

<b><u>Meeting:</u></b>	<b>Independent Remuneration Panel</b>
<b><u>Date of Meeting:</u></b>	<b>3<sup>rd</sup> December 2008</b>
<b><u>Title of Report:</u></b>	<b>Member Allowances</b>
<b><u>Report of:</u></b>	<b>Caroline Elwood – Legal Director Paul Edwards – Finance Director</b>
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## **1.0 INTRODUCTION AND BACKGROUND**

- 1.1 All Councils must establish an Independent Remuneration Panel (IRP) which has responsibility for making recommendations to the Council in relation to the level of allowances paid to Elected Members. The Council has 66 Members all of whom receive a Basic Allowance, which is currently £8,850 for 2008/09. In addition a certain number of Members receive a Special Responsibility Allowance for additional responsibilities (for example, as a Cabinet Member or Chair of a Committee). The Allowance varies dependent upon the position and specific responsibilities which are carried out but is calculated based upon a multiplier of the Basic Allowance. As an example the Leader receives a Special Responsibility Allowance of £26,550 in addition to his Basic Allowance which is based upon a multiplier of 3 x the Basic Allowance of £8,850. In a small number of instances Members receive a daily rate for undertaking ad hoc duties by way of a Special Responsibility Allowance. Details of the current scheme are set out at paragraph 2.1.
- 1.2 The Panel last met on 14<sup>th</sup> June 2007 and the information provided to the Panel together with the report and findings of the Panel is attached at **Appendix A** as background information. The report was accepted and approved by Full Council at its meeting on 6<sup>th</sup> September 2007.
- 1.3 At their meeting in September 2007 the IRP undertook a full and comprehensive review of the Members Allowance Scheme and recommended that:-
- (i) **The Basic Allowance** be reviewed and increased to a figure which is comparable to the Merseyside average (currently £8,850 for 2008-09) with future increases linked to the Local Government Annual Pay Settlement (using scp 33).
  - (ii) **Special Responsibility Allowances** should continue to be calculated based upon a multiplier of the Basic Allowance.
  - (iii) **Merseyside Waste Disposal Authority** – since the WDA itself has no authority to make payments to their Board Members it was recommended that if a Sefton Spokesperson was appointed as Chair (as is currently the

case) then he/she should receive a Special Responsibility Allowance equivalent 100% of the Basic Allowance (ie. £8,850)

- (iv) **One Vision Housing Board (OVH)** – although it was recognised that following the transfer of the Council's housing stock those Elected Members serving on the new One Vision Housing Board were making a considerable commitment it was felt that this was a matter for OVH to address and not the Council itself.
- (v) **Standards Committee – Independent Chair** – it was noted that there was no common approach to the payment of Special Responsibility Allowances for Independent Chairs of Standards Committees and it was recommended that the Chair continue to receive travel and subsistence allowance only but that position be kept under review given the new role of the Local Standards Committee to become responsible for the sifting and investigation of complaints.
- (vi) **Travel & Subsistence Scheme** – it was agreed that the Council should no longer continue to make separate payments to cover travel expenses for duties undertaken by Members within Sefton but that an enhanced level of Basic Allowance would reflect the discontinuance of separate travel expenses.
- (vii) **Dependent Carers Allowance** – it was agreed that this allowance should remain and increases be linked to the minimum hourly wage.
- (viii) **Further Review** – it was recommended that a further full review of the scheme should be undertaken prior to the beginning of the Municipal Year for 2010/11.

## **2.0 THE CURRENT SCHEME**

### **2.1 Members Allowances**

The current Members Allowance Scheme for 2008/09 is set out below:-

In order to recognise additional time and expenses incurred by Councillor's 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:

Leader of the Council	£26,550	
Party Leaders (with Cabinet position)	£22,125	
Other Members of the Cabinet	£17,700	
Chair of Planning Committee	£8,850	
Chairs of Overview & Scrutiny Committees	£4,425	
Chair of Licensing and Regulatory Committee	£8,850	
Chair of Audit and Governance Committee	£4,425	
Party Spokespersons for Cabinet & Planning Portfolio	£4,425	
Waste Disposal Authority - Spokesperson	£2,213	
Waste Disposal Authority - Chair	£8,640	
Members of Licensing Sub Committee	£35.00	Daily Rate
Members of Planning Visiting Panel	£35.00	Daily Rate

Members of Adoption Panel	£35.00	Daily Rate
Members of Fostering Panel	£35.00	Daily Rate

## **2.2 Mayoral Allowances**

The allowances paid to the Mayor and Deputy are linked to the Scheme of Members Allowances and for the Municipal year 2007/08 the following shall be paid:

Mayor	£13,275
Deputy Mayor	£ 4,425

**NB.** It will be noted that all Special Responsibility Allowances are based upon a multiplier of the Basic Allowance.

## **3.0 SCRUTINY & REVIEW CHAIRS**

- 3.1** There are currently four Chairs of the Council's Overview & Scrutiny Committees who each receive a Special Responsibility Allowance based on a multiplier of 50% x the Basic Allowance (ie. £4,425). This can be contrasted with the Chair of both Planning and Licensing Committees both of whom receive a Special Responsibility Allowance based on a multiplier of 100% x the Basic Allowance (ie. £8,850).
- 3.2** Historically the Planning Committee always met twice within the normal cycle of Committee meetings and meetings were lengthy and at times dealt with sensitive and controversial issues. There was also a need for the Committee to make site visits on a regular basis, all of which was taken into account when the Members Allowance Scheme was revised in May 2002 resulting in a higher Special Responsibility Allowance for the Chair of the Planning Committee.
- 3.3** The Special Responsibility Allowance for the Chair of the Licensing Committee was reviewed in October 2005, after the Council took over the responsibility for issuing liquor licenses from the Magistrates Court. This led to a greatly increased workload for the Committee and its Sub-Committees as a result of which the Special Responsibility Allowance was increased in line with the figure for the Chair of Planning on the recommendation of the Independent Remuneration Panel.
- 3.4** Scrutiny Committees were originally established in 1998 prior to the formal introduction of the Leader and Cabinet System. Originally they tended to concentrate undertaking best value reviews, meeting once a cycle and tending to be conducted as if they continued to be 'an old style Committee'. Overview & Scrutiny Committees were formally introduced under the Local Government Act 2000 with a view to scrutinising the work of the Council's Executive (Cabinet) and undertaking in depth reviews in relation to policy issues or other matters of local concern. Chairs of the Committees received a Special Responsibility Allowance of 50% x Basic Allowance following recommendations from an external consultant.

**3.5** It has taken some time to embed the scrutiny function within Sefton Council. In 2006 Dr Stephanie Snape of the Local Government Centre, Warwick Business School, was asked to undertake an external evaluation of the overview and scrutiny arrangements. The report was hard hitting in its assessment of the difficulties with the scrutiny function at Sefton. This had been previously highlighted within external inspection reports such as the CPA and JAR. Dr Snape found that generally scrutiny had a low status within the organisation, which was affecting the performance of the function. The report identified a distinct 'hierarchy' of roles within Sefton that was viewed generally by Members which were as follows:-

"Member of Cabinet, Chair of Planning, Chair of Licensing, Cabinet Spokesperson, Chair of Area Committee and finally, at the bottom, Chair of Scrutiny and Review".

(However it should be noted that the Chairs of Area Committees are not paid a separate Special Responsibility Allowance)

Dr Snape's report made a number of very detailed recommendations which were subsequently considered by a Cross Party Working Group resulting in a detailed improvement plan. (see **Annex B** for the detailed improvement plan).

**3.6** The Member Working Group held on the 5<sup>th</sup> December 2007 held a specific discussion regarding the perception of Scrutiny and Review Chairmanship in comparison to other roles. It was noted that the level of Special Responsibility allowance had a great impact on the perception of the function, and ultimately affected the performance of the function. It was recommended that in order to acknowledge the importance of the role of scrutiny and review that the Independent Remuneration Panel be requested to examine the Members allowances for Scrutiny and Review Chairmanships. This recommendation was subsequently approved by Cabinet on the 13<sup>th</sup> December 2007 and Full Council on the 28<sup>th</sup> February 2008. (see **Annex B** for the detailed improvement plan).

**3.7** In recent years and particularly following Dr Snape's review the scrutiny function has evolved significantly with a resulting impact upon the workload of the Chairs. Although each Overview & Scrutiny Committee still meets once a cycle much more work is now done in Working Groups undertaking in depth reviews on a variety of topics. These reports have been welcomed and well received by Cabinet. Chairs generally are far more proactive, involved in many issues related to the work of the Committee. This includes the strategic overview of the function through the creation of an Overview & Scrutiny Management Board, and its related activities. Given the important role that is undertaken by Overview & Scrutiny Chairs and the strengthening of that role envisaged in Government White Papers/legislation the authority would need to be able to demonstrate the value placed on its activities during any corporate and service inspections. It is particularly required as overview and scrutiny will in the near future need to act as a critical friend to service providers outside of the Council in monitoring the achievement of the ambitions for the area and will require more innovative and imaginative scrutiny enquiries, providing effective accountability arrangements for partners, wider engagement with service users, and closer relationships with neighbourhood structures.

**3.7.1** The level of Special Responsibility allowance demonstrates the value that the Council places upon the function of Overview & Scrutiny, and Dr Snape's review highlighted best practice in other authorities where the Chairmanships of Overview & Scrutiny was comparable to the Chairmanship of Licensing Committees, and in some cases Planning Committees in order to clearly value the function and ensure effective participation and involvement from Members, officers and partners (for example Tameside MBC). This view is evident within the national research commissioned by the LGA and IDeA in 2006/07 which clearly demonstrates that the average allowance of Overview & Scrutiny Chairmanships is comparable, or higher than the chairmanships of Licensing, and sometimes, Planning Committees (see **Annex C**).

**3.8** In undertaking research for the Panel 18 other Authorities were contacted and the attached table (**Annex D**) shows that 17 of these pay a higher amount of Special Responsibility Allowance than Sefton. This research also demonstrates the value, placed upon the Chairmanship of Overview & Scrutiny Chairs when compared against the Chairmanships of Planning, and in particular Licensing Committees. Overall the survey showed that the average amount paid to Scrutiny and Review Chairs is £7,482 which equates to 75% of the average Basic Allowance). When looking at Chairs of Planning, Sefton pays £8,850 (which equates to 100% Basic Allowance) the average amount paid across the survey is £8,288 (which equates to 83% Basic Allowance).

#### **4.0 COST IMPLICATIONS FOR SCRUTINY & REVIEW COMMITTEES**

Sefton currently has four Chairs of Overview & Scrutiny. To increase the Special Responsibility Allowance to 75% of the Basic Allowance (£6,639) would cost an additional £10,893 including on-costs, to increase the Special Responsibility Allowance to 100% of the Basic Allowance (£8,850) would cost an additional £21,771 including on-costs.

#### **5.0 CHAIRS OF AUDIT & GOVERNANCE**

At the meeting of the IRP on the 26<sup>th</sup> September 2006 it was resolved that 'the allowance to the new Chair of Audit & Governance be approved and linked to the current multiplier payable to Chairs of Overview & Scrutiny (namely half of the Basic Allowance)". Accordingly the Audit & Governance Committee Chair is currently paid the same rate as Overview & Scrutiny Chairs (£4,425). The survey undertaken at **Annex D** shows that the average amount paid to Audit & Governance Chairs is £4,647 (which equates to 43% of the Basic Allowance). Any increase to link the payment to an increased payment to Overview & Scrutiny Chairs would have the following cost implications:-

- SRA increased to 75% (£6,639) would cost an additional £2,723 including on-costs
- SRA increased to 100% Basic (£8,850) would cost an additional £5,443 including on-costs

#### **6.0 JOB AND ROLE DESCRIPTIONS**

As part of its Member Development Programme the Council has developed job and role descriptions for Elected Members. The job and role descriptions for Chairs of Planning, Licensing, Overview & Scrutiny and Audit & Governance are attached at **Annex E** as background information. **Annex F** sets out examples of work undertaken by Overview & Scrutiny Chairs.

## **7.0 VISITS TO CHILDRENS HOMES**

It will be noted that at the previous meeting of the Independent Remuneration Panel it was agreed that in order to save administrative time, in future Members would not be paid individual travelling expenses for travel within Sefton Borough. Instead an amount would be incorporated within the increased Basic Allowance which all Members received. Sefton is required to undertake statutory visits to Children's Homes within the borough and these visits are over and above Member's regular commitments. At present only a small number of Members actually undertake the visits. In these circumstances the Leader of the Labour Group has suggested that the Panel should consider providing those Members who do additional mileage an appropriate internal mileage allowance. The details of the visits undertaken since 2006 are attached (**Annex G**)

## **8.0 STANDARDS COMMITTEE CHAIR**

At the last meeting of the Panel it was agreed not to pay a Special Responsibility Allowance to the Independent Chair of the Committee but to keep the position under review. In recent months two additional Independent Members have been appointed to the Standards Committee and with the introduction of the local assessment of complaints against Members the workload has increased. However the new regime only commenced in May of this year and so it is considered that it is still relatively early and that a formal report is not appropriate to the Panel at the present time.

## **9.0 CONCLUSION**

The views of the Panel are sought specifically in relation to:-

- (a) The appropriate figure for the Special Responsibility Allowance for Overview & Scrutiny Chairs.
- (b) The appropriate figure and level of Special Responsibility Allowance for the Audit & Governance Chair.
- (c) Whether it is appropriate to pay travelling expenses to those Members who undertake statutory visits to Childrens Homes.