

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

19 JUNE 2008

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION

Corporate and Social Inclusion – Lead Cabinet Member – Councillor T Laing

MEMBERS' ALLOWANCES

1. Summary

The report provides details of the Independent Members' Allowances Remuneration Panel's ("the Remuneration Panel") report following the previous decision in February this year to ask the Remuneration Panel to undertake a further review and report back.

2. Recommendations

It is recommended to Council that the Remuneration Panel's report be considered and the Panel be thanked for their further work.

3. Reasons for the Recommendations/Decision(s)

The Members' Allowances Regulations require local authorities to revise existing Schemes and make new Schemes following a review by and consideration of recommendations by an Independent Remuneration Panel.

At the Council's request the Remuneration Panel has undertaken a further review of allowances and has recommended changes to the present 2008/09 Scheme and a Scheme for 2009/10.

The Council is required to consider this latest report and recommendation.

4. Members'

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so

significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

The report provides details of the Independent Members' Allowances Remuneration Panel's ("the Remuneration Panel") report following the previous decision in February this year to ask the Remuneration Panel to undertake a further review and report back.

RECOMMENDATIONS

It is recommended to Council that the Remuneration Panel's report be considered and the Panel be thanked for their further work.

DETAIL

1. The Remuneration Panel undertook a review of Members' allowances in September last year and produced a report in October. The report was submitted to Cabinet on 14 February this year.
2. What became clear as a result of the Panel's work and Members' consideration of the Panel's report was that there were widely differing views on the most appropriate way forward. The Remuneration Panel had also not had the benefit of the report from the Councillors Commission.
3. In light of all of this, it was agreed that the Remuneration Panel should be asked to review their findings, taking into account the views and suggestions outlined as part of the previous review (and referred to in the report to Cabinet on 14 February 2008); the outcome of further discussions with Group Leaders; any additional views from Members and consideration of the Councillors' Commission report previously referred to.
4. In the meantime, for 2007/08 the Council agreed an inflationary backdated increase for basic, SRAs and co-optees allowances and an inflation increased backdated SRA for the Leaders of the Labour Group and Thornaby Independent Association; and a continuation of the 2007/08 Allowances Scheme, as amended, for 2008/09.
5. The Remuneration Panel has now concluded its further review and its May 2008 report is attached for consideration. This includes for ease of reference the following appendices:-

- Appendix 1 - the existing Members' Allowances Scheme for 2008/09
- Appendix 2 - the Remuneration Panel's recommendations from its October 2007 review report
- Appendix 3 - the Remuneration Panel's recommendations from its current report, for the purposes of the 2008/09 Scheme and a 2009/10 Scheme.

6. Members are asked to consider the Remuneration Panel's latest report and, in particular, its recommendations at Appendix 3 to the report.

FINANCIAL IMPLICATIONS

7. The cost of the proposed changes to the 2008/09 allowances scheme, as outlined at paragraph 5 and Appendix 3 to the Remuneration Panel report, if all are introduced, will be some £305,810K. The approved budget for 2008/09 included an additional agreed bid of £160,000. This is insufficient to meet the cost of the Remuneration Panel report recommendations. There would be a shortfall of £144,400, which would need to be funded from corporate balances.
8. For the purposes of the 2009/10 Scheme, including the increase specified in the previous paragraph, and taking into account an inflationary increase of 2.5%, the extra cost will be £20,600. The budget sum allocated for 2009/10 will also be insufficient to meet this overall cost. There will be a projected shortfall of £82,614. There will also be a projected shortfall, albeit reduced to £36,385 in 2010/11.

LEGAL IMPLICATIONS

9. The review by the Remuneration Panel, Cabinet and Council's consideration of the Panel's report, and the introduction of revised allowances schemes, taking account of the Panel review are all statutory requirements. The Authority is therefore complying with its legal obligations pursuant to this report.

RISK ASSESSMENT

10. The issues identified within this report are categorised as low to medium risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

11. Establishing the appropriate level of remuneration for Members' representational and advocacy roles in executive arrangements is an important element of the Government's modernisation agenda for local government. Independent Remuneration Panels are integral to that process and the matters highlighted in the report are key features of the Members' Allowances Regulations.

CONSULTATION INCLUDING WARD/COUNCILLORS

12. Copies of this report will be available to all Members. Consultation with all Members, in writing, was carried out on behalf of the Remuneration Panel regarding the most recent review and the Panel also had one to one meetings with Group Leaders.

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Background Papers
Ward(s) and Ward Councillors:
Property

The Panel Report
Not Ward Specific
None