

**County Council**

**22 February 2012**

**Members Allowance Scheme for 2012/13**



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## **Report of Corporate Management Team**

**Colette Longbottom, Head of Legal and Democratic Services**

**Councillor Alan Napier, Cabinet Portfolio Holder for Resources and Deputy Leader**

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### **Purpose of the Report**

- 1 To request that Council agree a members allowance scheme for 2012/13 having due regard to the recommendation of the Independent Remuneration Panel.

### **Background**

- 2 Under the Local Authority's (Members' Allowances) (England) Regulations 2003, the County Council shall make a scheme in accordance with the regulations which provide for the payment of an allowance in respect of each year to each member of the Council. This is referred to as 'the basic allowance'.

The scheme may also provide for special responsibility allowances to such members of the authority that carry out special responsibilities in relation to the authority as are specified in the scheme and fit within one or more of the categories set out in the regulations.

The regulations also provide that before the beginning of each year, the authority shall review the scheme and before it confirms or amends the scheme, it shall have regard to the recommendations made in relation to it by an Independent Remuneration Panel.

### **Independent Remuneration Panel**

- 3 The Independent Remuneration Panel for Durham met in January 2012 and considered a revision to the scheme. The report of the panel is attached at Appendix 2.

Members should note that no changes are recommended for 2012/13, although the panel expressed a willingness to consider a revision of the structure of group leaders' allowances if requested and if such requests are provided with more information.

## **Recommendations and Reasons**

- 4 Members are requested to:
- i. Agree no changes should be made to the Members Allowance Scheme for 2012/13.
  - ii. Take into account the recommendation of the Independent Remuneration Panel when doing so.

## **Background Papers**

- 5 Not applicable.

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## **Appendix 1: Implications**

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**Finance** – The recommendation of the panel would not affect the current proposed budget for members' allowances.

**Staffing** – N/A

**Risk** – N/A

**Equality and Diversity/Public Sector Equality Duty** – The legislation requires the same basic allowance if paid to each member. Although the scheme contains provision for dependent carers' allowances and for sick pay.

**Accommodation** – N/A

**Crime and Disorder** – N/A

**Human Rights** – N/A

**Consultation** – As part of the process, members were invited to make submissions to the panel, if required. Those submissions that were received were considered by the panel and are dealt with in the panel's report.

**Procurement** – N/A

**Disability Issues** – N/A

**Legal Implications** – These are within the body of the report.

**County Council**

**22 February 2012**

**Review of Durham County Council's  
Members' Allowance Scheme**



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**Report of the Independent Remuneration Panel**

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**Purpose of the Report**

1. The purpose of this report is to advise the Council of the outcomes of the review of Members' Allowances carried out by the Independent Remuneration Panel for 2012/13.

**Background**

2. On 11<sup>th</sup> January 2012, the following members of the panel met to review the allowances for 2012/13:-

John M Hitchman  
Andrew Sugden  
Gill Stephenson  
Professor Ray Hudson  
John Cuthbert  
Kate Welch

3. The panel considered specific issues that had been raised by Members:-
  - (i) Whether the current allowance for the Vice Chair is adequate;
  - (ii) Whether there should be changes made to the manner in which Group Leaders are paid to reflect the size of the group, rather than the one currently used in the Members' Allowance Scheme, which is based upon a threshold of 20% membership of the Council

In response to a request from the vice chair regarding increases in workload and out of pocket expenses arising from engagements, the Members considered that there had been increases in workload for both the Chair and Vice Chair of the Council, and that this had resulted in more expense. After careful consideration, the panel was of the view that, at this stage, there should not be an increase in allowances. The panel was of the view that the invitation process should be reviewed with a view to possibly not accepting as

many engagements and if the booked engagements then resulted in 'out of pocket' expenses being met out of and then depleting the current allowances, the Council should consider whether there should be a separate budget to cover such eventualities.

4. The panel was concerned, that to change the current arrangements for group leader allowances could result in allowances being paid to a number of relatively very small groups perhaps to the detriment of a larger group. The panel was therefore of the view if any member wishes to advance a proposal for change over the next year, then the panel would wish to see details of the workloads of group leaders relating to Council business. Party political business would not be taken into account.
5. The panel was minded to consider limiting the amount of money available for group leaders' allowances, so that allowances were based upon a percentage of a fixed pot, based upon membership. The panel had information before it on whether or not other Councils paid group leaders a fixed allowance or one in proportion to the size of the group. Twenty Councils were asked and nine responded, and all who responded, stated that the allowances were fixed. There was therefore no evidence of other Councils operating an allowance based on proportion to the size of the group, but the panel is willing to re-consider any proposal for this on the basis of any further evidence submitted next year.

### **Members Allowances for 2012/13**

6. The panel considered members allowances information provided by the same Councils who had responded to the request in relation to group leaders. They covered Metropolitan Councils, Unitary Councils and a number of Councils in the North East, although one reported that no final decision had been made, all reported that no changes were to be made to the Members' Allowance Scheme this year.
7. The panel was of the view that this was unsurprising, given the current austere financial climate, where Council budgets are being reduced; services are being cut and staff losing their jobs. The panel were also mindful of the fact that Local Government employees continued to be subject to a pay freeze that has been in force for the last two years.
8. The panel also noted that there was no request from any membership for an increase in allowances, and was of the view that, in the current circumstances, there should not be an increase. As part of their review, the panel also considered whether there should possibly be a reduction in allowances. The panel was, however, mindful of the fact that the original scheme agreed in 2009 had been proposed against the backdrop of economic difficulties, when there was already an acknowledged need for public spending reduction. The panel recollected that the level of allowances proposed for the new Council was, in the light of those economic difficulties, considerably less than the one that had been proposed. The panel was therefore of the view not to recommend a reduction in allowances.

## **Conclusions**

9. In summary, therefore, the Panel considered amending the members allowance scheme in relation to the vice chair and in relation to opposition group leaders. It recommended no changes at this stage but expressed a willingness to consider re-structuring the allowances for opposition group leaders next year, if requested to do so, in which case it will require details of the workloads of the group leaders.
10. The panel also reviewed the members allowance scheme and recommends no changes for 2012/2013.

## **Recommendations**

11. The panel recommends no change in the current members allowance arrangements.

John M Hitchman  
Andrew Sugden  
Gill Stephenson  
Professor Ray Hudson  
John Cuthbert  
Kate Welch