

APPENDIX A



SPECIAL REPORT OF

THE INDEPENDENT REMUNERATION PANEL

ON MEMBERS' ALLOWANCES

MAY 2013

INTRODUCTION

1. This report deals with requests made by the County Council for the Independent Remuneration Panel to consider and make recommendations on the following matters:-

- (a) Travel and Subsistence

The current arrangements for the payment of travel and subsistence to elected members, as requested by the Corporate Governance Committee. This arose from the Committee's consideration at its meeting on 15th May, 2012 of a report of the Director of Corporate Resources relating to an Internal Audit Service Report concerning the then Leader of the County Council.

- (b) Allowances payable to members of Overview and Scrutiny Bodies

Changes in the Members' Allowances Scheme to reflect the proposed new structure of Overview and Scrutiny bodies to be agreed by the County Council at its meeting on 26th June, 2013.

Background

2. The Panel last reported to the County Council in 2009 and did so on two occasions. The first report in that year concerned the normal annual review of allowances which recommended a general increase in allowances of 2% and extended the scheme to include a special responsibility payment to Spokesmen of Overview and Scrutiny Committees. Following the County Council elections in that year the Panel reported again giving its recommendations on allowances in the context of the new structure of Overview and Scrutiny bodies which was adopted at that time.
3. The Panel then commented in the following terms:-

“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 is suggested that it should do so after a reasonable period, say 18 months' time."

The Council agreed that it would be appropriate to do this as part of the relevant annual review of the scheme.

4. Since 2009, the economic climate has been such that the County Council has not invited the Panel to conduct any review of its Members' Allowances Scheme. Indeed, the County Council has made it clear in the case of the current review that it only wishes the Panel to examine those allowances which are affected by the restructuring of Overview and Scrutiny Committees which is now underway and that any wider review of allowances at a time when the Council is facing such severe financial difficulties would be entirely inappropriate.

Findings

Travel and Subsistence

5. In the light of the reference from the Corporate Governance Committee, the Panel has considered some of the lessons which can be learnt from that particular case in relation to the operation of the Members' Allowances Scheme. In particular, it has reviewed the contents of Schedule 2 of the scheme, namely "Travel and Subsistence – Approved Duties and Other Conditions".
6. Apart from a general tidying up of the document to reflect changes in practices, etc., the Panel is recommending two particular additions in response to the matter, one relating to the reimbursement of the costs of travel in cases where this is appropriate and the other relating to use of the official car. A copy of Schedule 2 which includes the changes now recommended by the Panel is attached as Appendix 1 to this report. The two particular additions referred to are shown in bold.

Recommendation

- (i) **The Panel recommends that the changes to Schedule 2 of the Members' Allowances Scheme set out in Appendix 1 of this report be approved.**

Overview and Scrutiny Bodies

7. The Panel has been made aware of the new structure of Overview and Scrutiny bodies within the County Council due to be adopted on 26th June, 2013. It has found it helpful that job descriptions have been developed to guide members who are to fulfil the roles of Commissioners, Committee Chairmen and Committee Spokesmen. These have assisted the Panel in drawing its conclusions.
8. The Panel has given particular consideration to the position of Spokesmen of Overview and Scrutiny Committees. In its report of February 2009 the Panel acknowledged that there was a powerful case for a special responsibility allowance to be paid to people holding these positions even though this meant that the number of members on the Council in receipt of special responsibility allowances exceeded 50%. It accordingly recommended the Council to restore the payment of a special responsibility allowance to Overview and Scrutiny Spokesmen, which the County Council then agreed to.
9. Following the County Council elections in 2009 substantial changes to the structure of scrutiny bodies took place which resulted in the Panel's Report of October 2009, the recommendations of which were adopted by the Council and form part of the present scheme of allowances. During that review no case was made for the continuation of the payment of a special responsibility allowance to Scrutiny Committee Spokesmen and these therefore ceased.
10. In light of the proposed changes to the structure of Overview and Scrutiny bodies within the Council, the case has again been made to the Panel for a special responsibility allowance to the Spokesmen of Overview and Scrutiny Committees to reflect the important role they play in working together with Overview and Scrutiny Committee Chairmen in agenda planning and

generally organising the detailed activities of Overview and Scrutiny bodies. The Panel has been advised that this has the support of the Leaders of the three main political groups on the Council and has been persuaded by the arguments put forward, despite the fact that this will again increase the number of special responsibility allowances payable marginally above the 50% mark.

11. In terms of the cost of these arrangements the Panel has been careful to ensure that its recommendations about the level of allowances do not involve any increase.

Recommendation

- (ii) **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 1st July, 2013:-**

<u>Position</u>	<u>Annual Allowance</u>
Chairman of Scrutiny Commission	£10,000
Commissioners	£7,250
Chairmen of Overview and Scrutiny Committees	£4,500
Spokesmen of Overview and Scrutiny Committees	£2,000

Accountability

12. In its report of October 2009 the Panel recommended the Council to require all members to prepare an annual report for publication on the Council's website and set out a recommended template for such reports. This followed discussions between the Panel and each Group Leader and was a measure which had cross-party support. The County Council subsequently approved the recommendation and members have been encouraged to respond accordingly.

13. This measure has met with a varied response from members but the Panel continues to believe that it is important and that members should be prepared to set out a summary of their activities in this manner.
14. The attention of the Panel has been drawn to the fact that members can receive allowances from outside bodies on which they serve as representatives of the Council in some cases and that these are not made public in the same way as allowances paid by local authorities. Where this is the case the Panel believes that members should be prepared to declare the allowances they receive. The annual report would seem to be a vehicle through which members in that position could do so.

Recommendation

- (iii) **The Panel recommends the Council to remind members of the requirement to prepare an annual report for publication on the Council's website;**
- (iv) **The Panel also recommends the Council to encourage members to use their annual reports to publish details of any allowances they receive as a result of their service as a representative of the Council on outside bodies where such allowances are not openly published by the body concerned.**

Summary of Recommendations

- (i) **The Panel recommends that the changes to Schedule 2 of the Members' Allowances Scheme set out in Appendix 1 of this report be approved.**
- (ii) **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 1st July, 2013:-**

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- (iv) The Panel also recommends the Council to encourage members to use their annual reports to publish details of any allowances they receive as a result of their service as a representative of the Council on outside bodies where such allowances are not openly published by the body concerned.

D Wilson
Chairman
On behalf of the Panel

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