

CHESHIRE EAST COUNCIL

Constitution Committee

Date of Meeting: 15th July 2016
Report of: Head of Governance and Democratic Services
Subject/Title: Scheme of Members' Allowances: Report of the Members Allowances Independent Remuneration Panel (IRP)

1.0 Report Summary

- 1.1 This report appends the Members Allowances Independent Remuneration Panel's review of Cheshire East Council's Scheme of Members Allowances (Appendices A and B).

2.0 Recommendation

- 2.1 That the Constitution Committee note the Independent Remuneration Panel's report and refer the report to full Council.
- 2.2 Specific consideration of the following matters is also requested:
- a) In respect of the annual index recommended to be applied to all allowances in the Scheme– if accepted, to recommend for how many years this index should apply (up to a maximum of 4 years).
 - b) In respect of the implementation date, to recommend whether any changes to the Scheme of Allowances once approved should be implemented from the date of the Council meeting, or be backdated to 11 May 2016.
 - c) In respect of the financial aspects of the report, to consider the analysis provided by Financial Services (Appendix C) and to make appropriate recommendations to Council.
 - d) In respect of the references in the IRP report to the fees paid to Councillors as Directors of ASDVs, to consider the legal advice provided by the Director of Legal Services (Appendix D).

3.0 Reasons for Recommendations

- 3.1 The reasons for the recommendations of the Members Allowances IRP are contained with the Panel's report.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 None

6.0 Policy Implications

6.1 None

7.0 Financial Implications

7.1 A financial analysis of the Report of the Members Allowances IRP Panel has been undertaken by Financial Services and is attached (Appendix C).

8.0 Legal Implications

8.1 The Council is empowered to pay a range of allowances to its elected Members in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 in respect of their roles and responsibilities.

8.2 In accordance with the Regulations, the Council is required to appoint an Independent Remuneration Panel to make recommendations in respect of the Members' Allowances Scheme to Council. The Council has to have regard to the recommendations of the Panel when determining or making changes to a scheme of Members Allowances.

8.3 Specific legal advice is appended in connection with the IRP report's recommendations relating to ASDV payments (Appendix D).

9.0 Risk Management

9.1 No risks have been identified.

10.0 Background and Options

10.1 The Members Allowances Regulations 2003 require that a Members Allowances Independent Remuneration Panel is established and maintained.

10.2 The scheme of Members Allowances covers the payment of basic allowance, special responsibility allowance, dependants' carers' allowance, travel and subsistence allowance and co-optees allowance.

10.3 The former Members Allowances Independent Remuneration Panel Members retired in February 2015. The Constitution Committee therefore appointed a new Panel on 26 November 2015 comprising of Professor Steve Leach (Chairman); Mr Patrick Grange; Mrs Mandy Ramsden and Mr Eric Shaw for a four year term of office expiring in 2020.

- 10.4 The Constitution Committee agreed that there was no necessity for a report of the Independent Remuneration Panel to be produced on an annual basis and that in order to achieve this, consideration could be given to making future provision for the Members Allowances Scheme to be adjusted on an annual basis, by reference to an index. Where the only change made to a scheme in any year is that affected by an annual adjustment, the scheme shall not be deemed to be amended and, therefore, in those cases does not need to be reviewed/agreed by Council.
- 10.5 An index can be applied for a period of up to four years. This option has been considered by the Independent Remuneration Panel and a recommendation has been included in their report. Council will need to determine for how long the index will apply which is recommended for all allowances.
- 10.6 Council will need to determine whether any changes to the Scheme of Allowances when approved should be implemented from the date of the Council meeting or be backdated to 11 May 2016. Officers recommend that the scheme be effective from the date of the Council decision, rather than backdating, to avoid potential complications with regard to the recovery of payments from some Members.

11.0 Access to Information

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

Name: Lindsey Parton

Designation: Registration Service and Business Manager

Tel No: 01270 686477

Email: Lindsey.parton@cheshireeast.gov.uk