

REPORT TO: Council
DATE: 9 December 2015
REPORTING OFFICER: Chief Executive
SUBJECT: Members' Allowance Scheme – Tri-annual Review
WARDS: Borough wide

1.0 PURPOSE OF REPORT

To invite Council to consider the proposals of the Independent Members' Allowances Panel and to approve a Scheme of Allowances for Members with effect from April 2016.

2.0 RECOMMENDATION: That Council consider the

- 1) recommendations (paragraph 6) of the Independent Members' Allowances Panel; and**
- 2) having regard to the Panel's recommendations, determine the Members' Allowance Scheme to be effective from April 2016 for a 3 year period.**

3.0 SUPPORTING INFORMATION

- 3.1 Under the Local Authority's (Members' Allowances) Regulations 2003 the Scheme of Members' Allowances, which was approved in March 2013, is due for review. It must be reviewed tri-annually.
- 3.2 In consultation with the Leader, the Chief Executive invited three independent and respected private sector representatives to sit as an Independent Panel (the Panel) to review the Council's Scheme of Members' Allowances and to make recommendations to the Council with regard to the matters to be included in the scheme. The Panel members were identified as having private sector experience and also a strong understanding of the public sector, having worked closely with the public sector on numerous projects and partnerships. All three are independent of the Council. The C.V. for each member of the Panel is available on request.

The Panel consists of the following:-

Paula Cain – Chief Executive, Halton Chamber

John Downes – MD, Langtree

Kate Willard – Corporate Affairs Director and Company Secretary,

Stobarts

4.0 BACKGROUND

- 4.1 The Panel were provided with, and appraised of, the Council's current scheme of allowances. This recognises the time and commitment of all Councillors as well as incidental costs incurred such as use of their vehicles, homes, internet and telephone for Council business.
- 4.2 Private use of mobile phones (etc.) is excluded and is met personally by Councillors.
- 4.3 All Councillors receive a Basic Allowance. Special Responsibility Allowances are paid in addition to Basic Allowances. Special Responsibility Allowances are paid to reflect the additional work involved in undertaking certain roles and taking on additional responsibilities within the Council's Constitution.
- 4.4 The current scheme also makes provision for payment of allowances in respect of the cost of child care or care for dependents' incurred by Members in carrying out their duties.
- 4.5 Travel and Subsistence Allowances are payable for approved duties which are detailed in the current scheme on the production of relevant receipts. The current scheme permits co-optees reimbursement of travel and subsistence and childcare and dependent care allowance on the same basis as Members of the Council.
- 4.6 From 1 April 2014 Elected Members in England are unable to join the LGPS. Those Elected Members in England who were in the scheme on the 31 March 2014 can remain in the scheme until the end of their current term of office. Elected Members in England will not be able to rejoin the LGPS in any subsequent term of office in which they serve. The allowances of Elected Members of the Council currently admitted in to a Local Government Pension Scheme are treated as amounts in respects of which pensions are payable.
- 4.7 At the present time the allowances in the scheme are increased each year by the same percentage increase (or increases) as the NJC pay award for Local Government employees. Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 applies. Increases apply on the same date as the pay award and are backdated where appropriate. Increases in travel and subsistence allowance take effect from the date on which the pay award is formally agreed. Full details of the current scheme are attached as Background Papers to the report.
- 4.8 To enable the Panel to consider the appropriateness of the existing

scheme, details of neighbouring authority schemes was collated and was made available to the Panel. This information is available on request.

- 4.9 The Panel invited the Leaders of the three political groups on the Council to meet with them and share with them their thoughts on the current Members Allowance Scheme and any changes they would wish to see.
- 4.10 The Panel also invited all Members to share with them any thoughts they had on the current allowance scheme and any changes they would wish to see.
- 4.11 The Panel were advised by the Chief Executive and the Council Solicitor on matters relating to the work of Elected Members, the law and other matters relating to Members' Allowances.

5.0 PANEL FINDINGS

5.1 The Independent Panel met on two separate occasions and corresponded on a number of occasions. The Panel received a briefing provided by the Chief Executive and considered the papers that were provided in advance of their meetings. The Panel commented that this information was both informative and comprehensive and has helped the Panel to provide an informed and considered view on the current Members' Allowance Scheme.

5.2 The Panel also

5.2.1 - met the Leaders of the three political groups, Councillor Bradshaw, Councillor Polhill and Councillor Rowe.

5.2.2 - considered written representations from 3 Councillors. This information is available on request.

5.3 After a thorough review of the current scheme, consideration of the comparative data, reviewing the comments received from the Leaders of the Labour, Conservative and Lib/Dem Groups respectively, considering the written representations received from Elected Members and a detailed discussion the Panel concluded as follows ;

- The Panel noted the major financial pressures currently facing local authorities.
- The general feeling was that it would be inappropriate to increase the overall budget relating to the cost of Members Allowances given the current austerity measures in the public sector.
- The Panel felt the current scheme of Members Allowances was still, on the whole, fit for purpose and did not require any major changes

or amendments.

- It was noted Members Allowances currently account for less than 0.5% of the Council Budget.
- The Panel were of the view the current scheme of Members Allowances offers the community of Halton **good value for money**, given the time commitment given by Elected Members to a variety of representative roles and the local advocacy undertaken by Councillors in Halton. It was noted Halton continues to be recognised as a high performing Council with Members at the heart of its activities. Public satisfaction levels are also generally in the upper quartile.
- The exceptional performance of the Leader was noted. In particular, his leadership in respect of a number of major projects, such as Mersey Gateway, and in leading the Council through a period of unprecedented budget cuts arising from the Government's reduction in funding for local authorities, was commented on. The Panel felt that his level of performance and leadership represented **excellent value for money**, given the relatively low level of his allowance when compared with neighbouring authorities, should be noted.

The exception to the above, was in respect of

- 1) **Payments to Vice Chairs** - this was questioned. There was a general consensus in the Panel that the Allowance appeared disproportionate for the actual activity that was undertaken by Vice Chairs. In reviewing the Vice Chair's Allowance, not only did the Panel look at the current relationship between this Allowance and workload, the Panel also noted that few other authorities paid an Allowance to Vice Chairs and even if they did, it was not at the level paid by Halton. The Panel agreed to retain the Vice Chair's Allowance but that it should be reduced, the general view was the Allowance should be reduced by a minimum of 50% and a maximum of 75%. This would bring the Halton Vice Chair's Allowance in line with other authorities that pay similar allowances.

The Panel propose - that the Allowances for Vice Chairs be **reduced by 50%**

This would generate (based on the current 2015/16 Vice Chair's Allowance figure) a sum of £ 17,735.

NOTE – should the Council wish to reduce the allowance by 75% the

panel would also support this. This would generate (based on the current 2015/16 Vice Chair's Allowance figure) a sum of £ 26,602.

- 2) The Panel propose - the monies currently paid to Vice Chairs be re-distributed by **increasing the basic allowance by £317 per annum** (based on the current 2015/16 Vice Chair's Allowance figure)

NOTE - should the Council wish to reduce the Vice Chairs Allowance by 75% the basic allowance would increase by £475 per annum.

- 3) Consideration was given to making some small changes in **expenses/subsistence**

This was resisted, in favour of increasing the basic allowance, however the Panel felt that expenses should be revisited at the next review as some of the current limits seem on the low side and out of kilter with some other local authorities.

- 4) The Panel also considered the **allowance for the "Leader of the Principal Opposition"**.

The current scheme does not make provision for circumstances where there is parity in the numbers of the Opposition Parties, as is currently the case (i.e. 2 Conservative Members and 2 Lib/Dem Members). In such circumstances there is effectively no principal opposition.

The Panel did not consider it appropriate to provide separate allowances for Opposition Group Leaders, as this would increase the cost of the Member's Allowance Scheme.

The Panel propose - to address this anomaly in the current Scheme of Member's Allowances, by retaining the allowance for the Leader of the Principal Opposition and where there is parity in the opposition groups, this should be split equally between the respective Group Leaders.

6.0 RECOMMENDATION

It is recommended THAT

- 6.1 **the current Members' Allowance Scheme, is fit for purpose and should remain unaltered, subject to the amendments set out in paragraph 6.2;**
- 6.2 **the current Members' Allowance Scheme be amended, as follows:-**
 - 6.2.1 **that the allowances for Vice Chairs be reduced by 50%;**

6.2.2 that the Basic Allowance be increased by £317 per annum (based on the current 2015/16 Vice Chair's Allowance figure);

6.2.3 that the allowance for the Leader of the Principal Opposition, where there is parity in the Opposition Groups, be split equally between the respective Group Leaders for such period as this parity remains.

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Current Members Allowance Scheme

Current Members Allowance Schemes for neighbouring local authorities.

Correspondence from Members