

## CAMBRIDGE CITY COUNCIL

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REPORT OF: Democratic Services Manager

TO: Civic Affairs Committee

29/6/2016

WARDS: None directly affected

### **INTERIM REVIEW OF MEMBERS' ALLOWANCES**

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#### **1 INTRODUCTION**

- 1.1 The Independent Remuneration Panel (the Panel) has made interim recommendations for the Committee (and Council to approve) following a review of the current Members Allowances Scheme.

#### **2. RECOMMENDATIONS**

- 2.1 The Committee is asked to agree, or amend, the interim recommendations of the Independent Remuneration Panel, copied below from its report appended, and to report to Council an Allowances Scheme for adoption:

##### **Basic Allowance**

- i) The Area Committee Allowance be removed and the sum consolidated into the Basic Allowance.
- ii) The Basic Allowance be re-aligned to the National Living Wage and thereafter be indexed in line with National Living Wage increases in order to rectify the anomalous situation which has arisen through failing to index link Councillors' Allowances. By 1<sup>st</sup> April 2016 the national minimum wage will have increased by 25.6% from £5.73 per hour in 2008, (when current Allowance payments were last set) to £7.20 per hour. We therefore recommend that the Basic Allowance be increased by the same percentage to £4,300 with effect from the 2016/17 municipal year.

- iii) This increase be applied immediately, in full, since it will only bring the Basic Allowance closer to, rather than on a par with, that paid to Members of comparable Councils. If the Council decides that this increase should be phased we recommend that it be front-loaded to provide an immediate uplift in basic allowance.

### **Special Responsibility Allowances (SRAs)**

- iv) As an interim measure, pending the outcome of a more comprehensive review of SRA payments, that the Planning Committee Chair's SRA be increased by £1,000 to £3,226 pa to bring the allowance payment for this role closer to that paid by comparable authorities. That other allowances for the Planning Committee (ie for Vice-chair and Members) remain the same.
- v) As an interim measure, that SRAs be removed from Vice Chairs of all committees other than that of the Planning Committee and that the SRAs to all members of committees (with the exception of the Planning and Joint Development Control Committees) be discontinued. This saving could be reallocated to part fund the recommended changes to the Basic Allowance, the Planning Committee Chair's allowance or expenses.
- vi) With the exceptions outlined above, other SRAs remain as they are for the present, and a further detailed review of SRAs be conducted within 6 months when the impact of current developments in Councillor roles and responsibilities is clearer. The objective of this review will be to produce an internally consistent scheme for Basic and Special Responsibility Allowances which will be appropriate to current Councillor roles and responsibilities.

### **IT/Expenses**

- vii) As part of the move to increase efficiency and reduce waste, we recommend that IT support be enhanced for councillors. This will produce efficiencies in the longer term. Other councils provide laptops/tablets to all councillors. We understand that there are IT support issues within the Council which should be resolved.

- viii) That the basic allowance be top-sliced by an appropriate amount in order to provide refreshments at full council meetings which extend into the late evenings.
- ix) As the stationery expense is so out of date we recommend that the claim for stationery expense be removed and a nominal amount of £75 per councillor per annum be allowed in addition to the Basic Allowance. This is to cover stationery, mobile phone and other communication expenses.
- x) Apart from the changes outlined above we recommend that travel, subsistence and carers' allowances remain the same.
- xi) That the next full review of the Members' Allowances Scheme should take place not more than two years from the date of this report.

2.2 That the Council approves any budgetary requirement up to £42,191 from Reserves.

### 3. **BACKGROUND**

3.1 The Committee at its meeting on 26 June 2015 agreed the process for establishing an Independent Remuneration Panel and its terms of reference. The Panel was recruited to and met, taking evidence between October and December then reviewed all the evidence and completed its report in February which is attached.

3.2 The provision of allowances to members is covered by the Local Authorities (Members Allowances) (England) Regulations 2003. It is for each local authority to decide its allowances scheme and the amounts to be paid under that scheme. An Independent Remuneration Panel provides the authority with advice on its allowances scheme and the amounts to be paid. The local authority must have regard to this advice.

3.3 Basic allowances have been at the same level since 2005/06, executive councillor and other special responsibility allowances have been at the same level since 2006/07. In 2007/08 all councillors received an SRA of £417 for area committee membership – this meant in effect that all members received the basic allowance of £2,782 plus £417 totalling £3,199. In the Independent Panel's report it refers to the current scheme being adopted in 2008/09. For clarification, this means that this was the

last time a substantive change was made (the inclusion of a special responsibility allowance for Joint Development Control Committee members).

#### **4. THE PANEL'S REPORT**

4.1 The evidence gathered by the Panel has been comprehensive. In its report it refers to the County Council allowances on a couple of occasions. The Panel was aware that a district council allowance scheme cannot be compared with a County Council scheme as they are not like for like and the Statutory Guidance is quite clear on this. However, it was clear from the interviews with councillors and the evidence gathered of the close working relationships that exist across the councils in the Cambridge area, and that it couldn't be totally ignored.

4.2 The Panel refer in its recommendations to Members IT support and IT issues, which should be resolved. Officers have already set up a group led by the Strategic Director which includes the Interim Head of the shared ICT service (3C ICT) in response to the Panel's report. The Group are, amongst other things, looking at the best ways to engage with Members in a productive and sustainable way to identify the service provision requirements going forward. To this end it is reviewing the way that ICT is currently provided to, and accessed by, Members across the three district councils covered by 3C ICT, with the aim of identifying best practice from them and from elsewhere as appropriate. Members may appreciate that the governance arrangements for 3C ICT as a shared service ensure the scrutiny of the delivery of its services to the three councils via the Strategy and Resources Scrutiny Committee. The Group will be undertaking work over the summer and will report to members in the autumn with proposals.

4.3 The Panel's recommendations have the following cost implications:

Basic allowance increase (42 Cllrs)	£ 46,242
SRA Planning Cttee Chair (1 Cllr)	£1,000
Stationery (42 Cllrs)	£3,150
SRA savings	(£8,201)
<b>Total</b>	<b>£42,191</b>

4.4 The Head of Finance reports that any additional funding for the Members Allowances in 2016/17 would need to come from the Council's

Reserves. This will be noted in the Mid Year Review reported to Council in the Autumn and budgetary provision for future years will need to be made in the Budget Report to Council in February 2017.

## 5. CONSULTATIONS

Liz Bisset formerly Director of Customer and Community Services was the senior officer with oversight of this project. The Chief Executive has been consulted on this report.

## 6. OPTIONS

Councillors must take into account the Panel's recommendations when agreeing a new scheme of Allowances-but they are not bound by it. The statutory guidance states "...that the amounts payable to members is one for local determination. In this way, councils can take full account of their particular circumstances and be directly accountable to the electorate. This accountability is sharpened through each council being advised on its own scheme by a local panel whose members are required to be independent."

## 7. IMPLICATIONS

### (a) Financial Implications

These are described in 4.3.

### (b) Staffing Implications (if not covered in Consultations Section)

None

### (c) Equal Opportunities Implications

The Panel considered the equalities issues set in its terms of reference and covered in its report and recommendations. In terms of any Tax and Benefit implications of any changes, these are a matter for individual councillors although the Council's Finance Support Services Manager can be contacted for any initial advice.

### (d) Environmental Implications

None

### (e) Procurement

None

### (f) Consultation and communication

The agreed allowances scheme and the Panel's recommended are required to be published in a local newspaper (in addition to the Council's website).

### (g) Community Safety

None

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

None. See the Panel's report for background papers.

The author and contact officer for queries on the report is Gary Clift 01223 457011.

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