



REPORT TO: ANNUAL COUNCIL

DATE: 15 MAY 2014

REPORT OF THE: COUNCIL SOLICITOR
ANTHONY WINSHIP

TITLE OF REPORT: TO CONSIDER A REVIEW OF MEMBERS' AND
OTHER ALLOWANCES BY THE COUNCIL'S
INDEPENDENT REMUNERATION PANEL

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To consider any amendments to the Members' Allowances Scheme to recommend to the Council, having regard to the review of those allowances carried out by the Council's Independent Remuneration Panel.

2.0 RECOMMENDATION

- 2.1 To recommend to Council the following changes to the Scheme of Members' Allowances as recommended by the Independent Remuneration Panel:

1. The basic allowance of £3,551.64 be increased annually for the next four years effective 15 May 2014 and then each 1 April by reference to the annual percentage award to officers under the National Joint Council for Local Government Services for spinal column 34;
2. That the current system where Councillors can receive more than one special responsibility allowance be retained;
3. That the Chairman's allowances for all Committees within the Scheme be equalised to all be the same at £3,587;
4. That all allowances should include an annual increase in line with the indexation provisions of the scheme of Members Allowances for 2014/15;
5. That the allowance for LGA and LGNY&Y representatives be deleted;
6. That the current Vice Chairman's allowance of £1,260 be split with £500 being paid to the Vice Chairman and £760 to the Chairman;
7. That the current Chairman's budget be retained, in recognition of the importance of the civic role in Ryedale;
8. That some type of system be introduced to ensure that special responsibility allowances are reviewed when changes in committee structure/responsibility occurred;

9. That Group Leaders Allowances be retained and be payable to leaders of properly constituted political groups of two or more Members;
10. That the allowance paid to the Vice Chairman of Policy & Resources Committee be deleted;
11. That references to allowances for members of the Standards Committee be deleted;
12. That if Councillor meetings include members from more than one political group, they should become eligible for the payment of travel expenses.

3.0 REASON FOR RECOMMENDATION

- 3.1 This report fulfils members' request that the scheme and allowances be reviewed.

4.0 SIGNIFICANT RISKS

- 4.1 No significant risks have been identified.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 When making changes to the Scheme of Allowances, Council should take the views of the Independent Remuneration Panel into consideration. Notice that the Council has received a report from the Independent Panel, and the outcomes, will be advertised in accordance with the regulations.
- 5.2 The attached Report of the Independent Remuneration Panel sets out at paragraph 5 the research and consultation that it has carried out as preparatory work in guiding it to its recommendations.

REPORT

6.0 BACKGROUND AND INTRODUCTION

- 6.1 In accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003/1021 (as amended), the Independent Remuneration Panel was reconstituted after the appointment of members of the Panel at Council on 7 March 2013 for a term of five years.
- 6.2 The Council adopted a Scheme of Members' Allowances in 2008. A revised scheme was adopted at the Council meeting on 13 March 2008 when annual indexation for a four year period was introduced. The Scheme of Members' Allowances needed to be reviewed and accordingly the Independent Remuneration Panel was requested to produce a report. The report of the Independent Remuneration Panel has been made and a copy of the report is attached as Appendix 1.
- 6.3 Copies of the Independent Remuneration Panel's report have been made available for public inspection and as required the Council will publish a notice stating that it has received recommendations from an Independent Review Panel describing the main features of the recommendations and the recommended amount of each allowance payable.
- 6.4 An authority may not amend its Members' Allowances Scheme without having first considered a report from its Independent Remuneration Panel. An authority is not however obliged to follow its Panel's recommendations; it is simply required to have regard to them before reaching a decision.

- 6.5 If the District Council amends the scheme of Members Allowances then it must ensure that copies of the scheme are available for inspection by the public. In addition the Council must publish in one or more newspapers circulating in their area a notice that states that the Council has made/amended the Scheme of Members Allowances and specify the period of time for which the Scheme has effect. It must also describe, amongst other things, the main features of the Scheme, specify the amounts of each allowance, state that the Council has had regard to the recommendations of the Independent Remuneration Panel and describe the main features of the Panel's recommendations.
- 6.6 For Members information, a comparison of Members Allowances for Councils in North Yorkshire may be seen in the Members' Room.
- 6.7 Council is required by law to consider the final report of an Independent Panel and decide upon its scheme of allowances having taken into account the recommendations. Council should also have regard to its overall budgetary position in determining its scheme of allowances.

As such, Council will need to:-

- address the financial implications;
 - consider the affordability of the 'package' proposed by the Panel;
 - determine what level of increase to current basic and special responsibility allowances it wishes to make, if any, and from when these should be applied; and
 - consider whether it wishes to make any changes to other expenses reimbursed to Members.
- 6.8 The Independent Remuneration Panel has previously recommended that allowances should not be pensionable. The Council does not presently have the option of permitting Councillors to join the Local Government Pension Scheme.
- 6.9 The options available to Council in relation to Members Allowances are either:-
- (i) implement the recommendations of the Independent Remuneration Panel; or
 - (ii) Members can choose to support all, none or some of the Panel's recommendations in relation to revising the basic and special responsibility allowances, pension proposals or other expenses paid to Members.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
There are no significant financial implications of implementing the recommendations of the Independent Remuneration Panel.
 - b) Legal
There are no additional legal issues on the Council from the recommendations.
 - c) Other
There are no significant other implications in considering the recommendations.

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Background Papers:

New Council Constitutions – Guidance on Consolidated Regulations for Local Authority Allowances jointly issued by the Office of the Deputy Prime Minister and the Inland Revenue (July 2003)