

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**13 MARCH 2014**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **COUNCIL DECISION**

**Leader of the Council** - Councillor Cook

**Corporate Management and Finance** - Lead Cabinet Member – Councillor Harrington

#### **MEMBERS ALLOWANCES**

1. Summary

The report provides details of the Independent Remuneration Panel's ("the Panel") report following the decision at Council on 12 June 2013 approving a review of Members' Allowances in order to target at least 15% (£130K) savings by 2015/16 onwards.

2. Recommendations

It is recommended to Council that:-

1. The Panel's report be considered
2. The Panel be thanked for its work.
3. Proposals for achieving the Council's target of at least 15% (£130K) savings be agreed.

3. Reasons for the Recommendations

The Members' Allowances Regulations require local authorities to change existing schemes and make new schemes following a review by and consideration of recommendations from an Independent Remuneration Panel (unless no changes to an existing scheme are proposed).

At the Council's request the Panel has undertaken a review of allowances and has made recommendations in that respect, for the purposes of the Members' Allowances Scheme for 2015/16.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in**

**accordance with paragraph 18** of the code, 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 and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

#### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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### **MEMBERS' ALLOWANCES**

#### **SUMMARY**

The report provides details of the Independent Remuneration Panel's ("the Panel") recommendations following the decision at Council on 12 June 2013 approving a review of Members' Allowances, in order to target at least 15% (£130K) savings by 2015/16 onwards.

#### **RECOMMENDATIONS**

It is recommended to Council that:-

1. The Panel's report be considered
2. The Panel be thanked for its work.
3. Proposals for achieving the Council's target of at least 15% (£130K) savings be agreed.

#### **DETAIL**

1. At full Council on 12 June 2013, as part of the Medium Term Financial Plan – Big Ticket Update and Savings proposals report, it was agreed that a review of Members' Allowances should be undertaken to target at least 15% (£130K) savings by 2015/16.
2. In accordance with this decision, the Authority's Independent Remuneration Panel ("the Panel") undertook a review of Members' Allowances during October and November 2013. The Panel has concluded the review and produced a report.

#### **The Panel's Report**

3. A copy of the Panel's report is attached at **Appendix 1**.

#### **Members Advisory Panel**

4. The Members' Advisory Panel ("MAP") considered the Panel's Members' Allowances report at its meeting on 31 January 2014. Details of comments made at the meeting are attached at **Appendix 2**.
5. Cabinet is asked to consider the report and the proposals for achieving the Council's target of at least 15% (£130K) savings on Members Allowances.

## **Governance Structure**

6. Although not part of the Panel's remit, the Panel's report offers some advice on potential changes to the Authority's governance structure, in order to produce additional savings on Members' Allowances.
7. Paragraphs 6.2 and 6.3 of the report refer to the "*general feeling ... that Cabinet could be reduced by at least two Members...*" and "*general agreement that the number of select committees should be reduced significantly....*"
8. These suggestions reflect potential savings proposals referred to previously by the Leader of the Council. It is therefore proposed to present a separate report to Cabinet in that respect in due course, so that appropriate recommendations can be made regarding possible changes in 2015/16 onwards.

## **Members' Allowances 2014/15**

9. At the Council meeting on 26 February 2014, as part of the decisions relating to the Council's 2014/2015 budget and Council Tax, it was agreed that Members' Allowances should be frozen for 2014/15. A copy of the proposed Scheme for 2014/15 is attached at **Appendix 3** for information.

## **FINANCIAL AND LEGAL IMPLICATIONS**

### **Financial**

10. The financial implications of the Panel's recommendations for 2015/16 are set out at paragraph 4 of the report attached at Appendix 1, on pages 10 and 11. It should be noted that the Council's target of (at least) 15% or £130K savings, includes associated NI and Pension costs. The required (minimum) saving in relation to allowances alone amounts to £119K. Freezing Members' Allowances for 2014/15 as referred to at paragraph 9 of this report saves approximately £8K (1% of member allowances), which would otherwise have been payable if Members' allowances had been adjusted in accordance with the National Joint Council Pay rates for local government Employees, as previously agreed by Council.

### **Legal**

11. The review by the Panel, Cabinet and Council's consideration of the Panel's report, and decisions regarding the Authority's 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**

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

## **COUNCIL PLAN IMPLICATIONS**

13. Establishing the appropriate level of remuneration for Members' representational and advocacy roles in executive arrangements is an important element of the 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 and related guidance.

## **EQUALITY IMPACT ASSESSMENT**

14. An equality impact assessment is not considered to be necessary.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

15. Copies of this report will be made available to all Members. Consultation with all Members, in writing, was carried out on behalf of the Panel and the Panel also had one to one meetings with a number of Members, including Group Leaders. The Panel's report has also been circulated to Group Leaders and Groups in advance of the Cabinet meeting.

### **Director of Law & Democracy**

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<u>Background Papers:</u>	The Panel Report
<u>Ward(s) and Ward Councillors:</u>	Not ward specific
<u>Property Implications:</u>	None