

PENDLE BOROUGH COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES - JANUARY 2018

THE INDEPENDENT REMUNERATION PANEL

Pat Higginbottom – the Council's appointed Independent Person under the Localism Act 2011

Rob Pheasey – Chief Executive, Marsden Building Society

Ed Saville – Reverend Canon Pendle Deanery and former district councillor

Advised by: - Philip Mousdale, Corporate Director
- Jane Watson, Head of Democratic Services

PURPOSE OF THE INDEPENDENT PANEL

The Independent Panel was established under the Local Authorities (Members Allowances) (England) Regulations 2003 to formulate and recommend to the Council a new scheme of allowances for elected members that would reflect their duties and responsibilities under the Council's Constitution.

TERMS OF REFERENCE

In the light of the Council's decision to move to a Committee system form of governance with effect from the Annual Council meeting to be held on 17th May 2018, to propose a new scheme for members' allowances which:

- recognises the roles, duties and responsibilities of members both as decision makers and community representatives ;
- is easy to understand by councillors and the public;
- is simple to operate;
- considers what other allowances, such as travel and subsistence and dependent's carer's allowance should be paid;

PRESENT MEMBERS' ALLOWANCE SCHEME

The Council's present Members' Allowance Scheme originally came into effect in April 2002. At that time the Council had just adopted a Leader and Cabinet form of executive arrangements as required by the Local Government Act 2000. In reaching its decision on the Allowances Scheme the Council took account of the report of an Independent Remuneration Panel that had been established. The Scheme has essentially remained the same since that time with the amount of allowances adjusted from time to time in the light of budget pressures, most recently in February 2015.

The present Scheme of Members' Allowances is as follows:

- (1) A Basic Allowance for all members of £3,000 per year
- (2) Special Responsibility Allowances :-

- Leader – £4,000 pa
- Executive Member (x9) – £1,200 pa
- Leader of Opposition Group (x1) – £1,200 pa
- Area Committee Chairman (x5) – £1,200 pa
- Scrutiny Team and Licensing Committee Chairmen - £1,200 pa
- Other Committee Chairmen (x3) – £500 pa

(3) Dependent Carers Allowance £3.00 per hour

(4) Travel & subsistence at the prescribed national rates for members.

THE EVIDENCE CONSIDERED

The Panel considered the legal background to the payment of members' allowances, the terms of reference, the political composition of the Council, the reasons for and implications of the forthcoming change to a Committee system form of governance, attendance at outside bodies and other community representation work, and the current scheme.

The Panel was advised that the majority of councillors consider that the current annual basic allowance and the current special responsibility allowances are about right bearing in mind the Council's financial position.

The Panel also considered details of current members' allowance schemes from other Lancashire councils.

CONCLUSIONS and RECOMMENDATIONS

1 The current basic allowance is very low when compared to those in most other Lancashire councils. Only one Council pays less. This is a reflection of the commendably high sense of voluntary public service on the part of Pendle councillors and also of the severe financial constraints the Council has been under for many years.

2. Nevertheless the level of the basic allowance is well established and councillors understand what it is intended to cover. The change in governance arrangements should not make any material difference to the day to day workload of a councillor. The Panel therefore recommends that it remains at the same level (£3,000).

3. The special responsibilities for which allowances are currently paid are generally similar to those payable in other councils (i.e. leaders, executive members, chairmen) though as with basic allowances the amounts paid are generally well below those paid in other councils.

4. The move to a Committee system will mean some significant changes in special responsibility duties.

5. The Council will still appoint a Leader who will broadly speaking have the same role as at present. The Panel recommends that this special responsibility allowance continues to be paid. It notes that at £4,000 it is the lowest in the county but does not at this time recommend any change.

6. The replacement of an Executive with a Policy and Resources Committee will mean that there will no longer be portfolio holders. Portfolios are a feature of executive arrangements and the requirement for political balance on the committee would mean such a system would not work smoothly in practice. The Leader and the leaders of the two other political groups will however continue to have special responsibilities in respect of the running of the Council and the Policy and

Resources Committee. The Panel therefore recommends that the two other group leaders each receives a special responsibility allowance of £1,200.

7. The Panel also noted that under the new Committee system the Council does not intend to have a Scrutiny Management Team or a Development Management Committee so those committee chairmen responsibilities will disappear.

8. The Panel was advised that Area Committees will continue to be scheduled to meet twelve times per year and the Chairmen will continue to deal with a large number of complex and technical matters of considerable local interest and direct representations from members of the public. It therefore recommends that the present allowance of £1,200 continues to be paid.

9. The Panel also received advice that the Licensing Committee now meets infrequently and that consequently the workload of its chairman is no greater than that of other Chairmen. It therefore recommends that this special responsibility allowance be reduced to £500 in line with the others.

10. The Panel does not recommend any changes to either the dependent carer's allowance or to travel and subsistence payments.

11. Under the above recommendations 11 special responsibility allowances would be payable compared with 21 at present as follows:

- Leader - £4,000pa
- Group Leader (x2) - £1,200
- Area Committee Chairman (x5) - £1,200
- Other Committee Chairman (x3- Accounts and Audit, Licensing, Taxi and Other Licensing - £500.

12. The affordability of allowances is primarily a matter for the Council rather than the Panel. However the Panel draws to the Council's attention that the current cost of the basic allowance is currently £147,000 and under the recommendations the cost would remain the same.

13. The cost of the special responsibility allowances is currently £25,900. Under the recommendations this would reduce to £13,900 a potential saving of £12,000.

14. Finally the Panel recommends that the Scheme be reviewed after 12 months' experience of the operation of the new Committee system.

Pat Higginbottom

Rob Pheasey

Ed Saville

January 2018