
Date of meeting:	2 April 2009
Report of:	Borough Solicitor and Monitoring Officer
Title:	Independent Remuneration Panel

1.0 Purpose of Report

- 1.1 To enable the Council to receive and consider the report of the Independent Remuneration Panel on the Members Allowances Scheme to apply from April 2009.

2.0 Decision Required

- 2.1 To consider the report and recommendations of the Independent Remuneration Panel and, if appropriate, to adopt the recommendations of the Panel on the Member Allowances Scheme to apply to the Council for 2009/10.

3.0 Financial Implications for Transition Costs

- 3.1 There are no implications for Transition costs

4.0 Financial Implications 2009/10 and beyond

- 4.1 The annual estimated cost of Members Allowances based on the proposals in the report of the Remuneration Panel, is £1.4m and this has been included in the 2009-10 Budget approved by Council in February. This estimate includes National Insurance, travel and subsistence and other oncosts. The projections will need to be kept under review in the light of the actual operating experience of the fully vested Council.

5.0 Legal Implications

- 5.1 The Council is empowered to pay a range of Allowances to Members in respect of their roles and responsibilities, but must appoint an Independent Remuneration Panel to offer advice and recommendations on the Allowances Scheme, prior to its adoption by the full Council. The report contains the required advice from the Remuneration Panel.

6.0 Risk Assessment

- 6.1 Consideration of the Panel's report enables the Council to adopt appropriate remuneration arrangements in compliance with the Members' Allowances Regulations 2003.

7.0 Background and Options

- 7.1 In order to make a Scheme of Member's Allowances for the vested Council, it was necessary for the Authority to appoint an Independent Remuneration Panel to consider and make recommendations on the Scheme's provisions.
- 7.2 Governance and Constitution Committee on 1 December 2008 formally appointed a Remuneration Panel of five independent persons. The Panel has met on six occasions, and has drafted its report on the Allowances arrangements for 2009/10. The Panel's report and recommendations were considered by Governance and Constitution Committee on 9 March, who resolved to advise Council to adopt them in full.
- 7.3 The Remuneration Panel has since met again on 19 March, to consider two outstanding aspects of the Scheme, namely whether Special Responsibility Allowance should be paid to the Cabinet Support Member posts; and also whether any co-optees allowance should be paid to co-opted and Independent Members of Committees. The Panel's recommendations are set out in the Addendum to this report.

8.0 Overview of Day One, Year One and Term One Issues

- 8.1 The need for a Scheme of Members Allowances is required for Day One, to apply for the whole of Year One and to form the basis of the Scheme thereafter.

9.0 Reasons for Recommendation

- 9.1 The Council is requested to consider the report of the Independent Remuneration Panel, and decide upon the adoption or otherwise of the Panel's recommendations for the Allowances Scheme.

For further information:

Portfolio Holder:

Officer: Mike Flynn, Governance Lead Officer

Tel No: 01244 972260

Background Documents:

Office of the Deputy Prime Minister Guidance on Consolidated Regulations for Local Authority Allowances (July 2003)

Documents are available for inspection at Legal and Democratic Services
Westfields Sandbach

Report of Cheshire East Council's
Independent Remuneration Panel

Cheshire East Council's Allowances Scheme
From 1 April 2009

Introduction

- 1 The Implementation Order for Unitary Local Government in Cheshire applied Cheshire County Council's Scheme of Member Allowances to the Shadow Unitary Councils for the period May 2008 - March 2009 inclusive. An interim scheme for the Shadow period was approved, adopted and applied.
- 2 Cheshire East Council recognised the requirement for an Independent Remuneration Panel to consider and make recommendations with regard to the levels and types of Members' Allowances that should be adopted by the vested Council from April 2009.
- 3 The Panel and its Membership was agreed and appointed by the Governance and Constitution Committee on 1 December 2008 and consists of the following Independent Members:-

David Routs (Chair)
Prof. Michael Burdekin
Jan Charles
Christine Crowe
Peter Foden
- 4 Officers supporting the Panel are:
Mike Flynn, County Secretary and Cheshire East Governance Lead;
Ian Jones, Business Manager, Cheshire County Council and Acting Secretary to the Panel;
Steve Wilcock, Finance Manager, Cheshire County Council.
- 5 The Panel met on 6 occasions (18 November (preliminary), 3 and 16 December, 13 January, 23 February and 19 March) and this report sets out the Panel's recommendations for consideration by the Cheshire East Council.
- 6 The Panel invited all Members of the Shadow Council to submit their views on allowances arrangements taking account of the developing political structure, the responsibilities and the time commitments. The Panel received a total of 7 written responses as well as the views of representatives of the Governance and Constitution Committee who met with the Panel at its preliminary meeting.
- 7 The Panel devoted time at the start of the deliberations to the special position which Cheshire East occupies, as a new Unitary Council moving from 'Shadow' mode to vested status on 1 April, with all of the demands and challenges which this will place on Members.

- 8 It was noted that the new Council would deliver or commission all of the local authority services in its area. Cheshire East with a population of 360,700 is the third largest Unitary Authority in the North West and the ninth largest in England. It covers an area of 116,630 hectares, employs approximately 14,000 staff and has a net budget of £235m. Accordingly it is a substantial organisation, which the Panel felt should be reflected in the allowances arrangements.
- 9 The Panel was aware that the political management structures of the Council were still developing, and these arrangements have continued to progress whilst the Panel was considering the Scheme.
- 10 The Panel was advised that the Council intended to adopt the “strong leader” model of Executive, and that there would be delegation from the full Cabinet to individual Cabinet Members, thereby increasing individual accountability for each portfolio area. These arrangements were approved by the Council on 24 February.
- 11 These developments would place more responsibility on the role of Overview and Scrutiny, in terms of the review of Cabinet activity and the provision of advice and recommendations on policy development. Other new roles for scrutiny included the NHS, other external bodies through the Local Area Agreement and Community Safety arrangements, and the forthcoming need to deal with Councillor Call for Action and Local Petitions. The Council has resolved to appoint five Scrutiny Committees to deal with this work, together with “Task and Finish” review Panels, all of which will place significant burdens on the non-Executive Members.
- 12 Equally the Council has now established its arrangements for dealing with Planning matters and Licensing, following a similar pattern of a “strategic” Committee in each case, with a separate North and South Committee (Planning) or Sub-Committees (Licensing) to deal mainly with the detailed applications. The Panel accepted that the workload of these Committees and Sub-Committees would be high with significant demands (including training) placed upon their Members.
- 13 Still developing are the Council’s proposals for local working, through the “pilot” Local Area Partnerships (LAP’s). The Panel understand that the success of the Council will be judged partly against the effectiveness of this engagement with local communities. Although how this will work in practice is not yet fully clear, the Panel was of the view that the Local Working/representational element of Members work would be both time consuming and important, and that the level of basic allowance in particular should reflect this. Further consideration would need to be given to the possibility of a Special Responsibility Allowance for the LAP Chairs in due course.
- 14 The Panel considered the position of the Opposition Groups and the nature of the contribution they can make through the political management arrangements to the operation of the Council. The Panel is minded to advise that some SRA’s should be available to Opposition Leaders and Whips. However the Panel was unable to come to a view at this stage about the role and contribution which might be made by Opposition Spokesmen if they were to be appointed. If the Council requires, the Panel is willing to reconsider this aspect, on the basis of further information on the nature of the

Spokesperson's role and responsibilities and whether any such appointments will be made in the Council's formal structures.

- 15 The Panel was also advised about the intention to create the role of a 'Cabinet Assistant' (possibly up to 4 such posts) in order to increase the overall capacity of the Cabinet. The Panel will be happy to consider this when more details are available as to the responsibilities of the Cabinet Assistants.

16 The Panel's Approach included consideration of the following issues:-

- The provision for special responsibility allowances (SRA's), the rate of basic allowance and the other more detailed aspects of the allowance scheme.
- the Shadow Council's developing political structures, portfolio holders' service responsibilities and summaries of the Shadow and County Council current posts that attracted SRA's.
- Comparative allowances information (including population and area size), including information gathered from the following unitary authorities: Kirklees, Corydon, Blackpool, East Riding, Stockport, Trafford, Barnet, Wakefield and Wirral
- Employers' NI and travelling and subsistence costs, as well as the applicability of the Local Government Pension Scheme.

17 The Panel received and considered the following documentation:-

- Government Guidance on Local Authority Allowances
- A Guide to the current Shadow Council Scheme including travel and subsistence
- Protocol on Member / Officer relations
- Members SRA Template
- Child Carer/Dependent Carers Allowance Guidelines
- Model Member Job Descriptions
- Health and Adult Social Care Committee report
- A comparative information paper showing examples from other Unitary Councils and County Councils Network data
- Information on and terms of reference of Licensing Committee and Sub-Committee Chairmen etc.

- 18 In considering the basic allowance, due regard was given to comparator information, the basic rate established at the County level, the views of Council Members, the current national average wage (£24,900), affordability and the element of volunteering for public service.

- 19 An underlying principle is that the Basic Allowance is used as the basis from which all SRAs are calculated, in accordance with an appropriate weighting and differential gearing; weightings were applied to each SRA with a methodology involving the perceived work of the posts and using best judgement and assessment of the posts with the available information. Use of the Basic Allowance as a basis for SRA levels is a generally accepted method for Remuneration Panels and the Panel confirms this for its recommended scheme.

- 20 In considering the gearing factor which should be applied to each post following the establishment of the basic allowance, Members considered each post carefully in relation to the amount of time, effort and responsibility which was applicable in each case.

Conclusions

- 21 It was agreed that 45% of the current national average wage would be a fair reflection of the work involved taking everything into consideration including the voluntary 'public service' element of the Councilor role. This would be a good starting point to attach gearing percentages in order to establish SRA payments and therefore the **recommendation for Basic Allowance would be £11,200.**
- 22 A 'template' was developed by the Panel showing the offices to which **Special Responsibility Allowances** should apply in the Shadow Council's Political Structures and the Panel considered and agreed on all posts eligible for SRA payments, recognising that the structure would be subject to further change and development. In considering the gearing factor which should be applied to each post following the establishment of the basic allowance, Members considered each post carefully in relation to the amount of time, effort and responsibility which was applicable in each case. The recommendations are set out in Appendix 1.
- 23 It was agreed that Child Carer/ Dependent Carers Allowance be paid as outlined in the template.
- 24 It was agreed that the current Shadow Subsistence and Travel Allowances scheme be adopted with the appropriate uplift wef 1.4.09 in relation to RPI.
- 25 The Panel recommend that access to the Local Government Pension Scheme be available to all members and be applied to both Basic and the payment of Special Responsibility Allowances
- 26 The Panel agreed to apply the application of Travel Allowances for Nominated Member duties at an HQ building for essential business only which arises directly from the offices which these Members hold.
- 27 The Panel agreed to undertake further work on the possible payment of allowances to Independent and co-opted members who are formal members of Committees.
- 28 The Panel recommends that there be just one payment of SRA to any Member and in the case of a Member being eligible for more than one payment the entitlement would be to the higher SRA.

Review

- 29 The Panel was keen to acknowledge that the new Authority's political structure could be subject to change over the first year and perhaps the year beyond, as the Council evolves. This will require a flexible approach to the review of allowances as changes occur. Whilst an annual review of the Scheme as a whole is the ideal, the Panel considered that allowances should normally be revised, at the appropriate time each year, by being linked to the prevailing Retail Price Index (RPI).

Recommendations

The Remuneration Panel recommends

- (1) the adoption of the allowances arrangements as set out in Appendix 1**
- (2) the adoption of the current levels (Shadow Council) of travelling and subsistence, as outlined in Appendix 2, subject to an adjustment if necessary for inflation (RPI) with effect from 1 April 2009.**

David Routs
Chair

Appendix 1

Members Allowances from 1/4/2009

		Gear	SRA £
Basic Allowance	81		11200
Mayor	1	1.25	14000
Deputy Mayor	1	0.5	5600
Carers Allowance (max)		0.55	6100
Council Leader	1	2.5	28000
Deputy Council Leader	1	1.5	16800
Cabinet Portfolio	8	1.25	14000
Scrutiny Committee – Chair	5	0.65	7280
Vice Chair 5 0.22 2460			
Public Rights of Way Committee Chair	1	0.5	5600
Vice Chair	1	0.165	1850
Appeals Committee Chair	1	0.65	7280
Vice Chair	1	0.22	2460
Planning Board – Chair	1	0.65	7280
Vice Chair	1	0.22	2460
Area Planning Committee Chair	2	0.65	7280
Vice Chair	2	0.22	2460
Governance & Constitution Committee Chair	1	0.65	7280
Vice Chair	1	0.22	2460
Licensing Committee – Chair	1	0.65	7280
Vice Chair	1	0.325	3640
Staffing Committee – Chair	1	0.65	7280
Vice Chair	1	0.22	2460
Standards Committee – Chair	1	0.65	7280
Vice Chair	1	0.22	2460
Opposition Spokesperson		0 0	
Main Opposition Leader	1	0.65	7280
Main Opposition Deputy Leader	1	0.325	3640
Opposition Leaders	2	0.5	5600
Administration Whip	1	0.325	3640
Deputy Administration Whips	2	0.15	1680
Opposition Whips	3	0.15	1680

Appendix 2

PROPOSED TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES/REIMBURSEMENTS

1. Dependants' Carers' Allowance

£6,100 - maximum total amount payable to an individual Member each year subject to production of receipts. This element of the allowances scheme is seen as an important factor in enabling Members to fulfil their duties as well as being able to care for dependents (children and adults in their care).

2. Travelling Reimbursement (in line with officer scheme)

2.1 Car Rate per Mile

Miles per Annum	451 – 999 cc	1000 – 1199 cc	1200 cc+
per mile first 8,500	42.9p	46.9p	58.7p
per mile after 8,500	32.3p	13.6p	15.8p

2.2 Rail Travel

All Rail Travel to be booked centrally through the travel bookings system wherever possible and second class travel to be used, unless in exceptional circumstances where a good business case can be made for first class. Where applicable senior rail cards to be used to reduce cost.

2.3 Motor cycle or moped allowance

	Rate per mile	Rate per mile	
Motorcycle	126 - 250cc	251 - 500cc	
For the first 1,500 per annum	27p	35 .5 p	
Moped	500cc+	Up to 125 cc	Up to 50cc
For the first 1,500 per annum	39.2p	18.8p	12.4p
Non motorised transport e.g. bicycle	11 pence per mile		
Additional rate for each passenger, not exceeding 4, to whom a Travelling Allowance would otherwise be payable:	1.0 pence per mile		
Expenditure on tolls, ferry or car parking:	Actual Amount		

Overnight garaging supplement,
where the Member is absent
overnight: Actual Amount

3. Subsistence Reimbursements (add uplift for RPI wef 1/4/09)

Breakfast Allowance for a duty of more than 4 hours concluding before 12 noon
£8.29

Lunch Allowance for a duty of more than 4 hours concluding after 12 noon
£10.64

Dinner Allowance for a duty of more than 4 hours concluding after 6 p.m.
£16.69

Dinner Allowance (London and abroad) for a duty of more than 4 hours
concluding after 6 p.m. £34.57.

Overnight outside London: £118.60 (to include breakfast)

Overnight in London - £142.31 (to include breakfast).

The limitations on reimbursement are:

(i) Absence of more than 4 but less than 8 hours, the cost of 1 main meal.

(ii) Absence of 8 hours or more but less than 12 hours, the cost of 2 main
meals.

(iii) Absence of 12 hours or more, the cost of 3 main meals.

(Receipts must be submitted with such claims)

5. Members Surgeries

Up to a maximum of £32 for room hire in connection with the conduct of a
Member's Surgery, subject to a maximum of twelve such claims per annum and
the submission of necessary receipts.

Approved Duties:

**It is suggested that Members may claim travel, subsistence and other
allowances for approved duties detailed below:**

- Attendance at meetings of Council, Committees, Sub-Committees, Cabinet meetings (including by invitation) Special Committees, Panels, Boards, Forums, Local Joint Highways and Transportation Committees, District Public Transport Liaison Committees and Working/Task Groups
- Attendance at visits of inspection of sites and buildings arranged by any of the bodies listed above

- Attendance at meetings of bodies on which the Borough Council is invited to be represented and Outside Body Meetings to which the Governance and Constitution Committee make appointments but excluding School Governing Bodies

- The doing of anything as Chairman or Vice-Chairman of an outside body on which the Member is representing the Borough Council

- Conferences/Seminars

- Authorised briefings for Committees/Sub-Committees/ Cabinet meetings including all meetings which are called by officers of the Council e.g. Pre Agenda meetings

- Duties undertaken by a Chairman/Cabinet Member

- Courtesy Visits

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- Civic duties of the Mayor and Deputy Mayor of the Council
- Service duties and visits undertaken by the Chairman/Vice Chairman of Committees and Sub-Committees and by Cabinet Members
- for individual Members, attendance at official openings, open days, presentations, meetings with VIPs, receptions etc all of which take place outside the Electoral Ward)

- Governors of FE/HE Colleges, Residential Special Schools and Independent Schools

- 'Nominated Member' Duties - those members covered by this element of the scheme are deemed to be for travel to the authority's Administrative Buildings as follows for essential business arising from the office which they hold:

- Leaders
- Deputy Leaders
- Group Whips
- Mayor and Deputy Mayor

- Attendance at Parish Council Meetings within the Electoral Ward

- Member Learning and Development Events

- For Parent Governor Co-opted Members – travel expenses to the Cheshire East Association of Governing Bodies meeting (Maximum 12 p.a.)

Addendum to Report of Cheshire East Council's
Independent Remuneration Panel

In addition to the report and recommendations outlined above the Independent Remuneration Panel considered the following matters at their meeting on 19 March and makes further recommendations and comments.

(1) Cabinet Support Members

The Panel was provided with a proposed "job description" but found it difficult to assess the time and commitment required in these posts. The Panel also felt that it might be difficult for individual Members to provide support to all of the Cabinet portfolios rather than specific ones given the breadth of knowledge involved. However should the Council choose to appoint these posts then the SRA be recommended in a range between a gearing of 0.5 and 0.65 of the basic allowance:-

Members Allowances from 1/4/2009		Gear	SRA £
Cabinet Support Members	4	0.5	5600
OR		0.65	7280

(2) Statutory Co-opted Members, Independent Members of Standards Committee
and other Co-opted Members onto a Committee/Body with a regular
commitment

The panel recommends that a claimable allowance be made available of £30 per meeting attended.

(3) Review of Allowance Scheme

Given the Council becomes fully vested from 1 April, the Panel anticipates a further meeting in the late Autumn to review the allowances arrangements in the light of operational experience.

David Routs
Chair
19 March 2009