

APPENDIX A



**SPECIAL REPORT OF
THE INDEPENDENT REMUNERATION PANEL
ON MEMBERS' ALLOWANCES**

OCTOBER 2009

Introduction

1. This report deals with a request made by the County Council for the Independent Remuneration Panel to recommend changes to the Members' Allowances Scheme to reflect recent changes in the political management structure and follows up issues identified in the last report of the Panel (February 2009) as requiring further consideration.

Background

2. In its last report to the County Council dated February 2009 the Independent Remuneration Panel expressed disappointment that its previous recommendations relating to member accountabilities had not been pursued across scrutiny and backbench/local areas of responsibilities. It therefore suggested that discussions should take place between the Panel and leading members about how members could be made more accountable and their performance monitored and improved. The Panel suggested that such discussions should also cover the principle, which the Panel subscribed to, that no more than 50% of the membership of the Council should be in receipt of Special Responsibility Allowances. The Panel suggested that the appropriate time for such a dialogue would be following the 2009 County Council elections. The proposal to hold such discussions was approved by the County Council at its meeting on 25 March 2009.
3. Since the County Council elections the Council has considered and approved proposals for a revised structure of Overview and Scrutiny Bodies. The details were approved at the meeting of the County Council on 8 July 2009, when it was also agreed that the Independent Remuneration Panel should be requested to put forward recommended changes to the Members' Allowances Scheme to reflect the new structure and the new composition of the Council, on the basis that any resultant revisions of the scheme should apply retrospectively from the date on which the new structure was adopted (i.e. 8 July, 2009).

Recent Evidence

4. The current review has taken place against a background where increasing attention is being paid by national government and the Audit Commission, as well as the public at large, to the level of allowances paid to elected members. The Panel has had regard to these comments. It has also taken into account the results of the most recent IDeA survey of members' allowances and similar comparative data relating to the level of allowances in County Councils.
5. The Panel has met with each of the three Group Leaders where discussion focussed on the recently agreed new Overview and Scrutiny arrangements and how members generally can better be held to account for their actions.

Findings

Overview and Scrutiny Bodies

6. The Panel has been made aware of the new structure of Overview and Scrutiny bodies within the Council and of progress so far in developing the operation of the new scrutiny arrangements. It found it helpful that job descriptions have been developed to guide members in the exercise of their new roles and these have assisted the Panel in drawing its conclusions.
7. These are very early days in the working of these new arrangements and this makes the task of the Panel all the more difficult. The Panel will be watching with interest, alongside others, to see how these operate in practice and what impact they will have on the operation of the County Council as a whole. For this reason, the Panel feels that it must be cautious in its approach and has concluded that any view it takes on the question of allowances for scrutiny members at this stage can only be preliminary. It believes that it almost certainly will be necessary to review the position. It suggests that it should do so after a reasonable period of experience, say, 18 months' time.
8. The Panel has found it helpful to use the allowance of the Leader as a benchmark against which these matters should be judged, a method which the Panel has used previously in determining its recommendations on allowances which relate to the Executive, having regard to the relative time commitment which it understands will be involved in each case.

Recommendation

- (i) **The Panel recommends that the Members' Allowances Scheme should be amended to make provision for the following Special Responsibility Allowances to members occupying the positions on Overview and Scrutiny bodies as indicated, such allowances to apply from 8 July 2009:-**

<u>Position</u>	<u>Annual Allowance</u>	<u>% of Leader's Allowances</u>
Chairman of Commission	10872	30
Commissioners	9060	25
Deputy Commissioners	3624	10
Chairmen of Overview and Scrutiny Committees	5436	15
Deputy Chairmen	2532	7

- (ii) **The Panel also recommends that the Special Responsibility Allowances payable to members of the Overview and Scrutiny bodies should be reviewed after the new structure has been allowed to “bed down”. It suggests it would be appropriate to do this as part of the annual review in eighteen months’ time.**

Opposition Group Leaders

9. In its 2006 Annual Report, in response to representations from members of the Council, the Panel recommended the establishment of Special Responsibility Allowances to recognise the work of Opposition Group Leaders. The point had been made to the Panel that the role of Opposition Group Leader was quite distinctive from any scrutiny role and they should be seen as quite separate. This was particularly important to avoid scrutiny activity and political opposition becoming confused. This recommendation was adopted by the Council.
10. The Panel has felt it right to review this decision in the light of experience and has concluded that such allowances continue to be justified. However, it does believe that the basis on which the level of the allowance is arrived at should be changed. At present it is based on a certain figure per opposition member, currently £696.00. The Panel has received representations which suggest that the number of members in a group is not necessarily the most accurate way of assessing the workload involved. Having regard to the political balance of the respective parties on the Council at the present time and the comments received, the Panel is suggesting a move to a standard rate of allowance for the main and minority Opposition Group Leaders on the Council.

Recommendation

(iii) The Panel recommends that the following rates of Special Responsibility Allowance should apply to the Opposition Group leaders, with effect from the date of approval:-

Main Opposition Group Leader	£10,000 p.a.
Minority Opposition Group Leader	£3,000 p.a.

Cabinet and Cabinet Support

11. In its special report of July 2004 the Panel considered the arguments for making differential levels of payments to Cabinet members to reflect the level of work and responsibilities involved. The Panel was not convinced of the need for change at that time but indicated that it would be prepared to consider this matter again in the light of any further representations it might receive and any evidence which might support a different approach.
12. The Panel is aware that there have been a number of changes since it last considered this matter, not least the additional duties which have been placed on some Cabinet members, in some cases of a statutory nature. It is therefore suggesting that it should consider this matter further.
13. In its last report (February 2009) the Panel referred to the appointment of Cabinet Support Members, which had been a controversial matter within the Council. The Panel decided not to recommend any changes at that stage but indicated that it felt that it would be appropriate to consider the level of allowances payable to Cabinet Support Members further in the light of any new evidence which might be put forward as part of its next review.
14. The Panel is therefore suggesting that it should review the level of allowances paid to members of the Executive and Cabinet Support Members as part of its next annual review.

Recommendation

(iv) The Panel recommends that a review of the Special Responsibility Allowances payable to Members of the Cabinet and Cabinet Support Members should be undertaken as part of its next annual review in the light of developments since these issues were last considered.

The 50% Principle

15. The Panel has always supported the view that no more than 50% of the membership of the Council should be in receipt of Special Responsibility Allowances.
16. Assuming that the recommendations in this report are accepted 28 of the 55 members of the Council will be in receipt of Special Responsibility Allowances. This is almost exactly 50% and the Panel is satisfied that this is reasonable.

Accountability

17. In its last report (February 2009) the Panel expressed its disappointment that the recommendations it had put forward in its previous reports did not appear to have been pursued across scrutiny and back bench/local areas of responsibility. It expressed a wish to be able to discuss this issue with leading members following the 2009 County Council elections.
18. As already indicated, the Panel has met with the Party Group Leaders on an individual basis and has had the opportunity to discuss this matter. It is pleased there was a positive response by all three Leaders in terms of the principle.
19. In terms of the detail, the position is as follows:-

Executive Members and Cabinet Support Members

The Leader has developed a system of job descriptions and targets for Cabinet Members and Cabinet Support Members and these are reviewed through annual performance interviews.

Overview and Scrutiny

The Scrutiny Commission has approved Job Descriptions for Commissioners, Deputy Commissioners, Committee Chairmen and Deputy Chairman, and is taking steps to monitor activities. Commissioners will meet regularly with the Chairmen of Committees and Panels to review progress.

An annual report on the work of Overview and Scrutiny bodies will continue to be submitted to the full Council.

Individual Members

The Panel is aware that a number of authorities have adopted the practice whereby all members of the Council are required to complete an annual report form and these are published on the authorities' websites. The Panel has prepared a template for such reports, a copy of which is attached as an Appendix to this report. All three Group Leaders have expressed their support for the introduction of such a reporting process within the County Council.

Recommendation

- (v) **The Panel recommends the Council to require all members of the Council to prepare an annual report on the basis set out in the Appendix to this report for publication on the Council's website.**

Summary of Recommendations

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D Wilson
Chairman,
On behalf of the Panel