

APPENDIX A

CENTRAL BEDFORDSHIRE COUNCIL

REPORT AND RECOMMENDATIONS OF THE INDEPENDENT REMUNERATION PANEL CONCERNING THE SCHEME OF MEMBERS' ALLOWANCES FOR THE YEAR COMMENCING 1 APRIL 2010

CENTRAL BEDFORDSHIRE

REPORT OF THE INDEPENDENT REMUNERATION PANEL

Background

1. This report presents the findings and recommendations of the Independent Remuneration Panel concerning the Scheme of Members' Allowances for the year commencing 1 April 2010.
2. The Local Authorities (Members' Allowances)(England) Regulations 2003 make it a requirement for every local authority to establish an independent remuneration panel for the purpose of making recommendations to the authority as to the amount of basic allowance that may be paid to every member of the authority. The Regulations also specify certain requirements concerning allowances for special responsibility, travelling and subsistence, dependants' carers' and co-optee's.
3. The Regulations place a duty upon an authority to have regard to the recommendations of its independent panel before making or amending its Scheme of Members' Allowances.
4. At the meeting of the Council held on 24 September 2009 the under-mentioned persons were appointed to serve as the members of the Panel established to make recommendations concerning the Scheme of Members' Allowances.
5.

Person Appointed	Period of Appointment
Mrs B Heley	31 March 2012
Mr G Lambert	31 March 2013
Mr C Bell	31 March 2014

The meeting of the Panel held 20 November 2009

6. All members of the Panel were in attendance at the meeting together with Councillor Maurice Jones (Portfolio Holder for Corporate Resources), who left the meeting at the conclusion of the matters referred to in paragraph 10 below.
7. It was agreed that Mr C Bell be appointed as Chairman of the Panel for those meetings concerned with the Scheme of Members' Allowances for the year commencing 1 April 2010.

8. Members of the Panel were provided with the following documents:-
 - (a) The Scheme of Members' Allowances for the year commencing 1 April 2009.
 - (b) The formula previously adopted by the Panel for the calculation of basic allowance.
 - (c) A table of the recommendations made by the Panel in respect of the Scheme of allowances for the year commencing 1 April 2009 and the revisions adopted by the Council.
 - (d) Details of the allowances paid by other authorities within the Audit Commission Family Group.
9. The Chairman welcomed Councillor Jones to the meeting and invited him to explain the circumstances that gave rise to the Executive, at its meeting held on 20 January 2009, recommending to the Council, the adoption of a Scheme of Allowances that departed from the Scheme recommended by the Panel.
10. Councillor Jones explained the reasons that lead him to propose to the Executive that the Council be recommended to adopt a Scheme of Allowances that differed from that recommended by the Panel. In particular Councillor Jones mentioned that he was concerned about the inclusion of some of the authorities within the Audit Commission's Family Group, feeling that Yorkshire East Riding and South Gloucestershire provided more accurate comparators. He also asked the Panel to consider the adoption of a fixed spinal column point within the National Joint Council's Salary Scheme, in place of using the Local Government Association's Daily Rate Figure within the formula to calculate basic allowance.
11. Members of the Panel then requested the following information for a further meeting to be held on 7 December 2009:
 - (a) Details of the National Joint Council's Spinal Column salary scale
 - (b) Figures from comparison authorities as to
 - (i) Size of revenue budget
 - (ii) Number of Councillors
 - (iii) Population and area
 - (iv) Level of Council Tax Band D

The meeting of the Panel held 7 December 2009

12. All members of the Panel were in attendance at the meeting.
13. Panel Members were reminded of the information presented in the documents circulated at the last meeting (Paragraph 8 above) although it was pointed out that the authorities used for Central Bedfordshire

comparison purposes are now those set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Comparator Group which is now used by the Audit Commission in place of their previous Family Group.

14. Members of the Panel were provided with the following further information:-

- (a) allowances paid by other authorities within the Central Bedfordshire CIPFA Comparator Group;
- (b) other comparative information namely population and area, general fund net budget, the level of Council Tax at Band D for 2009/10 and the number of councillors for those authorities;
- (c) the same information as in (a) and (b) above for Luton Borough (as a neighbouring authority) and Yorkshire East Riding (at the request of the Portfolio Holder for Corporate Resources who had used that Council's allowances for comparison purposes in his submission to Members for 2009/10);
- (d) the current Local Government Association Daily Rate figure which was last amended on 1 April 2008 but which was likely to be discontinued in the near future;
- (e) details of the National Joint Council pay scale for Local Government staff in the light of a request by the Portfolio Holder for Corporate Resources to link the formula used to calculate the basic allowance to a point on that pay scale instead of the Local Government Association Daily Rate which he considered was no longer appropriate as a financial base;
- (f) that, according to the most recent National Census of local authority councillors conducted by the Improvement and Development Agency in 2008, the average number of hours spent per councillor on council/political business amounted to 22 hours each week.

15. The main issues for the Panel were

- (a) Determining the appropriate financial base (i.e. the Local Government Association Daily Rate figure or a point on National Joint Council pay scale for Local Government staff) and formula in calculating the basic allowance.
- (b) Whether any change should be made to any of the allowances given the high Central Bedfordshire ranking on allowances against the Comparator Group.

- (c) Given that such allowances do not exist in other authorities, the case to justify payments to Assistant Portfolio Holders.
16. Regarding 15(a) above, Panel Members acknowledged that the Local Government Association Daily Rate was likely to be discontinued in the near future but were apprehensive about using a point on the National Joint Council pay scales as the financial base because a (potential) automatic annual increase would be built into the Allowances Scheme. In addition the Members requested information on the type of officer posts within the grading that includes spinal column point 34, that being the point suggested by the Portfolio Holder for Corporate Resources.
17. Regarding 15(b) above, Panel Members noted that the Leader's Allowance was the highest in the CIPFA Group and that all other SRAs were based on a percentage ratio of the Leader's Allowance. In the light of the comparisons in the CIPFA Group of authorities and the Council's difficult and challenging financial position, the Panel was not minded to make any recommendations to increase the level of any allowances. Given the information available as a result of the benchmarking exercise, the Panel decided to invite all Members of the Council to submit any observations (in writing or personally) they wished to be taken into consideration before the Panel determines its final recommendations.
18. Regarding 15(c) above, the Panel noted that the current Scheme provided for payments to 4 Assistant Portfolio Holders (APHs) and that no other authority in the CIPFA Group paid such allowances, although one, Cheshire East, paid a Special Responsibility Allowance (SRA) to 'Cabinet Support Members'. The Panel was advised of the duties undertaken by APHs but felt that an allowance should only be paid where genuine responsibilities could be demonstrated. Their initial view was that they would be amenable to recommending a one-off payment to an APH in exceptional circumstances and provided it was not ongoing but they would welcome further input and evidence from Members before making a recommendation.

19. **Civic Allowances**

The Panel **recommended** the continuation of the allowances paid to the Chairman and Vice-Chairman of the Council based on the present formula, namely 100% of the basic allowance for the Chairman of the Council and 25% of the basic allowance for the Vice-Chairman.

20. **Travel and Subsistence Allowances**

The Panel was advised that the travel and subsistence allowances paid to Members were in line with the rates adopted by one of the legacy authorities and fixed by reference to the National Joint Council for Local Government staff rates. The reason for those levels of allowance having been adopted was that no such rates had, at the time of agreeing the Members' Allowances Scheme, been adopted for Central Bedfordshire staff. Currently there are different allowances for legacy staff compared to those staff appointed directly to the new Council. The new Council

rates will be used in the harmonisation exercise to ensure equality of conditions of service for all staff by 1 April 2010.

The Panel **recommended** that the travel and subsistence allowances schemes for newly appointed staff to Central Bedfordshire Council be applicable also to Members with effect from 1 April 2010.

The Panel further **recommended** that attendance at civic events, such as the annual civic reception, be not included on the list of approved duties for travel allowance purposes.

21. **Dependants' Carers' Scheme**

The Panel **recommended** that:-

- (a) the hourly rate allowance for child care and non-specialist care be increased to £5.80 (the national minimum wage for workers aged 22).
- (b) the hourly rate for specialist care be up to 3 times the national minimum wage.

22. **Co-opted Members' Allowance**

The Panel **recommended** that the existing method of payment per meeting be retained for the time being and that payment remain at £75 for a meeting or training event lasting up to 4 hours and £150 for a meeting or training event lasting more than 4 hours.

23. Panel Members requested the following information to be gathered for a further meeting to be held on 21 December 2009:

- (a) Details of the type of officer posts within the grading of spinal column point 34.
- (b) Details of the percentage comparison of SRAs against the Leader's SRA across the CIPFA Group authorities and between Basic Allowance and the Leader's SRA.
- (c) Feedback from Members.

The meeting of the Panel held 21 December 2009

- 24. All members of the Panel were in attendance at the meeting.
- 25. At the meeting held on 7 December, Panel Members had indicated that they would welcome evidence from Assistant Portfolio Holders (APHs) to enable them to gain a greater understanding of the duties and responsibilities they undertake. As a consequence three APHs (Clrs D Bowater, Mrs C Turner and B Wells) were interviewed by the Panel.
- 26. In addition the Panel was provided with the following further information:-

- (a) Details of the Leader's Special Responsibility Allowance (SRA) as a percentage of Basic Allowance (BA) compared with the Leader's SRA across the CIPFA comparator authorities.
- (b) Details of the remaining SRAs as a percentage of the Leader's SRA across the CIPFA comparator authorities.
- (c) Written observations submitted by individual Members of the Council.
- (d) A selection of jobs (denoting their professional requirements) across the authority that included spinal column point 34 within the grade.
- (e) The frequency Committees meet throughout the year.
- (f) That budget savings could possibly be achieved through current Directorate re-structuring proposals which may reduce the number of Portfolios and Overview and Scrutiny Committees.

This information supplemented that provided at the Panel's two previous meetings.

27. **Assistant Portfolio Holders**

Arising from the interview process the Panel was satisfied that APHs gave a clear indication of their accountabilities and responsibilities and how their roles interfaced with those of Portfolio Holders and concluded that there was compelling evidence and sufficient factual information to support the principle of payment of SRAs as well as increasing the current level of the SRA.

The Panel **recommended** that SRA to the four Assistant Portfolio Holders be increased from 7.5% to 15% of the Leader's SRA (this equates to 25% of the SRA paid to Portfolio Holders)

28. **Basic Allowance**

The present formula used to calculate the Basic Allowance (BA) is based on the Local Government Association Daily rate. The Panel considered switching to link to a point on the National Joint Council pay scale for Local Government staff but concluded that this would be difficult and inappropriate to apply at this time given that the pay scales of the three legacy authorities are in the process of harmonisation and negotiations are not yet complete.

The Panel agreed that the LGA Daily rate would continue to be applied in respect of the calculation of the Basic Allowance.

- 29. The Panel was mindful that the two variables impacting on SRAs were the BA and the Leader's SRA (which was currently paid at a rate of 300% of BA – i.e. £33,600 for 2009/10). All other SRAs were then calculated as a percentage of the Leader's SRA.
- 30. The Panel acknowledged that the BA of £11,220 for 2009/10 was second highest in the table of CIPFA comparator authorities and

significantly higher than the comparator average of £9,174. However, the Panel was of the view that there was a case for the BA remaining in the top quartile during this transition period for the Council.

The Panel therefore **recommended** that the Basic Allowance of £11,220 remains unchanged for 2010/11.

31. Leader's SRA

The Panel noted that this was the highest in the table of CIPFA comparator authorities and that the formula of the Leader's SRA equating to 300% of BA was above the comparator authorities average of 275%. The Panel also expressed concern that the Leader's SRA was of the order of 30% above the comparator authorities average of £25,189 and that this was difficult to justify bearing in mind the Council's current budgetary pressures. The Panel were aware that Yorkshire East Riding paid a higher SRA to its leader, but that this authority was not within the CIPFA comparator group and had only been included at the request of the Portfolio Holder for Corporate Resources.

The Panel recommended that the Leader's SRA be reduced from 300% of BA to 275% of BA for 2010/11. (This equates to the average across the CIPFA comparator authorities and will result in a reduction of the Leader's SRA from £33,660 to £30,855)

32. Portfolio Holder SRA

The Panel noted that the SRA for a Portfolio Holder had been 60% of the Leader's SRA - £20,196 for 2009/10. The Panel again raised concerns that this substantially exceeded the comparator authorities average of £12,479. The Panel's view is that 50% of the Leader's SRA would be more appropriate and would bring the SRA closer to the comparator authorities average. However, the Panel was mindful that if the recommendation at 31 above to reduce the Leader's SRA is adopted, the SRA of Portfolio Holders will reduce also, albeit that the SRA will remain well above the average of the comparator authorities. Given this set of circumstances the Panel decided to defer detailed consideration of the percentage link to the Leader's SRA until the next review.

The Panel **recommended** that the SRA for a Portfolio Holder should remain at 60% of the Leader's SRA for 2010/11.

33. Audit Committee Chairman SRA

The Panel felt unable to justify maintaining the current level of SRA for this position when compared with an Overview and Scrutiny Committee Chairman in terms of responsibility and frequency of meetings.

The Panel **recommended** therefore that the SRA for the Audit Committee Chairman be reduced from 32.5% to 20% of the Leader's SRA for 2010/11.

34. Vice-Chairman SRAs

The Panel reviewed SRAs made to all Vice-Chairmen i.e. Overview and Scrutiny Committees, Development Management Committee and the Audit Committee and did not consider the level of responsibility of these posts to be sufficiently significant to merit SRA payments.

The Panel **recommended** that SRAs for all Vice-Chairman posts be abolished from 2010/11 onwards. (This is consistent with the recommendation made by the Panel during its last review).

35. Other SRAs

The Panel **recommended** that no changes be made to the percentage link to the Leader's SRA for the following posts in 2010/11:

- Deputy Leader (15%)
- Development Management Committee Chairman (40%)
- Overview and Scrutiny Committee Chairmen (32.5%)
- General Purpose Chairman (15%)
- Standards Committee Chairman (15%)
- Licensing Committee Chairman (7.5%)
- Regulation Committee Chairman (7.5%)
- Luton & South Beds Joint Committee Chairman (40%)*
- Minority Group Leaders (7.5%)**

** While a CBC Member ** Subject to having at least 7 Members*

36. Taking into account all benchmarking data, the Panel is of the view that the revisions to the Scheme as recommended will result in Members remaining favourably ranked against comparator authorities whilst achieving savings. This would demonstrate that Members were creating efficiencies from within their own budget at a time when the Council finds itself faced with financial pressure.