

# Item 8

## REPORT TO COUNCIL

28<sup>th</sup> July, 2006

## REPORT OF CHIEF EXECUTIVE

### Portfolio: Strategic Leadership

#### **REVIEW OF MEMBERS ALLOWANCES**

#### **1. Summary**

- 1.1 At the Annual Meeting on 19<sup>th</sup> May the Council accepted the recommendations of Cabinet and established an Audit Committee and in doing so it also agreed that the Independent Remuneration Panel be asked to determine the appropriate level of Special Responsibility Allowance (SRA) for the Chairman and Vice-Chairman of the new Committee. The Panel was therefore re-convened to consider the level of those allowances.
- 1.2. Whilst the Panel was meeting the opportunity was taken to invite its views on the levels of Members Basic Allowance and S.R.A.s to be paid in 2007/2008, to review Co-opted Members Allowances and also the S.R.A.s for the Chairmen and Vice-Chairmen of the Licensing Committees.
- 1.3. At the request of Spennymoor Town Council, the Panel was also asked to consider a letter and report received from that Council which appeared to be requesting the re-consideration of recommendations made in October 2003 in relation to Parish Allowances.
- 1.4 The Panel met on a number of occasions and were supported at those meetings by Officers of the Council. A significant amount of information was considered at each meeting including comparative information on schemes operated by Councils in County Durham and throughout the country.
- 1.5 The Independent Panel's report including its findings and recommendations, is attached in Appendix 1 for Member's consideration. The Council must have regard to this advice, although it is not binding.

#### **2. Recommendations:**

- a) That the findings and recommendations set out in Section 10 of the Panel's report be considered.
- b) That appropriate publicity be arranged indicating that the Panel's report and recommendations are available for public inspection in accordance with the Members Allowances Regulations.

- c) That should any amendments to the Members Allowances Scheme be agreed, then they be incorporated into the Council's Constitution.

### **3. The Independent Remuneration Panels Recommendations**

- That the SRA's to be paid to the Chairman and Vice-Chairman of the Audit Committee should match the allowances paid to the Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees.
- That the allowances be effective from 19<sup>th</sup> May, 2006 and that the operation of the Committee be monitored and a review of its work be carried out after one year.
- That any increases in Members Allowances in 2007/2008 should mirror increases in officers pay in that year.
- That the Co-opted Members Allowances be increased to £35 per meeting to reflect the time commitment.
- That no changes be made to the level of allowances paid to the Chairmen and Vice-Chairmen of the Licensing Committees.

### **4. Parish Allowances**

- 4.1 References and recommendations relating to Parish Allowances set out in Section 9 and 10 of the Panel's Report are for the Borough Council's information only. A copy of the Panel's Report has been sent to Spennymoor Town Council for consideration.

### **5. Publicity**

- 5.1 The 2003 Members Allowances Regulations require that as soon as reasonably practicable after receiving a report which sets out the Panel's recommendations, the Council must ensure that copies of the report are available for inspection at its principal office at all reasonable hours. The Council must also, as soon as reasonably practical after it receives the report, publish a notice in at least one newspaper circulating in the area which :
- States that the Council has received recommendations from an independent remuneration panel about its scheme of allowances.
  - States the address of the principal office.
  - Describes the main features of the Panel's recommendations including the amount of allowances the Panel has recommended should be payable to Members.

- 5.2 The Regulations also require that any member of the public may take copies of the Panel's report on payment of such reasonable fee as the local authority may determine.

## **6. Financial Implications**

- 6.1 If the recommended S.R.A.'s for the Chairman and Vice-Chairman of the Audit Committee are agreed this will lead to increases in expenditure of £6,190 in the current financial year which can be found from contingencies. The additional costs in 2007/2008 will be included in the Member's allowances budget.
- 6.2 The effects of any general increases in Member's Allowances in 2007/2008 cannot be assessed at this stage, although any increases in officers pay are likely to be in line with inflation.
- 6.3 The financial implications resulting from the adoption of the proposals for Co-opted Members Allowances are expected to be minimal.

## **7. Consultations**

- 7.1 Many other local authorities were consulted by way of a questionnaire regarding the establishment of an Audit Committee. Some twenty six responses were received which were analysed and the information passed to the Independent Panel to assist in its deliberations.

## **8. Other Material Considerations**

### **8.1 Links to Corporate Objectives/Values**

The consideration of Members Allowances by the Independent Remuneration Panel reinforces the Corporate Value of being responsible with and accountable for public finances.

### **8.2 Risk Management**

There are no risk management implications linked to this report.

### **8.3 Health and Safety**

There are no health and safety issues raised in this report.

### **8.4 Equality and Diversity**

No implications have been identified.

### **8.5 Legal and Constitutional Implications**

The consideration of Members Allowances by the Independent Remuneration Panel has been in accordance with the Members Allowances Regulations 2003 which also provide for the subsequent publication of the Panel's report.

If the Panel's report is accepted the changes to the Members Allowances Scheme must be incorporated into the Council's Constitution.

**9. OVERVIEW AND SCRUTINY IMPLICATIONS**

None.

**10. LIST OF APPENDICES**

Appendix 1 – Report of the Independent Panel on the Review of Member's Allowances.

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**Background Papers:**

1. Report to Council – 19<sup>th</sup> May, 2006
2. Statutory Instruments 2003 Nos. 1021 and 1022
3. Report of Independent Remuneration Panel – June, 2006

**Examination by Statutory Officers**

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>



