



**NORTHAMPTON**  
BOROUGH COUNCIL

# COUNCIL

## 27 OCTOBER 2008

**Agenda Status: Public**

**Directorate: Chief Executive**

<b>Report Title</b>	<b>REMUNERATION PANEL – MEMBERS’ ALLOWANCES</b>
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### 1. Summary

To seek Council’s approval to amend the Council’s current scheme on member allowances to take into account the advice received by the Council’s new Independent Remuneration Panel.

### 2. Recommendations

To accept the following recommendations from the Council’s Independent Remuneration Panel:

- A. The Basic Allowance is set at £6,464 per year.
- B. The recommended Special Responsibility Allowance for the Leader of the Council is set at £16,463
- C. That the following senior positions attract a % of the Leader of the Council’s Allowance as follows:
  - a. Deputy Leader set at 60%
  - b. Cabinet members set at 55%
  - c. Chair of the Overview and Scrutiny Management Committee set at 35%
  - d. Chairs of Overview and Scrutiny Committees set at 30%
  - e. Chair of the Planning Committee set at 30%
  - f. Chair of the Licensing Committee set at 30%
  - g. Chair of the Audit Committee is maintained at 20%

- h. Leader of the Main Opposition Group set at 35%
  - i. Leader of the Third Group should continue to have their SRA set 20%
  - j. If the two Opposition Groups are of equal size then each of the Group Leaders should be eligible to claim the higher Opposition Group Leader's SRA.
  - k. Councillors appointed to the Joint Strategic Planning Committee set at 10%
- D. That the following positions do not attract a Special Responsibility Allowance:
- a. Deputy Chairs to the Committees
  - b. Group Whips
  - c. Chair of the General Purposes Committee
- E. There is no change to the Co-optees Allowances (including the Chair of Standards Committee).
- F. The current travel and subsistence scheme that is in place for when Councillors attend approved duties within the Borough is abolished.
- G. The current travel and subsistence scheme be replaced by an annual lump sum of £650, annually indexed. This amount is not back-datable to the 1<sup>st</sup> of May 2008.
- H. The Panel confirms the current terms and conditions by which Councillors can claim travel and subsistence allowances for attending approved duties outside the Borough boundary.
- I. That Dependants' Carers Allowance provides reimbursement for care up to a maximum of 15% of the Basic Allowance per annum with the claim accepted upon receipt of a "self-declaration" made by the Councillor.
- J. That Councillors are offered the right to decide if they should join the Local Government Pension Scheme (LGPS) and that this applied to both the Basic Allowance and Special Responsibility Allowances.
- K. That the provision within the Northampton Allowances scheme to suspend allowances when a Councillor is suspended from Council (after been found guilty of a breach of the code of conduct that warrants suspension) is extended to Co-optees and inserted into the new scheme; and
- a. That this provision applies to travel and subsistence allowances for both Councillors and Co-optees, and
  - b. Where a suspension has already been served (but only confirmed after adjudication) the Council shall require the Councillor to repay any allowances received during that period.
- L. The full schedule and rates of allowances including terms and conditions is published in the Northampton Borough Council Members' Allowances Scheme, within the Constitution.
- M. That the recommendations contained within this report (with any amendments) are implemented from the Annual Meeting of the Council in May 2008, with the exception of the lump sum travel allowance.

- N. That the allowances as recommended by the Panel (and summarised as follows) are indexed at a rate of 2.5% for 2008/09
- O. That as per regulations the indices recommended by the Panel will be utilised for four years, or until the Council requires a further review.
- P. The Council publishes in its guidance notes to the Northampton Borough Council Members' Allowances scheme the details of how and what allowances may be disregarded against various benefits.
- Q. The Council publishes annually those allowances claimed by Councillors during the previous financial year and
  - a. attendance records for each Councillor be stated for each committee of which they are members, and
  - b. this information is published quarterly and annually in a report to Council that shows the amount of allowances claimed.
- R. That the Council investigates the potential for higher taxation dispensation for Councillors Allowances.

### **3. Report Background**

- 3.1 Section 18 of the Local Government and Housing Act 1989, makes provisions for the Secretary of State, through Regulations to provide for Schemes for Allowances for Local Authority Members. Regulations have been issued by the Secretary of State in the form of the Local Authorities (Member Allowances) (England) Regulations 2003 ("the Regulations").
- 3.2 The Regulations make provision for the payment of certain allowances, which include a basic allowance, a special responsibility allowance, a dependant carer's allowance and travelling and subsistence allowance. The Regulations also allow the Remuneration Scheme to set out which Members of the authority are entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972 and whether the basic allowance or the special responsibility allowance or both may be treated as amounts in respect of which such pensions are payable.
- 3.3 Ultimately the decision as to whether this scheme should be amended as suggested in the appended report is a matter for Council. However, regulation 19 of the Local Authorities (Member Allowance) (England) Regulations 2003, specifically state that before Council makes or amends a scheme it has to have regard to the recommendations made in relation to it by an Independent Remuneration Panel.
- 3.4 Council approved the setting up of a new Independent Remuneration Panel on 8 September 2008. The Panel having been duly constituted, has considered the Scheme of Allowances that the Council should apply and its reasoning and conclusions are contained in its report, attached at Appendix 1. Council is asked to consider the Independent Remuneration Panel's recommendations and the recommendation of this report is that they should be accepted.

## 4. Implications (including financial implications)

### 4.1 Resources and Risk

#### 2008/09 Price Base

	Current Forecast Period 6	Full Year Effect In LGPS	Full Year Effect Not in LGPS
2008/09 Budget	416550	416550	416550
Basic Allowance		303808	303808
Special Responsibility Allowance		116067	116067
Co-optee Allowance		4000	4000
Travel and Subsistence Allowance		30550	30550
National Insurance		14146	21559
Superannuation		99449	0
Out of boundary Travel and Subsistence		10000	10000
Forecast Total Costs	<u>410870</u>	<u>578020</u>	<u>485984</u>
<b>Budget Overspend / (Underspend)</b>	<u><b>-5680</b></u>	<u><b>161470</b></u>	<u><b>69434</b></u>

#### Notes

1. In the "IN LGPS" option the superannuation cost reflects the cost to the Council if all members eligible to opt onto the scheme do so.
2. The Out of boundary Travel and Subsistence figure is estimated.

### 4.2 Legal

The legal implications are contained within the body of this report.

### 4.3 Other Implications

None specifically.

## 5. Background Papers

None specifically.

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