

REPORT TO: Standards Committee
Cabinet
Council

DATE: 3 February 2011
17 February 2011
3 March 2011

SUBJECT: Members' Allowances

**WARDS
AFFECTED:** All

REPORT OF: Director of Corporate Services

**CONTACT
OFFICER:** Mike Fogg
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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To consider the proposals put forward by the Independent Remuneration Panel for a reduction in the 2011/12 Scheme of Members' Allowances.

REASON WHY DECISION REQUIRED:

In order to achieve savings on the Members' Allowances budget

RECOMMENDATION(S):

That the Council approve the following recommendations:

1. That the recommendations made by the Independent Remuneration Panel in Paragraph 2.2 of the report be accepted.
2. That the changes be implemented with effect from 1st April 2011.
3. That the proposed Scheme of Members Allowances as set in Annex A of the report be accepted
4. That the Independent Remuneration Panel be asked to formally review the full Scheme during 2011/12.

KEY DECISION: No

FORWARD PLAN: No

IMPLEMENTATION DATE: 1st April 2011

ALTERNATIVE OPTIONS:

The alternative is to continue with the existing scheme.

IMPLICATIONS:

Budget/Policy Framework: The proposals represent an annual saving in the order of £50,865 (inc on costs) pa

Financial:

<u>CAPITAL EXPENDITURE</u>	2009 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross saving in Revenue Expenditure			£50,865	
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal:

Risk Assessment: No specific risk assessment has been carried out, but the risks associated with the report are already being addressed as part of the Council's

approach to risk management.

Asset Management:

**CONSULTATION UNDERTAKEN/VIEWS
LEADERS**

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities		√	
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

**LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF
THIS REPORT**

Report of the findings of the Independent Remuneration Panel 2007

1. Background

- 1.1 In September 2007, following recommendations from the Independent Remuneration Panel, the Council revised its Scheme of Members' Allowances to reflect the average rate of Basic Allowance for Merseyside, and recommended that a fundamental review should be carried out in 2010/11.
- 1.2 Until 2009/10, the allowances were increased annually linked to the Local Government Annual Pay Settlement. No such increases were awarded in 2010/11, which in effect mirrored the situation with Senior Officers of the Council.
- 1.3 Following Council approval, the Special Responsibility Allowances paid to certain Member were reduced by 5% with effect from September 2010. This saved £14,800 (including on costs) in 2010/11 and would save £25,400 (including on costs) in 2011/12.
- 1.4 The proposals were also applied to the payments for Mayoralty duties, which although not part of the Scheme are linked to it.

2. Current Position

- 2.1 The Independent Remuneration Panel met on 14th December 2010 to consider if it was appropriate in view of the Council's current financial position, to defer the pending review of the Members' Allowances Scheme.
- 2.2 The Independent Remuneration Panel made the following recommendations:
 - “(1) in order to show leadership during the current harsh economic times, the Cabinet / Council be recommended to reduce the Basic Allowance by 5%, such reduction to take effect from the commencement of the financial year 2011/12. This would restore the discrepancies in the multipliers used to calculate the Special Responsibility Allowances;
 - (2) a meeting of the Panel be held at 10.00 a.m. on Wednesday, 16 March 2011 at Southport Town Hall;
 - (i) to commence the review of Members' Allowances for 2012/13; and
 - (ii) in order to formulate an objective view of the Members' Allowance Scheme, to receive a presentation on the responsibility of functions and volume of work of Cabinet Member portfolios and Committees and any changes made due to the recently announced Localism Bill;
 - (3) a meeting of the Panel be held at 10.00 a.m. on Wednesday, 7 September 2011 at Bootle Town Hall to:
 - (i) formulate recommendations for submission to the Council on the Members' Allowance Scheme for 2012/13; and

- (ii) receive a presentation from the Head of Corporate Finance and Information Services on the up to date financial position of the Council; and
 - (4) the decision making model referred to above, namely that the Panel meets in March and September, be continued in subsequent years.
- 2.3 The proposals put forward by the Independent Remuneration Panel would generate total budget savings in 2011/12 of £50,865 including “on costs”. The proposed changes are reflected in the proposed revised Scheme at Annex A.

3. Recommendations

- 3.1 That the recommendations made by the Independent Remuneration Panel in Paragraph 2.2 of the report be accepted.
- 3.2 That the changes be implemented with effect from 1st April 2011.
- 3.3 That the proposed Scheme of Members Allowances as set in Annex A of the report be accepted
- 3.4 That the Independent Remuneration Panel be asked to formally review the full Scheme during 2011/12.