guidance. There are no adverse Human Rights Act implications arising from this report.

*Lawyer Consulted: Abraham Ghebre-Ghiorghis*

*Date:10.02.09*

Equalities Implications:

- 5.4 The recommendations explicitly seek to encourage a wider cross-section of the community to become Councillors, and reduce the financial disincentives, which deter a broader spectrum of people from serving as Councillors.

Sustainability Implications:

- 5.5 There are no sustainability implications arising from this report

Crime & Disorder Implications:

- 5.6 There are no crime & disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.7 There are no implications arising from this report.

Corporate / Citywide Implications:

- 5.8 There are no implications arising from this report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A: Report of the Independent Remuneration Panel

### **Background Documents**

1. Previous reports of the Independent Remuneration Panel



**INTERIM REPORT OF THE  
INDEPENDENT REMUNERATION PANEL**

**REVIEW OF MEMBERS' ALLOWANCES SCHEME  
2008/09/10**

**Members of the Panel:**

**Simon Keane (Chair)  
Samuel Barsam  
Ken Childerhouse  
Keith Hathaway  
Jennifer Redman**

**Brighton & Hove City Council**

March 2009

## **1. CONTEXT FOR THE REVIEW**

- 1.1 The Independent Remuneration Panel began the 2008/09/10 review of Members' Allowances on 7<sup>th</sup> November 2008 and the review will reach its conclusion when we make our recommendations for approval to Governance Committee and Full Council on 9<sup>th</sup> and 18<sup>th</sup> March 2010 respectively. We can report therefore that the Panel is submitting no recommendations to Council at this stage. The only possible change being that, in line with previous recommendations, the level of Basic Allowance could increase by the assumed salary inflation for 2009 and therefore rise by 2.3% from £11,205 to £11,463. However, the Panel are mindful of the current economic climate and the fact that it will be reporting in 2010 and therefore feel that any decision to take the inflationary increase at this time should be for the Council to determine.
- 1.2 The Members' Allowances Scheme 2008 remains as the authority's latest scheme; a copy is attached at Appendix 1. However, Members should note that the Panel may, if it chooses, backdate any changes to the allowances recommended in 2010 to May 2009.
- 1.3 This is the first review we have undertaken since the new governance arrangements came into effect in May 2008 and of necessity therefore, it will be extensive. The purpose of our report so early in the proceedings is to provide Members with information on the format of our review and to explain briefly the rationale behind it. It is also a statutory requirement for us to provide a written report to the council each year and for the council to publish that information. It should be recognised therefore that the Panel plays an important role in the relationship between the media, the public and the council when any amendments to the Members' Allowances Scheme are published or other relevant information disclosed.
- 1.4 The Panel's initial work programme was agreed on 16 January 2009 and this is attached for your information at Appendix 2. We hope you will find this a useful guide to our progress over the coming months. Members will note that we intend meeting monthly as we gather evidence from a variety of sources. As in the past, these sources will be wide-ranging and varied. We believe strongly that any recommendations we make must be open and transparent, we can account for any proposals we make and that they demonstrate good practice wherever possible. We will be considering methodology, public service principles and public expenditure.

## **2. RECOMMENDATIONS**

- 2.1 That the Council note the Panel's interim report and its intention to report fully to the council in March 2010 on the outcome of its review of Members' Allowances; and
- 2.2 That the Council should determine whether or not to implement the potential increase to the Basic Allowance based on the assumed salary rate of inflation of 2.3%.

### 3. THE REVIEW

- 3.1 Firstly, the Panel would like to take this opportunity to thank Members for completing the survey on the levels of Basic and Special Responsibility Allowances which was circulated over the Christmas/New Year period. We appreciate the time you have taken to respond to our questions and we are able to report that we have received initial analysis of the data and that we will continue to gather and receive information from it throughout our review.
- 3.2 We have asked officers to circulate a summary of the findings from the survey either later this month or early next and we hope that this will give you an understanding of the type of information we are receiving. We will be asking individual Members to expand further on some of the common themes over the coming months.
- 3.3 One theme we have identified so far is the misconception amongst some Members that the levels of allowances could be compared in some way with the levels of staff salaries. However, the Members' Allowances Regulations (2003) indicate that there must be a public service element (PSE) for the allowances of an elected member which relates to the voluntary part of the role. We feel there is no link between the two and we will continue to base our recommendations on examples of good practice and national guidance.
- 3.4 We recognise that many new positions of additional responsibility came into effect last May when the council moved to a new-style of governance by adopting the Leader and Cabinet model. It is clear that we must listen to the comments and views of individual post-holders as well as receiving evidence from, and comparisons with, external sources if we are to learn first-hand of the impact of those changes. With this in mind we would like to meet informally with as many Members as possible throughout the review period.
- 3.5 In addition to these *new* positions of responsibility, we are aware that the changing roles of the opposition Members in terms of overview and scrutiny and backbench positions are of equal importance and we will be listening to both portfolio holders and backbench Members in order to widen the debate. There will be comparison and review at all levels.
- 3.6 In our 2007/8 Report we acknowledged the concerns expressed by some Members over the payment of expenses to cover childcare costs and stated that we wished to undertake a fuller review in 2008/9. In order to consider the matter in more detail we will be inviting those Members who are unhappy with the current arrangements to come along and talk to us more fully. As you will see from our work programme, this is likely to be during the autumn months.
- 3.7 In April 2008 we also received an expression of concern in relation to the non-payment of car mileage within the city boundary and although we are mindful of the sustainability implications of any change, we will be happy to look at the matter in more detail in or around January 2010.

#### **4. PANEL INITIATIVE**

- 4.1 Lastly, the Panel is pleased to report that the city council will be hosting an inaugural local authority event for Independent Remuneration Panels and their supporting officers in May 2009 when we expect to receive colleagues from around the country. This event is a Panel initiative and one we hope will be a valuable source of learning, information-sharing and networking for all delegates. We will be reporting on this event in our 2010 Annual Report to Full Council at the conclusion of the 2008-10 Review.

#### **5. THE PANEL**

##### **Composition**

- 5.1 The Independent Remuneration Panel (“the Panel”) shall consist of between three and five members appointed by the Monitoring Officer after consultation with the Chief Executive.

##### **Functions of the Panel**

- 5.2 The functions of the Panel shall be as set out in Regulation 21 of the Local Authorities (Members’ Allowances) (England) Regulations 2003, namely to produce a report in relation to members of the council, making recommendations as to:
- (a) the amount of basic allowance which should be payable to members;
  - (b) the duties in respect of which such members should receive a special responsibility allowance and the amount of such allowance;
  - (c) whether dependant carer’s allowance should be payable to members of the council, and the amount of such allowance;
  - (d) the responsibilities or duties in respect of which a travel and subsistence allowance should be available;
  - (e) the responsibilities or duties in respect of which a co-optees’ allowance should be available;
  - (f) whether payment of allowances may be backdated in accordance with regulation 10(6) in the event of the scheme being amended at any time;
  - (g) whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply;
  - (h) which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972;



- (i) treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable;
- (j) whether any allowances to members should be withheld in the event of the member concerned being suspended or partially suspended.

5.3 Where the Independent Remuneration Panel exercises its functions in relation to the Parish Council within the authority's area, its functions shall be as set out in Regulation 28 of the Local Authorities (Members' Allowances) (England) Regulations 2003, namely to produce a report in relation to members of the Parish Council making recommendations as to:

- (a) the amount of parish basic allowance which should be payable to Parish Council members;
- (b) whether parish basic allowance should be payable only to the chairman of the Parish Council or to all of its members;
- (c) whether, if parish basic allowance should be payable to both the chairman and the other members of any such authority, the allowance payable to the chairman should be set at a level higher than that payable to the other members and, if so, the higher amount so payable;
- (d) the amount of travelling and subsistence allowance payable to members of such authority;
- (e) the responsibilities or duties in respect of which members should receive parish travelling and subsistence allowance.

5.4 In addition to the functions under 2.1 and 2.2 above, the Panel may, if requested to do so by the Monitoring Officer, consider the expenses and allowances paid to the Mayor and Deputy Mayor under Sections 3 and 5 of the Local Government Act 1972.

5.5 The Panel has also, at the request of the Monitoring Officer, reviewed the level of allowances paid to non-voting co-optees who attend committee meetings, and made recommendations as to how these should be reimbursed.

#### **Term of office of Panel Members**

5.6 Members of the Panel shall be appointed for an initial term of three years. The Council may, at its discretion, extend this period. The Council or the Panel member may terminate the appointment by giving one month's notice.

#### **Meetings**

5.7 The Panel shall be chaired by a person appointed by the Panel members.

5.8 The Panel shall meet on such dates and at such times as the Panel may determine, having regard to the advice of the Monitoring Officer.

5.9 The quorum for meetings of the Panel shall be at least 50% of the members of the Panel.