
Report to: Cabinet Council
Date of Meeting: 21st June 2012
5th July 2012

Subject: Scheme of Members Allowances

Report of: Director of Corporate Commissioning
Wards Affected: All

Is this a Key Decision? No
Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To consider the proposals put forward by the Independent Remuneration Panel for a new Scheme of Members' Allowances.

Recommendation(s)

That the Cabinet be requested to submit the following recommendations to the Council for consideration on 5th July 2012:

- (1) That the recommendations made by the Independent Remuneration Panel in paragraph 2.1 be accepted;
- (2) That the changes be implemented retrospectively with effect from the adjourned Annual Council meeting held on 15th May 2012;
- (3) That the proposed Scheme of Members Allowances at Appendix A be accepted;
- (4) That the publicity required as set out in Section 3 of the report be undertaken; and
- (5) That the Council's Constitution be amended to insert the revised Scheme.

How does the decision contribute to the Council's Corporate Objectives?

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

Reasons for the Recommendation:

To fulfil the requirements of The Local Authorities (Members’ Allowances) (England) 2003 which require the Council to establish a scheme of Members’ Allowances in accordance with these regulations, to agree and publicise its Members’ Allowance Scheme and have an independent review at least every 4 years.

What will it cost and how will it be financed?

(A) Revenue Costs

The proposals contained within the report would generate an on-going saving of £76,680 unless there are changes to the governance arrangements of the Council.

(B) Capital Costs

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal The Local Authorities [Members Allowances] [England] Regulations 2003 require authorities to make a scheme for the payment of allowances for members and before it makes or amends a scheme, to have regard to the recommendations of an independent remuneration panel.	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

There is no impact on service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1597/12) and Head of Corporate Legal Services (LD934) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

There are no other options available for consideration.

Implementation Date for the Decision

Immediately following the Council meeting.

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Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 The Independent Remuneration Panel has met on 6 occasions to review the Scheme of Members Allowances as required by The Local Authorities (Members' Allowances) (England) 2003.
- 1.2 In preparation for the review, the Panel has received presentations on the budget of the Council, has heard representations from the three Party Leaders on two occasions and sought the views of all Members of the Council. The Panel has also considered information on the roles and responsibilities of Councillors and statistical information drawn from the Local Government Association's National Councillor census.
- 1.3 In this instance, it is timely to review the Scheme of Members' Allowances at this point as the existing Scheme does not allow for payment for Party Leaders that are not Cabinet Members and therefore does not comply with the Guidance issued by the Department for Communities and Local Government (referred to in recommendation 1(c) below).
- 1.3 The Panel were keen to ensure that a revised Scheme of Members Allowances would be easy for members of the public to understand. Their proposal aims to simplify the Members' Allowance Scheme by introducing only 3 "bands" of Special Responsibility Allowance (SRA) based on a multiplier of the Basic Allowance. The Panel noted that the introduction of the Scheme as proposed would achieve a £76,680 saving on the current scheme.

2. Recommendations of the Panel

- 2.1 The Independent Remuneration Panel has recommended as follows:

(1) (a) the Council be recommended to adopt the following Members' Allowance Scheme:

Band	Position	How allowance is calculated	Level of Payment	Number of Councillors holding this position	Total Cost
4	Leader of the Council	Basic allowance x 3	£25,560	1	£25,560
3	Cabinet Members (excluding the Leader of the Council)	Basic allowance x 2	£17,040	6	£102,240
2	Senior Councillor	Basic allowance x 1.5	£12,780	9	£115,202
1	Councillor	Basic allowance	£8,520	66	£562,320

- (b) a Senior Councillor as referred to in Band 2 be defined as a Chair of a Committee or a Party Group Leader;
- (c) it be noted that Party Group Leaders have been selected to receive a Special Responsibility Allowance as this is specifically referred to in the "Guidance on Members' Allowances for Local Authorities in England" published by the Department for Communities and Local Government. This guidance stipulates that:
- "16. Where one political group is in control, and where an Authority has decided to pay special responsibility allowances, the Authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group"; and
- (d) the payment of allowances in accordance with the above scheme be backdated to 15 May 2012;
- (2) it be noted that the Panel at its next meeting to be held in October 2012 will consider the principle of linking increases in the Basic Allowance to APT and C pay rises or the Retail or Consumer Price Index;
- (3) the travelling and subsistence allowance be set at the same rate as for Council officers;
- (4) (i) a dependant's carers' allowance be payable at the national minimum wage up to £60 per week (National minimum wage is £6.08 per hour for over 21's and this equates to nearly 10 hours per week); and
- (ii) the uptake of the allowance be monitored and reported to the Panel meeting in October;
- (5) the payment to the Chair of the Merseyside Waste Disposal Authority be ended for 2012/13 but be reviewed in subsequent years;

- (6) although the Mayoral Allowance does not fall within the scope of the Members' Allowance Scheme, it be recommended that the Mayoral Allowance be linked to Band 2 (Senior Councillor); and
- (7) it be noted that any Councillor, regardless of level of payment, is able to renounce the receipt of all or any part of their allowance if they choose to do so; and that Members are only entitled to receive one Special Responsibility Allowance even if they hold more than one eligible position.

3.0 Publicity for the Panel's recommendations

3.1 As soon as practicable after receiving the Panel's recommendations, the Council is required to ensure that copies of that report are available for inspection by members of the public. The minutes of the Panel are available on the Council's website for inspection. In addition the Council is required to publish in one or more newspapers circulating in its area, a notice which—

- (i) states that it has received recommendations from an independent remuneration panel in respect of its scheme;
- (ii) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of that authority;
- (iii) states that copies of the panel's report are available at the principal office of the authority for inspection by members of the public at such times as may be specified by the authority in the notice; and
- (iv) specifies the address of the principal office of the authority at which such copies are made available.

3.2 Once the Council has considered the recommendations, a further notice must be published which must include any differences between the adopted Scheme and the recommendations of the Independent Remuneration Panel.

MEMBERS' ALLOWANCE SCHEME

1.0 INTRODUCTION

The following scheme is made under powers conferred by – Section 174 of the Local Government Act 1972 – Local Authorities (Members' Allowances) (England) Regulations 2003.

- 1.1. The scheme shall be cited as the Sefton Council Members' Allowances Scheme and have effect from 15th May 2012.
- 1.2 In this Scheme, "Councillor" means a Member of Sefton Council who is a Councillor.

2.0 BASIC ALLOWANCE

- 2.1 The Basic Allowance is a flat rate sum paid to all Members. It recognises the time devoted and expenses incurred by Members in carrying out their duties.
- 2.2 Subject to paragraph 4 the amount allocated per annum is £8520.

3.0 SPECIAL RESPONSIBILITY ALLOWANCE

- 3.1 In order to recognise additional time and expenses incurred by Councillors who have significant additional responsibilities in carrying out their duties for Sefton Council, subject to paragraph 4, the following Special Responsibility Allowances shall be paid:

Band	Position	How allowance is calculated	Level of Payment	Number of Councillors holding this position	Total Cost
4	Leader of the Council	Basic allowance x 3	£25,560	1	£25,560
3	Cabinet Members (excluding the Leader of the Council)	Basic allowance x 2	£17,040	6	£102,240
2	Senior Councillor*	Basic allowance x 1.5	£12,780	9	£115,202
1	Councillor	Basic allowance	£8,520	66	£562,320

*A Senior Councillor as referred to in Band 2 be defined as a Chair of a Committee or a Party Group Leader.

4.0 PART YEAR PAYMENTS

If in the course of a year, the scheme is amended or a Councillor becomes, or ceases to be a Councillor, then all allowances shall be adjusted on a pro-rata basis.

5.0 RENUNCIATION

A Councillor may by notice in writing given to the Director of Corporate Commissioning elect to forgo any part of their entitlements to an allowance under the Scheme.

6.0 MAYORAL ALLOWANCES

The allowances paid to the Mayor are linked to the Scheme of Members Allowances and for the Municipal year 2012/13 the following shall be paid:

Mayor	£12,780 (Band 2)
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7.0 TRAVEL AND SUBSISTENCE

Travel and Subsistence Allowances will be paid for travel to meetings etc outside of the borough which are authorised by the Council (at the same rate payable to Council Officers)

e.g. -

- meetings and annual conferences of Outside Bodies to which Sefton has made appointments or nominations.
- meetings and annual conferences of Local Authority Associations of which Sefton is a member.
- meetings, conferences and other duties which have been authorised in advance by the Council, Cabinet or by a Cabinet Member.

8.0 DEPENDENTS' CARERS' ALLOWANCE

Members who incur additional expenses in order to arrange care for dependents may claim these expenses. This rate is based on the National Minimum Wage up to a maximum of £60 per week.

9.0 CLAIMS AND PAYMENTS

Payments shall be made in respect of Basic and Special Responsibility Allowances in monthly installments on the 15th day of each month by bank transfer. All claims for additional expenses must be accompanied by receipts and will therefore be paid in arrears directly into Members Bank Accounts.

APPENDIX A

OUTSIDE BODIES APPROVED BY THE CABINET

Local Government Association – General Assembly
Local Government Association – Urban Commission
Local Government Association – Coastal Issues Special Interest Group

Joint Authorities:

Merseyside Fire and Rescue Authority
Merseyside Integrated Transport Authority
Merseyside Police Authority
Merseyside Waste Disposal Authority

Aintree University Hospitals NHS Foundation Trust
Ashton Memorial Fund, Formby
British Destinations
Clarence High School, Freshfield – Governing Body
Community Foundation for Merseyside
Consolidated Charities of Thomas Brown & Marsh Dole
Formby Pool Trust – Board
Frank Hornby Trust
Halsall Educational Foundation
Hugh Baird College, Bootle – Governing Body
John Gooses Charity, Lydiate
Joint Health and Wellbeing Scrutiny Committee
Joint Overview and Scrutiny – Cheshire and Merseyside Vascular Service Review
Liverpool City Region Cabinet
Liverpool City Region Child Poverty and Life Chances Commission
Liverpool City Region Employment and Skills Board
Liverpool City Region Local Enterprise Partnership Board
Liverpool John Lennon Airport Consultative Committee
Local Solutions
Mersey Forest Steering Group
Mersey Port Health Committee
Merseyside Pensions Fund Pensions Committee
Merseyside Playing Fields Association
Merseyside Police Authority Appointments Committee
Merseyside Strategic Transportation Committee
Merseyside Third Sector Technology Centre (3TC)
North West Reserve Forces and Cadets Association
North Western Inshore Fisheries and Conservation Authority
North Western Local Authorities Employers' Organisation
One Vision Housing Board
PATROL Adjudication Joint Committee (Parking and Traffic Regulations Outside London)
Peterhouse School, Southport – Governing Body
REECH Steering Group (Renewable Energy and Energy Efficiency in Housing)
Sefton Chamber of Commerce & Industry
Sefton Coast Partnership Board

Sefton Council for Voluntary Service
Sefton Cycling Forum
Sefton Education/Business Partnership
Sefton Equality Standing Group
Sefton New Directions Limited Board
Sefton Sports Council
Southport Pier– Board of Trustees
St Mary's College, Crosby – Governing Body
Standing Advisory Committee for Religious Education (SACRE)
Transpennine Trail Members' Steering Group
University of Liverpool Court