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## **MEMBERS' ALLOWANCES SCHEME - 2010/11**

To: **Council - 15 July 2010**

By: **Head of Legal & Democratic Services**

Classification: **Unrestricted**

Wards Affected: **N/A**

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**Summary:** To consider the recommendations of the East Kent Joint Independent Remuneration Panel and to make a Scheme of Allowances for the period from the date of the Annual Meeting of Council to 31 March 2011.

### **For Decision**

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#### **1.0 Introduction and Background**

- 1.1 At the Council meeting on 25 February 2010 Members considered a report on a Scheme of Allowances for 2010/11. The report recommended that future schemes of allowances be based on the Council's financial year and also proposed that Members identify a number of potential savings in respect of Member expenditure in order to meet the spending restraints assumed in the 2010/11 Budget. Council agreed that future schemes should be based on the Council's financial year and that the saving options identified in the report be formally referred to each group leader for consideration. Council also requested that a report on the agreed position be submitted to the next meeting of the Council. (Minute 135/2010 refers).
- 1.2 At the Council meeting on 22 April 2010, Members received and noted a report from the Head of Legal Services informing member that the Conservative Group intended to present its own proposals on a Scheme of Allowances for 2010/11 to the Annual Meeting of Council.
- 1.3 At the Annual Meeting of Council on 13 May 2010, Council considered the proposals of the Conservative Group and made a provisional Scheme of Allowances for 2010/11 pending consultation with the East Kent Joint Independent Remuneration Panel (EKJIRP). The provisional Scheme made by Council is attached as **Annexe 1**. In summary, the Conservative Group proposed that there be no increase in the basic allowance or special responsibility allowances in 2010/11. In addition, the newly elected Cabinet Leader decided to reduce the size of the Cabinet from seven to five members (inclusive of the Leader and Deputy Leader) thereby, coincidentally, reducing the number of Cabinet and Shadow Cabinet special responsibility allowances. However, Council also recognised that the Labour Group had had insufficient time to respond to this decision and agreed to permit the Labour Group to appoint a Shadow Cabinet of seven members for one cycle of meetings only.

## **2.0 Recommendations of EKJIRP**

- 2.1 EKJIRP considered the provisional Scheme of Allowances on the 24 June 2010 and their recommendations to the Council are contained in the minutes of the meeting attached as **Annexe 2**.
- 2.2 Reference is made to the comparison Table at **Annexe 3** which illustrates the recommendations of the Panel alongside the provisional Scheme made by Council at the annual meeting. The recommendations of the Panel represent an average increase in the basic allowance and special responsibility allowances of 6.8%. This is largely explained by the decision of the Council to decline to implement the recommendations of the EKJIRP quadrennial review of allowances in 2008 (for 2009/10) and to base the provisional Scheme for 2010/11 on the 2009/10 Scheme. In this regard, Members are reminded that the approved budget for 2010/11 presumes an in year savings of £23,340 in democratic costs. Consequently, if the recommendations of EKJIRP are to be implemented in full it will be necessary to identify overall balancing savings of £43,772.
- 2.3 There are also four specific recommendations of EKJIRP which should be noted:-

### **Licensing Panel**

EKJIRP does not consider the Licensing Panel to be a 'major' Committee and considers that the SRA for the Chairman and Vice Chairman should be reduced by approximately 60% to £1,301 and £300 respectively. No rationale is advanced for this recommendation beyond the general aim of harmonising allowances across the East Kent City and District Councils.

### **Licensing Sub-Committee**

EKJIRP recommends that the 'attendance allowance' SRA currently paid to Members of the Licensing Panel if appointed to sit on a Licensing Sub-Committee be withdrawn with immediate effect. The reasons given at the meeting of the Panel but not recorded in the minutes, is that this allowance is unlawful.

### **Lead Members**

EKJIRP does not consider that what they describe as Deputy Cabinet Members/Lead Members (if any are appointed) should receive an allowance. Again, no rationale accompanied this recommendation beyond the harmonisation principle referred to above. Although not in the minutes, the Panel conceded that to date they had not received any representations about the succession planning and/or political development benefits of a Deputy Cabinet Member or Lead Member system.

### **Dependant Carer's Allowance**

The Panel recommends that the cap that the Council places on claims under this head (currently £100 per quarter) is removed. The rationale for this recommendation is that this allowance is compensatory in nature.

## **3.0 Advice of the Head of Legal & Democratic Services**

- 3.1 So far as the Licensing Panel is concerned, EKJIRP made a similar recommendation in 2009/10 which the Council did not endorse. Given the lack of any justification for this recommendation (then or now) other than the harmonisation principle, it is recommended that the Special Responsibility Allowances for the Chairman and Vice Chairman of the

Licensing Panel for 2010/11 remain as per the provisional Scheme i.e. at the amounts set in the 2009/10 Scheme.

- 3.2 Turning to the Licensing Sub Committee 'attendance allowance', EKJIRP are quite right to point out that the Allowances Regulations do not permit the payment of a Special Responsibility Allowance calculated on a per meeting basis. In fact attendance allowances were abolished in 2001 to eliminate a perceived 'attendance culture'. However the enactment of the Licensing Act 2003 and the need to establish ad-hoc three member Licensing Sub Committees, often at short notice, to determine applications for a premises licence when objections had been received raised the question as to how Members might be compensated for performing these duties. A number of Councils increased the SRA of their Licensing Committee Chairman and Vice Chairman only to find that they were not always available at short notice for meetings which often took place during office hours. Others granted a modest SRA to all of the members of their Licensing Committee only to find that some Members were never available, but still were entitled to receive the SRA. Another approach was to award an SRA to all members of the Licensing Committee payable only when a member had sat on a minimum number of Licensing Sub Committees. Many Councils Thanet included, sought to introduce a per meeting lump sum payment for sitting on a Licensing Sub Committee as by far the fairest way of compensating Members for the work undertaken. Unfortunately, this approach appears to contravene Regulation 5(2) (a) of the Members Allowances Regulations 2003 (as amended) which requires any Scheme to specify the total amount payable to a member for undertaking special responsibilities. Clearly this is not possible where Members are appointed on a per meeting basis subject to availability.
- 3.3 So far as Deputy Cabinet Members/Lead Members are concerned, the Cabinet Leader may decide to appoint these at his discretion (although Deputy Cabinet Members would be treated as members of the Cabinet, and therefore not be eligible to sit on the Scrutiny Panel). However, it is for the Council to decide whether or not any such should receive an SRA and if so, to determine the amount.
- 3.4 Finally, so far as the Dependant Carer's Allowance is concerned, although entirely compensatory in nature, the Council is entitled to set prudent limits for budget management reasons. As there is no evidence that the cap of £100 per quarter has prevented any Members from attending Council, Cabinet or Committee meetings, it is recommended that the cap is maintained.

#### **4.0 Corporate Implications**

##### **4.1 Financial**

- 4.1.1 There will be a need to identify and agree savings of £23,340 in the Democratic Services budget in financial year 2010/11. This savings target will increase to £43,772 if the recommendations of the Panel are adopted.

##### **4.2 Legal**

- 4.2.1 The Council is required to have regard to the recommendations of EKJIRP in making a Scheme of Allowances for 2010/11. In addition, the Council must publish a notice in a local newspaper describing the principal recommendations of the Panel and the key features of the Scheme made by the Council. Any Scheme made can and should take effect from the date of the Annual Meeting of Council on 13 May 2010 to 31 March 2011.

### **4.3 Corporate**

4.3.1 The level of allowances may be seen as both impacting on the public's perception of the Council and a factor in making public services as a Councillor attractive to a broad range of potential candidates.

### **4.4 Equity and Equalities**

4.4.1 There are no equalities issues in this paper.

### **5.0 Recommendations**

5.1 That the per-meeting attendance allowance paid to members of the Licensing Panel for being appointed to a Licensing Sub-Committee ceases to be a feature any Scheme of Allowances made by the Council.

5.2 That subject to the decisions of Council in relation to recommendations 5.1 above, the provisional Scheme of Allowances set out in Annex 1 of the officer's report be confirmed to take effect for the period commencing on the date of the annual meeting of Council in 2010 to the 31 March 2011.

5.3 That the Head of Legal & Democratic Services be authorised to give notice of the making of a Scheme of Allowances for 2010/11 in a local newspaper.

5.4 That the East Kent Joint Independent Remuneration Panel be thanked for their consideration of the Council's Provisional Scheme of Allowances and for their recommendations.

5.5 That the East Kent Joint Independent Remuneration Panel be asked to meet in the Autumn to consider a Scheme of Allowances for financial year 2011/12 and that Members be notified of the date(s) of any such meetings in time to make submission thereto .

### **6.0 Decision Making Process**

6.1 Should Council amend executive delegations or the structure of Committees in a way which has an impact on entitlement to Special responsibility Allowances, it may be necessary to review the scheme of Members' Allowances.

6.2 Any in-year change to the Scheme would need to be reported to the East-Kent Joint Independent Remuneration Panel for comment before it could be implemented.

Contact Officer: Harvey Patterson, Head of Legal and Democratic Services ext. 7005  
Reporting to: Richard Samuel, Chief Executive.

### ***Annex List***

1	<i>Provisional Scheme of Allowances for 2010/11</i>
2	<i>Minutes of the Meeting of EKJIRP held on 24 June 2010.</i>
3	<i>Comparison Table</i>

***Background Papers***

Title	Details of where to access copy
None	

***Corporate Consultation Undertaken***

Finance	Sarah Martin, Financial Services Manager