

AGENDA ITEM
REPORT TO COUNCIL
30 APRIL 2014
REPORT OF CORPORATE
MANAGEMENT TEAM

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**.

Cabinet

5. At its meeting on 13 March 2014, Cabinet considered the Panel's report and the proposals for achieving the Council's target savings on Members Allowances. Details of Cabinet's decision are attached at **Appendix 4**.

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.

Next Steps

10. Council is asked to consider the Panel's report and proposals for meeting the previously agreed savings on Members' Allowances, and to thank the Panel for its work.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

11. 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

12. 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

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

COUNCIL PLAN IMPLICATIONS

14. 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

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

CONSULTATION INCLUDING WARD/COUNCILLORS

16. 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 was also 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