

**Meeting of the Full Council
Meeting to be held on Thursday, 20 July 2017**

Report submitted by: Head of Legal and Democratic Services

Part A

Electoral Division affected:
(All Divisions)

Report of the Independent Remuneration Panel - 2017/18 Members' Allowance Scheme

(Appendices 'A' and 'B' refer)

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Executive Summary

This report sets out the recommendations of the Independent Remuneration Panel in relation to the Council's Members' Allowance Scheme for 2017/18.

Recommendation

Full Council is recommended:

- (i) To consider the recommendations of the Independent Remuneration Panel, as set out in the report and at Appendix 'A', relating to the Council's Members' Allowance Scheme.
- (ii) Subject to (i) above, to approve a revised Members' Allowance Scheme for 2017/18 and authorise the Director of Governance, Finance and Public Services to make the necessary changes to the Scheme.

Background and Advice

The County Council is required to establish an Independent Remuneration Panel and have regard to its recommendations before the Authority makes or amends its Members' Allowance Scheme. Furthermore, the County Council is required to approve its Members' Allowance Scheme before the beginning of each financial year.

The 2017/18 Scheme was approved by the Full Council at its meeting on 23 February 2017. It was agreed that no changes be made to the Members' Allowance Scheme pending a review of the Scheme by the Independent Remuneration Panel following the Council elections on 4 May 2017. The Full Council noted that a meeting of the Panel had not taken place as no changes to the Scheme were proposed.

A meeting of the Independent Remuneration Panel was held on 5 June 2017 to review and make recommendations on the 2017/18 Scheme as requested by Full Council in February. The following information was presented to the Panel to assist its review of the Scheme:

- A copy of the existing Scheme and supporting background information including a summary of the key elements of the Scheme previously considered by the Panel and approved by the Full Council;
- A list of current Special Responsibility Allowances (SRA) paid, as well as a comprehensive list of the current roles and responsibilities of SRA post holders, and decision making bodies such as Council Committees;
- Information relating to the number of meetings, decision making sessions, other events and decisions taken by SRA holders and Committees etc.;
- Comparative information with the five largest (by population) County Councils, as well as neighbouring Cumbria County Council;
- The result and outcome of the County Council elections including the establishment and size of the various political groups;
- The Council's new decision making structure as approved by Full Council on 25 May 2017;
- The views and representations submitted by the political group leaders;
- Officer suggestions to clarify and update certain aspects of the Scheme and supporting guidance notes.

The minutes of the Panel's meeting held on 5 June 2017 are attached at Appendix 'A'. The Full Council is asked to consider the deliberations and recommendations of the Panel as set out in the minutes and which are summarised below:

(i) Scheme Indexation

The method of uprating the Scheme's allowances is normally agreed for a fixed four year period. However, the Full Council at its meeting on 25 February 2016 approved the adoption of the following indices as the method of uprating the various allowances for 2016/17 only. It was agreed that a further review of the indices be undertaken by the Panel as part of a wider review of the Members' Allowance Scheme following the County Council elections:

Allowance	Index
Basic Allowance, Special Responsibility Allowance, and Carers/Dependents	Local Government National Pay Award for officers
Travelling and Subsistence:	
Motor Car, Motor Cycles and Bicycles	To be revised in accordance with the maximum for Income Tax purposes as defined by HMRC
Overnight Accommodation, Day Subsistence and Travel Abroad	Consumer Price Index (published in November of the preceding year)

The Panel gave further consideration to this matter and agreed the following:

Recommendation (1) to Full Council: That the indices, as set out in the above table, be adopted as the method of uprating the various allowances for a fixed four year period commencing 1 April 2017.

(ii) Uprating of Allowances

As mentioned above, the Members' Allowance Scheme Panel provides for an automatic uprating of the Basic Allowance, Special Responsibility Allowances and the Carers/Dependents Allowance in line with the annual staff pay increase. While the staff pay increase for 2017/18 was set at 1%, the Full Council at its meeting on 23 February 2017 agreed that the 1% uprating of the Scheme's allowances should be deferred pending the Panel's review of the Scheme.

There was a lengthy discussion on this matter and while the Panel recognised the financial position of the Council, it felt that the allowances should be uprated in accordance with provisions of the Scheme, and to ensure that the allowances were not seen as a barrier to people wishing to stand for election to the Council.

The Panel agreed the following **Recommendation (2) to Full Council:**

That the 2017/18 Basic Allowance, Special Responsibility Allowances and the Carers/Dependents Allowance be uprated in accordance with the 1% staff pay increase for 2017/18.

The Full Council will note that the uprating of the various allowances, as recommended by the Panel, would increase the Basic Allowance budget by £8,791 and the Special Responsibility Allowance budget by £3,636. The overall increase of £12,427 is based on the Scheme as at 1 April 2017 and does not take into account any changes to the 2017/18 Scheme which the Full Council may wish to make having regard to other recommendations set out in this report and at Appendix 'A'.

The increased cost does not include the uprating of the Carer's/ Dependents allowance which members can currently claim at a maximum hourly rate of £7.19. Very few members claim the Carer's/ Dependents allowance so any increase would be negligible.

If adopted, the increased costs can be met from within the existing Members' budgetary provision.

(iii) Amendments suggested by Officers

(i) Deadline for submission of expenses claims:

The Panel was informed that the deadline of the 6th day of the month for the submission of expenses claims was causing administrative problems. It was felt that an earlier deadline of the 4th day of the month would enable the claims to be processed more easily and efficiently. The Panel noted that the earlier deadline would not have an adverse effect on the ability of members to submit their claims as the Scheme allowed members to submit claims up to two months after the period to which the claim relate.

The Panel agreed the following **Recommendation (3) to Full Council**:

That members be required to submit expenses claims by the 4th day of the month.

(ii) Use of taxis

It was felt that the circumstances in which members can reclaim the cost of taxi journeys needed to be clarified.

The Panel agreed the following **Recommendation (4) to Full Council**:

That members be permitted to reclaim the cost of a taxi journey in the following circumstances only:

- (i) Where a taxi needs to be used prior to or following a train journey in connection with attendance at a conference or other similar event away from County Hall; or
- (ii) An emergency situation where no other form of transport is available; or
- (iii) Where a journey by taxi has been given prior approval by the Director of Governance, Finance and Public Services.

- Members' Allowance Scheme Guidance Notes

It was felt that Scheme's Guidance Notes should be merged into the Scheme. This would remove a considerable amount of duplication and ensure that all relevant information was contained in one document.

The Panel agreed the following **Recommendation (5) to Full Council**:

That the Members' Allowance Scheme and the supporting Guidance Notes be merged into a single document.

Officers have taken the opportunity to review the guidance notes and incorporate them into the 2017/18 Members' Allowance Scheme. A suggested amended Scheme is attached at Appendix 'B'.

(iv) Political Group Leaders' Representations and Comments on the Scheme

The Leaders of the four Political Groups were invited to attend the meeting to submit their views on the Members' Allowance Scheme and to make any recommendations with regards to any changes they wished the Panel to consider. A questionnaire was also sent to the Leaders to assist them in making any representations to the Panel.

County Councillor Ali, Labour Group Leader, and County Councillor Hayhurst, Independent Group Leader, did not attend the meeting. The Panel was informed that the members had confirmed their agreement to the Scheme and that they did not wish to make any recommendations to change it.

County Councillor Atkinson, Deputy Leader of the Conservative Group and County Councillor Whipp, Liberal Democrat Group Leader, attended the meeting to present their views and to make suggestions to change the 2017/18 Scheme. The comments and suggestions made by Councillors Atkinson and Whipp are set out in Appendix 'A'. The main areas covered were:

- The uprating of allowances in accordance with the 2017/18 staff pay increase;
- Special Responsibility Allowances (SRAs) paid to the Leader and other post holders including Committee Chairs and Political Group positions; and
- The effects of the Council's new decision making arrangements on the Scheme.

With regard to the comments made about the uprating of the Basic Allowance, the Special Responsibility Allowance and the Carer's/Dependents Allowance in accordance with the 1% staff pay increase, the Panel re-affirmed its earlier decision (see Recommendation 2 above) that the Full Council should be recommended to apply the 1% increase to the various allowances in 2017/18.

The Panel gave careful and detailed consideration to all of the information presented and to the points raised by Councillors Atkinson and Whipp. The Panel also received the views of officers on the suggestions made particularly in relation to the payment of SRAs to Council Committee chairs and Political Group post holders.

The Panel was informed that the suggestions relating to the payment of SRAs as submitted by Councillor Atkinson would be cost neutral and would result in a small underspend on the SRA budget. Officers also confirmed that Councillor Whipp's SRA related suggestions would result in a greater under spend on that budget.

The Full Council will note that the financial implications of the proposed SRA related changes suggested by Councillors Atkinson and Whipp are shown in the following table:

Overall cost of the SRA budget:	£
• as at 1 April 2017	363,557 *
• including the proposed SRA related changes submitted by the Conservative Group	358,508 *
• including the proposed SRA changes submitted by the Liberal Democrat Group	338,437 *

* The uprating of the SRA allowances in accordance with 1% staff pay increase for 2017/18 has not been included.

There was a lengthy discussion on the financial implications of the suggestions presented to the Panel and while the Council's difficult budget position was recognised, it was felt that the financial implications or consequences arising from any recommended changes submitted by the Panel were a matter for the Full Council and not the Panel to determine. It was agreed that any recommendations made by the Panel to the Full Council should be based on and supported by firm evidence. Unfortunately the Panel felt that insufficient evidence had been presented to support any recommended changes being made to the Full Council which was disappointing. It was suggested that the Political Group Leaders be invited to attend the next meeting of the Panel in December 2017 or January 2018 to discuss any suggested changes to the Members' Allowance Scheme in more detail and having experienced the Council's new decision making arrangements over a six month period. Any changes could be considered for implementation as from 1 April 2018.

The Panel agreed the following **Recommendation (6) to Full Council:**

- (i) That, subject to the recommendations 1-5 above, the Panel does not wish to make any other recommendations to amend the 2017/18 Members' Allowance Scheme.
- (ii) That the Leaders of the Political Groups be invited to attend the next meeting of the Panel to present and discuss in detail any suggested changes to the 2018/19 Members' Allowance Scheme.

As mentioned above, the existing 2017/18 Scheme has been amended to include the Scheme's guidance notes and a copy of the single document is attached at Appendix 'B'. The suggested revised Scheme at Appendix 'B' would need to be further amended to reflect any other changes approved by the Full Council.

The Full Council is asked to consider the recommendations of the Independent Remuneration Panel which are set out above and in more detail at Appendix 'A', and approve any changes to the Members' Allowance Scheme for 2017/18.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The Full Council is required to approve an annual Members' Allowance Scheme having regards to recommendations made by the Council's Independent Remuneration Panel.

Financial

The changes to the Members' Allowance Scheme as recommended by the Panel will result in additional costs of £12,427 which can be met from the existing Members' budgetary provision.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
Independent Remuneration Panel agenda	5 June 2017	Chris Mather/ (01772) 533559

Reason for inclusion in Part II, if appropriate

N/A