

REPORT OF THE INDEPENDENT REMUNERATION PANEL HELD 9 FEBRUARY 2007

1. Introduction

The Independent Remuneration Panel was established in accordance with the provisions of the Local Government Act 2000 and the Local Authorities (Members Allowances)(England) Regulations 2001 and is required to produce reports as to the remuneration of Members.

2. Composition of the Panel

The Panel is made up of the following membership:-

Steve Allen (Chair)
Canon Keith Woodhouse
Helen Patterson
Professor Ray Hudson

Unfortunately due to work commitments Professor Hudson was unable to contribute to this report.

3. Background

On 9 February 2007 the Panel met to consider the following issues:-

- (i) to consider the annual increase in basic/special responsibility allowances for 2007/2008;
- (ii) to consider the implications of the Gambling Act 2005 on the workload of the Licensing Committee;
- (iii) to review the level of allowances payable to the Chair and Vice-Chair of Audit Committee;
- (iv) to consider the inclusion of a provision within the Members Allowances Scheme specifying allowances payable for Members' travel abroad on Council business.

4. Findings and Conclusions

(i) Basic Allowance/Special Responsibility Allowances (SRAs) for 2007/8

Our report dated 17 September 2003 states that the allowances are to be increased by the RPI Index for October each year until 2008. However, in line with that report we are required to meet annually in February to consider any changes to the Council's structures which would warrant either the basic allowance or SRAs to be re-evaluated.

In reviewing the allowances the Panel was provided with a report to the Council's Political Management Working Group dated 31 January 2007 and was briefed by the Head of Democratic Services and Administration on proposed changes to political management arrangements which will revise the Council's scrutiny function. (This follows the re-alignment of Executive portfolios in April 2006). We were advised that with effect from May 2007, subject to Council approval, three new Scrutiny Committees will be established which will mirror the Executive portfolios. These will replace the existing Service Delivery, Partnerships and Resources Scrutiny Committees.

The Panel acknowledges that the changes proposed are for practical reasons to ensure a balanced and manageable workload between all the Scrutiny Committees and to ensure that there is a clear link between the Council's agreed corporate priorities and objectives. The new arrangements will also reduce overlap between each Scrutiny Committee's area of work.

We consider that the proposals are a re-alignment of the existing Scrutiny Committees and should not increase the workload or level of responsibility of scrutiny members. The Panel also notes that the number of Scrutiny Committees will not change.

For these reasons and as there have been no other changes to the Council's political structures, the Panel concludes that basic allowance and special responsibility allowances for 2007/8 should increase by 3.6% (RPI Index for October 2006).

(ii) **Licensing Committee – Gambling Act 2005**

The Panel were asked to consider the implications of the Gambling Act 2005 on the workload of the Licensing Committee.

The Panel was provided with a copy of the report to District Council on 7 December 2006 and was briefed by the Principal Environmental Health Officer (Licensing) on the Council's responsibility, as licensing authority, for issuing premises licences under the Gaming Act 2005 with effect from 1 September 2007.

In considering this we acknowledge the level of responsibility Members of the Licensing Committee have as the Sub-Committees are quasi-judicial, and we also appreciate that further training has been required under the new legislation. However we feel that this falls within the existing remit of the Committee and that the work is at a level that Members are already required to undertake. In addition, Members are now experienced in the conduct and procedures for hearings as part of their duties in relation to the Licensing Act 2003. The Principal Environmental Health Officer (Licensing) does not anticipate that the number of hearings will be onerous or that the Committee's workload is likely to significantly increase.

The Panel is therefore of the view that the current levels payable to the Chair and Vice-Chair of the Committee are appropriate (ie £2,560.80 and £1,280.40 respectively, plus 3.6%). However, because there is some uncertainty about the number of hearings, we feel that these amounts should be reviewed after a period of time to

ensure that the levels paid accurately reflect the work carried out. This will be undertaken as part of the Panel's full review of members allowances in February 2008.

(iii) **Audit Committee**

At a meeting of the Panel on 24 April 2006, SRAs were set for the Chair and Vice-Chair of the newly established Audit Committee at £2,560.80 and £1,280.40 respectively and at that time we determined that these amounts should be reviewed as part of our annual review of allowances.

In reviewing the levels payable the Panel was briefed by the Head of Democratic Services and Administration and was provided with the following information: _

Terms of Reference of Audit Committee
Work Programme of Audit Committee for 2006/7

We were also advised that Committee Members have been required to carry out training in order to fulfil their duties as an Audit Committee and that further training is ongoing.

From the information provided, we feel that in its first year of operation the Committee has achieved what we expected when we established the levels of allowance payable in April 2006. For this reason we conclude that the amounts set are still appropriate and should remain at the current level for 2007/2008, plus 3.6%.

(iv) **Proposed Amendment to Members Allowances Scheme – Travel Abroad**

The Panel was asked to consider the inclusion of a provision within the Members Allowances Scheme in relation to the payment of subsistence allowances for travel abroad on Council business.

The current scheme allows for reimbursement of all reasonable expenses incurred on accommodation, travel and meals. In addition, an out of pocket expense allowance of £19.06 per day is payable.

The Panel was briefed by the Council's Payroll Manager and was asked to consider the introduction of a set overnight subsistence allowance for travel abroad (the Council currently pays an allowance for overnight subsistence in the UK with a special rate for London). We were also provided with information from other local authorities across the County and the City of Sunderland.

We appreciate that the cost of accommodation abroad will vary from city to city and for this reason we feel that it would be difficult to set a specific overnight subsistence allowance. We also accept that travel abroad is infrequent and that accommodation and meals may be included as part of a conference or seminar, however we do agree that there needs to be a more specific provision in the Scheme than there is currently.

The Panel therefore concludes that the most appropriate and fair method of dealing with claims for subsistence for travel abroad is by way of reimbursement of costs on the production of receipts.

We therefore recommend that the current wording within the Scheme be amended to read as follows:-

“Travel Outside the UK

Where Members travel outside of the UK, they will be reimbursed all reasonable expense incurred on accommodation, travel and meals on the production of receipts. In addition, an out of pocket expense allowance of £19.06 per day shall be payable”

5. Recommendations

The Panel recommends that:-

- (i) basic allowance and special responsibility allowances be increased in line with the RPI Index for October 2006 (3.6%);
- (ii) the level of SRAs payable to the Chair and Vice-Chair of the Licensing Committee remain as at present, plus 3.6% and be reviewed in February 2008 as part of the full review of members allowances;
- (iii) the level of SRAs payable to the Chair and Vice-Chair of the Audit Committee remain as at present, plus 3.6% and be reviewed in February 2008 as part of the full review of members allowances;
- (iv) the Members Allowances Scheme be amended to include a provision in relation to the payment of allowances for travel abroad as set out in Section 4(iv) of this report.

**S Allen
H Pattison
Canon K Woodhouse**