

**Agreed by IRP 27.3.13
FOR COUNCIL 7th May 2013**

**AGENDA ITEM
APPENDIX A**

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
SET UP TO REVIEW THE REMUNERATION OF MEMBERS OF
LICHFIELD DISTRICT COUNCIL FROM MAY 2013**

1. INTRODUCTION:

1.1 The Independent Remuneration Panel (IRP) has been asked by Lichfield District Council, in response to the Local Authorities (Members' Allowances) (England) Regulations 2001, to carry out a review of the allowances to be paid to their elected Members from May 2013. This is the IRP's fourteenth report to Council and is based on 3 formal meetings of the IRP up to the end of March 2013.

1.2 The IRP reiterate their view that the allowances made to Councillors do not represent an earned income and recognise that some element of Members' work continues to be voluntary (50% as outlined in Appendix 2 to the 2005/6 IRP report to Annual Council). The IRP continues to stress that, additionally, the Special Responsibility Allowances (SRAs) are designed to ensure that those taking on responsibilities within the democratic process do not suffer financial adversity as a consequence, whilst at the same time providing some recognition for responsibilities undertaken over and above those of ordinary Members.

2. CONSIDERATIONS:

2.1 In reaching its recommendations the IRP gave consideration to the following:-

- (a) Statutory Instrument No. 1021 – The Local Authorities (Members' Allowances)(England) Regulations 2003.
- (b) Recommendations concerning membership of the Local Government Superannuation Scheme as permitted by Statutory Instrument No.1021 Part 3, Section 11(2)
- (c) Guidance on Members' Allowances issued by the then Office of the Deputy Prime Minister in July 2003.
- (d) Statutory Instrument 2004 No. 2596 regularising the position on Parish Councils regarding elected and co-opted members.
- (e) The decision of the Local Government Association published in November 2010 no longer to issue advice to local authorities regarding Members' Allowance and Daily Rate based on the median gross weekly earnings as published by the Office of the National Statistics (ONS) Survey of Hours and Earnings.

- (f) The current pay award situation in respect of Local Government Officers
- (g) Comparison with other local authorities within the Audit Commission's Nearest Neighbour Group and in Staffordshire as a whole.
- (h) The current Allowances Scheme and levels of allowance, including allowances for co-opted members.
- (i) A review of the Assistant Cabinet Member post focussing on the responsibilities of the Leader of the Council in respect of Finance Revenues and Benefits.
- (j) Ensuring the system was fair and helps to encourage a diversity of people to become and continue as Councillors.
- (k) Ensuring that local Council Tax payers receive good value for money.
- (l) The IRP notes the decision of the District Council to increase by 1.8% Council Tax payable by residents of Lichfield District during 2013/14..
- (m) A record of attendance by Members at meetings of the Council and its Scrutiny Committees during 2012/13.
- (n) The earlier decision that Travelling and Subsistence Allowances should be linked to those rates applicable to Officers.
- (o) The Continuation of a Technology Fund to reimburse Members' ICT expenses.

3. CONCLUSION:

3.1 The Council is invited to note that:

- i) Ordinarily the rationale for determining allowances to Members is in accordance with the IRP's previously explained formula. See (1) Structure and methodology for calculating allowances to Members of the District Council and (2) the appendix to the IRP 2005 report that detailed the processes and procedures adopted by the IRP and appended to the IRP report to Council in May 2005.
- ii) The principle of a banding system for Members' Allowances is rooted in the formula initiated by the IRP at its inception and agreed to by Council each year thereafter but which had been varied under a proposal made by the then Leader of the Council, endorsed by Annual Council and implemented from May 2008
- iii) In the IRP's previous report for 2012/13, mention was made of the Leader of the Council's request that the IRP endorse establishing an Assistant Cabinet Member post focussing on the responsibilities at that time of the Leader of the Council in respect of Finance, Revenues and Benefits. The IRP provisionally acceded to the Leader's request subject to further details of the proposed role being made available which should provide formal clarification to substantiate a Special Responsibility Allowance (SRA) entitlement. The IRP indicated an intention to review progress of the Assistant Cabinet Member role and as part of the review has been given a paper setting out role, purpose

and responsibilities. A full review would normally include a more comprehensive approach but plans to meet the relevant Officer failed to materialise due to pressure of other work confronting the Officer concerned. Pending such a meeting the IRP is unable to make a more considered judgement and recommend payment of the SRA should continue to be at Band 5 level.

3.2 It was noted that no requests had been received from Parish Councils regarding extending the payment of allowances to Parish Councillors.

3.3 The IRP has noted the Chancellor's announcement in November 2012 that the wider public sector pay freeze due to end in 2013 would be followed by a 1% cap on rises for the following 2 years. In the Medium Term Financial Strategy 2013-16 (Revenue and Capital) - (MTFS) approved by the Council at its meeting 19th February 2013 the Chancellor's statement was referred to in the context of 'Pay Award' and mention was made of an assumed increase of 1% by the District Council for each of the three years commencing 2013/14.

3.4 As part of the IRP's efforts to monitor both the impact of sharing services with other Councils and the importance of the Council's strategy for income generation insofar as both those aspects of the management of the District Council impacts on the responsibilities of Members and implications for SRAs, Officers reassured the IRP that there had been no significant developments affecting Members' responsibilities. The IRP was however advised that given the financial pressures confronting the Council, cost savings of £3.8m over the next 4 years had been accepted as necessary by the Council and were expected to result in an increase in efforts to share services and generate income. The IRP will continue to keep under review these matters in an endeavour that any changes in Members' responsibilities are fairly reflected in allowances.

3.5 The Council is invited to note that the IRP has no evidence suggesting the level of allowances paid to Members fails to attract and retain people willing to serve their local community or that elected Members are not financially disadvantaged as a consequence of service as an elected Member.

3.6 As part of the IRP's concerns for ensuring local council tax payers receive good value for money the IRP requested Officers to once again provide a schedule of Members' attendance at meetings. Members would ordinarily be expected to attend. In its report to the Annual Meeting of the District Council, 11th May 2010, the IRP acknowledged an understanding that attendance at meetings of the Council and its Scrutiny Committees forms a significant, but not entire part of a Member's responsibilities as a Councillor. The latest information received by the IRP suggests a continuing satisfactory level of attendance. However, unless there are extenuating circumstances in each instance, one Member could have attended 15 meetings but the record indicates only 20% attendance ie 3 meetings. In the case of a second Member, of the 10 meetings which could have been attended, the Member attended 5 ie 50%. A third Member could have attended 13 meetings but only attended 6 ie 46% whilst a fourth Member could have attended 23 but attended 3 amounting to a 13% attendance record. The IRP acknowledges

that the schedule of Members' attendance at meetings does not include membership of and attendance at Task Groups and for completeness it would be helpful if such information could in future also be made available to the IRP.

3.7 The IRP recommends no alteration to the amount of allowance currently paid to co-optees for each meeting attended.

3.8 The IRP noted that the two year pay freeze for Officers applied with effect from April 2010 ends in 2013 and is expected to be replaced by a maximum pay award for 2013/14 effectively amounting to no more than 1% in line with the Chancellor's November 2012 statement.

3.9 The IRP has learned that the District Council's approved budget for 2013/14 makes no provision for any increase in Members' allowances.

3.10 The IRP is aware of continuing public concern for transparency and honesty in local and national politics. The IRP feel it is imperative that the integrity of elected Members is maintained.

4. PROPOSALS:

The IRP propose that: -

4.1 Following the Council's agreement at the Council meeting 8th May 2012 to the IRP's recommendation that pay awards to staff will in future be the benchmark for changes in Members' allowances, despite the lack of a resolution to the pay award for local government staff at the time of writing this report – but in an expectation it will be in the order of a 1% increase in the salaries bill for local authorities - the IRP suggest a 1% increase in Members' Basic Allowance for the municipal year 2013/14. Members' agreement to the proposed increase will acknowledge the objectives set by the Chancellor, comply with both the Council's own agreement for Members' Allowances in future to mirror the pay awards to its staff and the thrust of the MTFS including a recognition of the financial stringency continuing to confront the District Council.

4.2 SRAs continue to be banded as a proportion of the allowance made to the Leader of the Council. It is proposed that qualifying Members should continue to receive an allowance on the same basis as that set out in para 3.9 of the IRP report to Council dated 13th May 2008.

Band	%
1	100
2	60
3	55
4	25
5	20
6	5

Members' are invited to note Officers have confirmed that the levels of responsibility carried by Members entitled to an SRA as above, has seen no significant change since the IRP's last report to Council 8th May 2012.

4.3 The District Council will recall its endorsement of the IRP recommendations contained in the report to Council 11th May 2010 and reinforced in the IRP's supplementary report to the meeting of Council 13th July 2010. The IRP acknowledged at that time that should the District Council decide to reduce amounts recommended by the IRP, such reductions would be regarded by the IRP as the future base line.

4.4 Members' mileage allowance should continue to be paid in line with the allowance paid to Officers.

4.5 During the annual review of matters the IRP is required to consider prior to preparation of the report to the meeting of the Council on 7th May 2013, the Council's IT Manager attended a meeting of the IRP. Previous reassurances about the main principles of the scheme – as set out in the IRP report to the Council 8th May 2012 - continue to be welcomed by the IRP although the IRP were disappointed to learn that

- i) as a consequence of Members' requests, a proportion of printed material is distributed by the Council in hard copy format and
- ii) reimbursement from the Technology Fund of costs incurred by Members were not subject to Members providing receipts as proof of purchases made.

The concerns of the IRP in this instance connects with the IRP's obligations to have regard to council tax payers receiving good value for money. The IRP understand Officers intend to address this issue.

The IRP has long understood and supports the primary purpose of the Technology Fund to reimburse Members for ICT related costs but recommend, in pursuit of council tax payers receiving good value for money, that in future any unspent element of the individual Member's annual IT allowance of up to £430 currently, be not paid and instead retained by the District Council.

4.6 The level of Carers' Allowance be automatically adjusted in line with those of the County Social Services Department for the provision of a Community Care Worker.

4.7 The levels of subsistence allowance remain unchanged.

4.8 The Conference Allowance of £25.00 per day remains unchanged.

4.9 Co-optees, as defined in SI 1021 s9(5), should continue to receive an allowance of £44.00 per meeting attended plus travel allowances as applicable to Members.

4.10 That the work and underlying principles set out in the documents referred to in paragraph 2 of this report of the IRP continue to be included in the Members' induction process.

5. RECOMMENDATION:

5.1 The IRP offer the proposals and recommendations set out within this report for adoption by the Council including the scale of allowances detailed at Appendix A.

6. APPRECIATION:

6.1 The IRP would like to extend their grateful thanks to the Officers involved in providing the information to assist our deliberations, namely Richard King, Strategic Director for Democratic, Development and Legal Services, Sharon Ashton, Democratic Services Manager, Christine Lewis, Overview and Scrutiny Officer, Graham Keatley, Financial Services Manager and Kevin Sleeman, Information Systems and Strategy Manager.

**Mr R Ingram (Chairman) Mr V Chamberlain
Mr T Roach Mr R White**

Dated: