

SEFTON METROPOLITAN BOROUGH COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

14TH JUNE 2007

1. INTRODUCTION

1.1 We last met as a Panel in September 2006 when we requested Officers to further investigate how other Local Authorities and Public Bodies arrived at the recommended figure for both the Basic Allowance and Special Responsibility Allowances which are paid to Elected Members. We re-convened on the 14th June 2007 and had the benefit of a full report from the Council's Finance Director, which provided the comparative information we requested. Also present were Paul Edwards – Finance Director, Caroline Elwood – Legal Director and Viv Swale – Claims and Administration Manager. The three Political Groups on the Council had been given the opportunity to make representations to us and Councillor David Rimmer represented the Liberal Democrat Group, Councillor Ian Maher represented the Labour Group and Councillor Mrs Parry represented the Conservative Group. We heard submissions on behalf of all three Parties.

1.2 This report outlines our recommendations to the Council in respect of the current Members Allowance Scheme.

2.0 BASIC ALLOWANCE

2.1 Sefton Council's Member Allowances Scheme is based on a standard Basic Allowance. In 2000, when the initial scheme was introduced, the allowance was calculated using the LGA's National Daily Rate (NDR) for 1998. Since 2002, with the agreement of the Independent Remuneration Panel, the Basic Allowance has been increased annually based upon the pay award received by a specified level of Officers (ie. SCP 33 on the National Joint Council rates). Nevertheless this has not kept pace with the LGA National Daily Rate and as a result the current Sefton rate has fallen behind and is lower than the national guideline figure for 2007.

2.2 Additional information was obtained from comparator Authorities and submitted to us. This included information from the 2006 Survey of Members Allowances carried out by the Local Government Analysis & Research Centre together with additional information from eleven other Authorities in Merseyside and Greater Manchester, Merseyside Police, Merseyside Fire & Rescue and Merseyside Passenger Transport Authorities. The annual Basic Allowance paid by

Sefton was lower than the average paid by other Authorities and having heard submissions from the Council's Elected Members we recommend that the Basic Allowance should be increased to £8,430 which is a figure comparable to the Merseyside average (excluding Sefton). We further recommend that any future increases in the Basic Allowance should continue to be linked to the Local Government pay settlement each year (using SCP 33) and that the revised figure should be implemented with effect from 1st April 2007.

3.0 SPECIAL RESPONSIBILITY ALLOWANCES

3.1 The Council pays Special Responsibility Allowances based on a multiplier of the Basic Allowance. Accordingly any review of the Basic Allowance will result in proportionate increases in the Special Responsibility Allowance. At the last meeting of the Panel we had asked Officers to investigate how other Authorities arrived at and calculated the figure for Special Responsibility Allowances since it was apparent that not all schemes used the multiplier based on the Basic Allowance. From the information provided to us and research undertaken at our request it was evident that although some Authorities continued to use the multiplier mechanism other Authorities arrived at a particular figure which they felt in all the circumstances was appropriate to their local circumstances. There appeared to be no common formula or calculation involved. Members made representations to us that they felt the current system was fair and equitable. On balance we felt that the multiplier mechanism was appropriate and should continue to be the basis for calculation of Special Responsibility Allowances within Sefton.

3.2 At our last meeting our attention had been drawn to the fact that one of Sefton's two representatives had recently been appointed as Chair of the Waste Disposal Authority. The WDA have no authority to make payments to their Board Members and Sefton Council pays a Special Responsibility Allowance equal to approximately 25% of the Basic Allowance for its two nominated representatives on the WDA. We noted there was no recognition within the scheme of the additional responsibilities that the role of the Chair brought and we asked Officers to investigate the matter and present a further report to our next meeting. We recognised that the role of the Chair of WDA was a demanding appointment. We were advised that in the previous financial year the WDA had met on six occasions but that the Chair had attended at least 34 meetings. We therefore recommended that if a Sefton spokesperson is appointed as Chair of the Merseyside Waste Disposal Authority then his/her Special Responsibility Allowance should be increased from 25% to 100% of the Basic Allowance.

3.3 We were advised that in October 2006 the public sector housing functions of the Council were transferred to a newly formed registered social landlord, One Vision Housing (OVH). Elected Members have been nominated to represent the Council at OVH Board and Committee Meetings. There are approximately six

meetings per month. Due to its charitable status OVH's options were limited to make payments to Board Members and we were asked to consider the possibility of payment of a Special Responsibility Allowance to reflect these additional duties. Although we recognised that there is a considerable time commitment involved for Members of the OVH Board we were of the opinion that this was a matter for One Vision Housing to address particularly since they would have other Trustees and Board Members who were not being remunerated either.

4. STANDARDS COMMITTEE – INDEPENDENT CHAIR

4.1 We were advised that in the past an Elected Member had been nominated to Chair the Council's Standards Committee. The Local Government and Public Involvement in Health Bill will require the Council to appoint an Independent Member as Chair of the Committee and although the Bill is not yet in force Full Council had agreed at its meeting on the 10th May 2007 to appoint one of the Committees Independent Members as Chair of the Standards Committee. At the same time Council also requested the Panel to consider payment of an allowance for undertaking these duties. In the past the Chair has received a Special Responsibility Allowance of 50% of the Basic Allowance or £3,510. We noted that current proposals were for the role of the National Standards Board to become far more strategic, with Local Standards Committees becoming responsible for sifting initial complaints against local Councillors and also having responsibility for any subsequent investigation and hearing. This was therefore likely to result in an increased workload for the Standards Committee and in particularly it's Chair.

4.2 We received details of comparative allowances from a number of other Authorities and noted that there appeared to be no common approach towards payment of Special Responsibility Allowances for Chairs of Standards Committees. After detailed consideration our view was that the Chair, as a Co-opted Member, should continue to receive travel and subsistence allowances but we did not recommend paying any further additional allowance at the present time. We felt that people volunteered and gave freely of their time to serve on a number of bodies throughout the community and we had reservations about the payment of an allowance particularly given the need to be seen to maintain independence from the Council. We were however mindful of the likely increase in workload and responsibilities of this post and would like to review the position once the impact of the new legislation can be assessed.

5.0 TRAVEL AND SUBSISTENCE PAYMENT

5.1 At our last meeting we noted that the payment of travel and subsistence expenses was discretionary. It has been suggested to us that Sefton might consider adopting the approach followed by a number of other local Authorities whereby there is no separate payment for travel within the Borough but that Members

receive an enhanced level of Basic Allowance which reflects the discontinuance of separate travel expenses. We indicated that we would like to review the position at this meeting. We noted that the processing of travel claims carries an administrative cost. The total payments made for car mileage in 2006/07 amounted to £17,640 of which £15,350 related to travel within Sefton. This was a figure of less than £270 on average for each Member. Given that we are recommending an increase in the Basic Allowance we recommend that the Council no longer continues to make separate payments to cover travel expenses for duties undertaken by Members within Sefton. Although we are recommending that the increase in Basic Allowances should be backdated to the 1st April 2007 we recognise that claims for travel expenses must be submitted on a monthly basis. In the circumstances we recommend that the entitlement to claim travel expenses should cease from the date when our recommendations will be considered by Full Council, ie. 6th September 2007.

6. DEPENDANT CARERS ALLOWANCE

6.1 We noted the scheme provides for a Dependant Carers Allowance, although there have been no claims for this Allowance to date. The current rate is £5.35 per hour with a maximum amount of £60 per week. We felt it was important that this Allowance should remain and we recommended that increases should be linked to the minimum wage hourly rate.

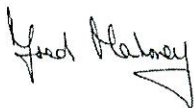
7. FURTHER REVIEW

7.1 We recommended that a full review of the scheme should be undertaken prior to the beginning of the Municipal Year for 2010/2011.

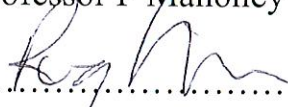
8. CONCLUSIONS

8.1 We recommend the above amendments to the Council's current scheme of Members Allowances and that all other details of the scheme remain unchanged.

June 2007



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Professor F Mahoney (Chair)



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Reverend R Driver



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Mrs L McBrearty