

Cheltenham Borough Council
Council – 24 September 2012

**Recommendations of the Independent Remuneration Panel (IRP)
regarding Members' Scheme of Allowances**

Accountable member	Council
Accountable officer	Director of Commissioning, Jane Griffiths
Ward(s) affected	
Significant Decision	No
Executive summary	<p>The council's current scheme of Members' allowances, (08-09), was adopted in December 2007. The law requires that Members' schemes of allowances are reviewed annually unless they are linked to some form of automatic indexation in which case they must be reviewed at least once in every four years. Before an authority can review its scheme of allowances it must first have considered a report from an Independent Remuneration Panel (IRP). A full review was carried out by the IRP in 2010 and its recommendations were approved by Council in December that year.</p> <p>The IRP reported to Council in March 2012 with the recommendation that they considered the changes to the Standards regime once the new arrangements were in place. The IRP have now considered the new arrangements and made recommendations regarding allowances.</p> <p>The Council is required to consider the recommendations and, if acceptable, to resolve to adopt them. If the Council rejects the recommendations then no SRA will be payable to the chair of the new Standards Committee as the existing scheme applied to the former Standards Committee which was dissolved by Council in June 2012.</p>
Recommendations	<p>I therefore recommend that:</p> <p>Council considers the recommendations set out in the attached IRP report and summarised in part 5 below, and determines whether to adopt them.</p> <p>Council authorises the Director of Commissioning to implement any necessary changes to the scheme of allowances and authorises the Borough Solicitor and Monitoring Officer to make any necessary changes to Council's constitution.</p>

<p>Financial implications</p>	<p>There is no separate budget currently identified for the payment of the Special Responsibility Allowance (SRA) for the chair of Standards Committee. However the £302 recommended allowance will be absorbed within existing Democratic budgets.</p> <p>Contact officer: Sarah Didcote, Group Accountant Sarah.Didcote@cheltenham.gov.uk, 01242 264125</p>
<p>Legal implications</p>	<p>The Local Authorities (Members' Allowances) England Regulations 2003 SI 2003/1021 set out a framework for the creation, implementation and amendment of schemes of allowances for Members and Co-optees of local authorities. The main provisions are as follows:</p> <p>Reg 10 imposes the requirement that local authorities make a scheme for payment of basic allowances. Where the authority intends to pay allowances in respect of other matters such as special responsibilities or co-optees then these should be included within the scheme.</p> <p>Schemes of allowances must be reviewed by an Independent Remuneration Panel (IRP) annually and no less than once every four years where they are index linked. Reg 19 stipulates that before an authority can amend or revoke its scheme it must have first considered a report from its IRP and have regard to its recommendations, although the authority is not bound to follow them.</p> <p>R.20(1) requires authorities to establish an IRP either itself or in collaboration with other authorities. The IRP must consist of at least three Members who are not Members of the authority in respect of which they are making recommendations nor disqualified from being or becoming a member of an authority.</p> <p>Under R.20(3) Authorities are empowered to pay the expenses incurred by the IRP in carrying out its functions and this includes such expenses or allowances as the authority shall determine.</p> <p>R.16 and 22 impose a number of requirements as to the publication of the newly adopted scheme and the recommendations received from the IRP considered at the time of formulating and adopting the scheme. The publicity requirements are intended to publicise the scheme adopted and highlight any differences between it and the one recommended by the IRP</p> <p>Contact officer: Donna Ruck, Solicitor, One Legal, donna.ruck@tewkesbury.gov.uk, Tel: 01684 272696</p>
<p>HR implications (including learning and organisational development)</p>	<p>In the current economic climate any variations to the current member allowance scheme will need to be handled sensitively. Effective communications with employees and the recognised trade unions will be needed to clarify and help ensure understanding of why any increase is needed, and how it has been arrived at.</p> <p>Contact officer: Julie McCarthy , HR Operations Manager julie.mccarthy@cheltenham.gov.uk, 01242 26 4355</p>

Key risks	The determination of allowances is a sensitive subject both from the perspective of Councillors themselves and the public who elect them. In view of this it is important that any scheme adopted is objectively reasonable and based upon some logical and fair mechanism.
Corporate and community plan Implications	None
Environmental and climate change implications	None

1. Background

- 1.1 The Local Authorities (Members' Allowances) England Regulations 2003 sets out the framework within which local authorities can establish and amend schemes providing for the payment of allowances to Elected and Co-opted Members of their councils. In particular the regulations provide that schemes which are linked to an index to determine annual increases in allowances must be reviewed at least once in every four years.
- 1.2 When reviewing its scheme a council may not adopt a new scheme or re-adopt an old scheme without first having considered the recommendations of an Independent Remuneration Panel established for that purpose.
- 1.3 The existing scheme of Members' allowances in place at Cheltenham Borough Council was adopted in March 2007 and provides for basic allowances for all elected Members, special responsibility allowances (SRAs) paid in respect of identified roles and responsibilities and travel and dependent carers payments. The scheme was last reviewed in December 2010 following the full review by the IRP panel and the revised scheme agreed by Council in December that year.
- 1.4 In the budget agreed by Council in February 2010, Members' and Mayoral allowances were frozen for a period of 5 years in the Medium Term Financial Strategy up to and including 2014/15 and SRAs for the Leader and Cabinet Members were reduced by 5% as a budget saving. Consequently there was no need for the panel to meet in 2011. This freeze is still in operation and the IRP were made fully aware of the latest budget situation within the council.
- 1.5 This year the panel were convened in February to consider the new scrutiny arrangements effective from May 2012 and Members ICT. The panel considered the new standards regime in July 2012.
- 1.6 The next full review required by legislation will commence in September 2014 reporting to Council in December 2014.

2. Rationale for recommendations

- 2.1 The IRP considered that there was a reduction in workload and level of risk and responsibility for the chair of the new Standards Committee compared to the chair of the former Standards Committee who received an SRA of £907 per annum. They have set a new SRA accordingly.

3. Alternative options considered

- 3.1 The review undertaken by the IRP constitutes a thorough and reasoned analysis of the allowance rates applicable to Councillors and those co-opted to serve the council. In reaching its

conclusions it has taken advice and gathered a range of information and considered a range of options which are detailed in their report.

4. Consultation and feedback

4.1 Detailed in the IRP report.

5. The recommendations

5.1 The recommendation and the rationale for it are set out in the IRP report but I summarise them here:

1. That the Special Responsibility Allowance (SRA) for the chair of Standards Committee under the new Standards arrangements should be set to **£302 per annum**, effective from 1 July 2012.
2. That all other aspects of the Members Allowance Scheme remain unchanged.

6. Performance management –monitoring and review

6.1 The IRP propose to review the SRAs for overview and scrutiny and Standards once they have been operating for at least 12 months to ensure the SRAs are set at an appropriate level and will require evidence of how the new roles are operating in practice.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. IRP Report
Background information	<ol style="list-style-type: none">1. Part 6 CBC Constitution – Members’ Scheme of Allowances2. IRP report to Council 13 December 20103. Reports to Council on the new Standards Regime 14 May 2012 and 25 June 2012

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the number of complaints was to escalate the workload on the Standards Committee may increase and result in an under estimate of the role of the chair.			2	2	4	Accept	IRP to review after 12 months.		Democratic Services Manager	