

# CHESHIRE EAST COUNCIL

## Constitution Committee

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<b>Date of Meeting:</b>	24 <sup>th</sup> March 2011
<b>Report of:</b>	Independent Remuneration Panel
<b>Subject/Title:</b>	Addendum Report: Mid-Year Review of Scheme of Members' Allowances

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### **1.0 Report Summary**

- 1.1 This is an addendum to the report of the Independent Remuneration Panel submitted to Constitution Committee on 27 January 2011, following a meeting with the Council's Political Group Leaders on 2 March 2011 to discuss the 2010 review of Cheshire East Council's Scheme of Members' Allowances.

### **2.0 Recommendation**

- 2.1 The Constitution Committee is invited to consider the Independent Remuneration Panel's revised findings and make recommendations thereon to Council for consideration, which should include the effective date of any changes.

### **3.0 Reasons for Recommendations**

- 3.1 Before any changes can be made to the Scheme of Members' Allowances, Council must consider a report from its Independent Remuneration Panel.
- 3.2 In making its recommendations, the Independent Remuneration Panel wishes to ensure that the level of recompense for elected Members remains adequate and fair whilst being mindful of the financial constraints currently facing local government.

### **4.0 Wards Affected**

- 4.1 All

### **5.0 Local Ward Members**

- 5.1 All

### **6.0 Policy Implications**

- 6.1 Any agreement to amend the Allowances currently payable to elected Members will require alteration(s) to be made to Cheshire East Council's Scheme of Members' Allowances.

## **7.0 Financial Implications**

- 7.1 Having considered the options available to it, the Independent Remuneration Panel has recommended that no increase be applied to the Scheme of Members' Allowances for 2011/2012.
- 7.2 The recommendations in respect of the post of Vice Chairman (Recommendation 4a-4c) and School Appeal Panel Co-opted Members (Recommendation 10) would not incur any additional cost to the budget but would, if implemented, generate savings.

## **8.0 Legal Implications**

- 8.1 The Council is empowered to pay a range of Allowances to its Members in respect of their roles and responsibilities but must, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, appoint an Independent Remuneration Panel to offer advice and make recommendations on the Members' Allowances Scheme to Council. This report contains the advice of the Panel.

## **9.0 Risk Management**

- 9.1 Consideration of the report enables the Council to comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003.

## **10.0 Background**

- 10.1 The Panel submitted its final report to the meeting of the Constitution Committee on 27 January 2011 (Appendix 1). During its deliberations, a number of questions were raised by the Committee about the conclusions drawn by the Panel. Having debated the report, the Committee resolved that:

*"The Independent Remuneration Panel be thanked for its report which is noted, and the Panel be invited to meet with the Council's political leaders and Group Whips to discuss the recommendations in the report."*

- 10.2 A meeting between the above parties was held on 2<sup>nd</sup> March 2011. The report summaries the discussion which took place and sets out the recommendations of the Panel.

## **11.0 Review of Scheme: Panel's Original Recommendations**

- 11.1 The Committee was mainly supportive of the Panel's recommendations contained within its final report. The purpose of the meeting held on 2 March had been to explore further the Panel's conclusions relating to Vice Chairmen, mileage rates and Special Responsibility Allowances in respect of Cheshire Pension Fund Committee and Local Area Partnerships i.e.

**Recommendation 4: *That -***

**a) *Special Responsibility Allowances for the post of Vice Chairman except as provided for in (b), be removed from the Scheme of Members' Allowances from 2011/2012; and***

**b) *A Special Responsibility Allowance of £1,000 per annum be awarded, with an additional £200 payable for each meeting chaired up to a maximum of £2,400 per annum, to the Vice Chairman of Strategic Planning Board, Southern Planning Committee, Northern Planning Committee and Licensing Committee.***

**Recommendation 6:**

***That the level of Travel Allowances for 2011/2012 should not be increased and remain at the same level awarded in the Scheme of Members' Allowances for 2010/2011.***

**Recommendation 8:**

***That no Special Responsibility Allowance be payable to Cheshire East Councillors appointed to the Cheshire Pension Fund Committee.***

**Recommendation 9:**

***That no Special Responsibility Allowance be payable to Cheshire East Councillors appointed to the Borough's Local Area Partnerships at this time; the position to be kept under review.***

Constitution Committee also wished to seek approval for a minor amendment to Recommendation 10:

***That a flat rate payment of £50 per four hour session or part thereof be paid to School Appeal Panel Members attending appeal meetings or associated training on receipt of proof from their employer that a loss of income had been incurred as a direct result of the performance of their duties on the Panel.***

## **12.0 Outcome of Discussions**

### **12.1 Role of Vice Chairman**

12.1.1 From research obtained as part of the review, the Panel had concluded that the role of the Vice Chairman was one of *support* and *assistance* to the Chairman and as such there was no significant level of *responsibility* attached to the role.

12.1.2 It had therefore recommended that, in line with neighbouring authorities, Special Responsibility Allowances for Vice Chairmen be removed from the Scheme with the exception of the quasi-judicial functions of planning and licensing. It further concluded that where a Vice Chairman was required to chair a meeting of the Committee, that some form of recompense should be made.

12.1.3 Elected Members argued that Vice Chairmen needed to have the same

level of skill and knowledge as that of the Chairman to be able to substitute for him/her in their absence and that the role contributed to the Member's personal development. If the Panel was minded to review the level of remuneration, then any changes should apply equally across all the Council's Committees and be commensurate with the rest of the Scheme.

- 12.1.4 The Panel took on board the comments expressed and revised its recommendation as follows, taking into account recommendation 5a which would, if approved, introduce the role of Chairman of Constitution Committee and Chairman of Audit and Governance Committee into the Schedule of Special Responsibility Allowances attached to the Scheme.

**Revised Recommendation 4: That -**

- a) Special Responsibility Allowances for the post of Vice Chairman be retained within the Scheme of Members' Allowances for 2011/2012;***
- b) The role of Vice Chairman of Constitution Committee and Vice Chairman of Audit and Governance Committee be included in the Schedule of Special Responsibility Allowances appended to the 2011/2012 Scheme of Members' Allowances; and***
- c) A Special Responsibility Allowance of £1,000 per annum be awarded to the Vice Chairman posts included in Schedule 1 of the 2011/2012 Scheme of Members Allowances, with an additional £50 payable for each meeting chaired up to an accumulated maximum total of £1,500 per annum.***

12.2 Travel Allowances

- 12.2.1 The original recommendation put forward in respect of Travel Allowances encompassed not just vehicle mileage rates but all modes of transport covered by the Scheme. In making its recommendation in respect of car mileage; the Panel had wished to retain the link between the mileage rates paid to officers under the National Joint Council for Local Government Agreement (NJC Scheme) and that paid to Members, although this was not clear from the wording submitted. In clarifying its position, the Panel stated that it would have no objection to a lower rate being imposed by the Council but that the Members' rates should not increase over and above those paid to officers.

12.2.2 **Revised Recommendation 6**

***That the level of Travel Allowances for 2011/2012 should not be increased and should remain at the same level awarded in the Scheme of Members' Allowances for 2010/2011, except for car mileage rates which are to remain linked to the amounts payable to officers in accordance with the National Joint Council for Local Government Agreement.***

12.3 Cheshire Pension Fund Committee

- 12.3.1 None of the partner authorities represented on the Cheshire Pension Fund Committee currently paid a Special Responsibility Allowance to members

of the Committee. Given the technical nature of the Chairman's role there was some sympathy for its inclusion within Cheshire East's Scheme but the Panel considered that it was not within its gift to require partner authorities to contribute towards payment of a Special Responsibility Allowance as suggested at the meeting. As a result, the Panel did not wish to amend its original recommendation at this time.

#### 12.4 Local Area Partnerships

12.4.1 In acknowledging the workload of the Local Area Partnerships (LAPs), the elected Members concurred with the views expressed by the Panel that as a non-decision making community body the Chairmen of the Borough's 7 LAPs should not be included in the Scheme. As a result, the original recommendation remained unchanged.

#### 12.5 School Appeals Co-optees: Loss of Earnings

12.5.1 The Panel had recommended the introduction of a flat rate payment of £50 claimable by School Appeal Panel Co-opted Members who had lost earnings as a result of attending meetings/training. The Committee had expressed a view that payment should be made 'up to a maximum' of £50 and the Panel was invited to consider the amendment.

#### 12.5.2 **Revised Recommendation 10:**

***That a payment of up to £50 per four hour session or part thereof be paid to School Appeal Panel Co-opted Members attending appeal meetings or associated training on receipt of proof from their employer that a loss of income had been incurred as a direct result of the performance of their duties on the Panel.***

### 13.0 **Summary of Recommendations**

13.1 Having regard to the amendments proposed above, the revised recommendations of the Independent Remuneration Panel in respect of the 2011 Scheme of Members' Allowances are as follows:

**That**

- 1) The Cheshire East Scheme of Members' Allowances should make provision for the Independent Remuneration Panel to review, on an annual basis, the current Scheme's allowances and recommend whether any adjustments were appropriate;**
- 2) The level of Basic Allowance for 2011/2012 should not be increased and remain at the same level awarded in the Scheme of Members' Allowances for 2010/2011;**
- 3) Excluding the role of Vice Chairman except as provided for in Recommendation 4a – 4c, the level of remuneration in respect of Special Responsibility Allowances, Subsistence Allowances, Co-opted Member Allowance, Dependent Carer's Allowance,**

**Broadband/Line Rental fees and Members' Surgery fees for 2011/2012 should not be increased and remain at the same level awarded in the Scheme of Members' Allowances for 2010/2011;**

- 4a) Special Responsibility Allowances for the post of Vice Chairman be retained within the Scheme of Members' Allowances for 2011/2012;**
- 4b) The role of Vice Chairman of Constitution Committee and Vice Chairman of Audit and Governance Committee be included in the Schedule of Special Responsibility Allowances appended to the 2011/2012 Scheme of Members' Allowances;**
- 4c) A Special Responsibility Allowance of £1,000 per annum be awarded to the Vice Chairman posts included in Schedule 1 of the 2011/2012 Scheme of Members Allowances, with an additional £50 payable for each meeting chaired up to an accumulated maximum total of £1,500 per annum;**
- 5a) The role of Chairman of Constitution Committee and Chairman of Audit and Governance Committee be included in the Schedule of Special Responsibility Allowances appended to the 2011/2012 Scheme of Members' Allowances ;**
- 5b&c) A gearing equivalent to 0.65 of Basic Allowance be applied to the post; the position to be kept under review;**
- 6) The level of Travel Allowances for 2011/2012 should not be increased and should remain at the same level awarded in the Scheme of Members' Allowances for 2010/2011; except for car mileage rates which are to remain linked to the amounts payable to officers in accordance with the National Joint Council for Local Government Agreement;**
- 7) No Special Responsibility Allowance be allocated to the Chairman or Members of Cheshire and Wirral Joint Health Scrutiny Committee at this time; the position to be kept under review;**
- 8) No Special Responsibility Allowance be payable to Cheshire East Councillors appointed to the Cheshire Pension Fund Committee;**
- 9) No Special Responsibility Allowance be payable to Cheshire East Councillors appointed to the Borough's Local Area Partnerships at this time; the position to be kept under review;**
- 10) A payment of up to £50 per four hour session or part thereof be paid to School Appeal Panel Co-opted Members attending appeal meetings or associated training on receipt of proof from**

their employer that a loss of income had been incurred as a direct result of the performance of their duties on the Panel; and

**11) The following wording be inserted into the 2011/2012 Scheme of Members' Allowances –**

**“The Council has introduced a Pension Scheme for Members as provided under Section 7 of the Superannuation Act 1972 and in accordance with the statutory regulations and guidance issued by the Local Government Pensions Committee and the Local Government Pension Scheme (LGPS). Under the Council’s Scheme, elected Members of Council are entitled to join the LGPS, providing they meet the eligibility criteria; contributions to be calculated on the Basic Allowance payable and any Special Responsibility Allowance whilst the Member is in receipt of such Allowances.”**

**14.0 Access to Information**

**14.1 The background papers relating to this report can be inspected by contacting the report writer:**

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