



NORTHAMPTON
BOROUGH COUNCIL

Name of Committee:
Council
Date: 28 November 2005

Item No.

Directorate:
Finance, Governance and Citizens

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**COUNCILLORS ALLOWANCE
SCHEME**

**INDEPENDENT REMUNERATION
PANEL**

Purpose of Report

To obtain approval to disband the Council's current Independent Remuneration Panel; to establish joint arrangements with Northamptonshire County Council and to refer the current scheme for reconsideration by the new panel.

Recommendations

The Council is recommended to:

1. Establish jointly with Northamptonshire County Council an Independent Review Panel which will exercise the relevant functions in respect of both authorities.
2. Disband the present Remuneration Panel for the Borough.
3. To request the Joint Remuneration Panel, once it is established, to make recommendations to the Council in relation to amending the current Members Allowance Scheme to take into account the new roles and responsibilities arising from the Council's new political structures.
4. To request the Joint Remuneration Panel, to consider backdating any changes in allowances to September 2005.
5. To authorise Officers to pay Panel members their reasonable direct and indirect expenses in considering the Borough Council's scheme.

Summary

The Local Government and Housing Act 1989 as amended, together with the Local Authorities (Members Allowance) (England) Regulations 2003 requires a Local Authority to make a scheme for the payment to Councillors of allowances in relation to:-

- (1) Basic Allowance.
- (2) Special Responsibility Allowance.
- (3) Dependent Carer's Allowance.
- (4) Travelling and Substance Allowance.

The Council already has a scheme in place. However, following the Councils "poor" CPA assessment, a Political Structures review was identified as an important strand of the Council's recovery. Consequently, the Council recently reviewed and approved changes to its Political Structures and Governance arrangements. Councillors will recall that the broad architecture for the new structures were agreed on 21 July 2005, with the amendments to the constitution to implement the changes taking place on 29 September 2005. The changes have been extremely wide ranging and innovative. Some aspects of the structures are the first in the Country. This has meant that the level of Councillor engagement together with their roles and responsibilities within the new structures have changed significantly. There is therefore an urgent need for the current scheme to be reconsidered in the light of the changes.

The Council already has a Remuneration Panel. However, given the wide ranging changes, and the complexity in terms of the impact on Councillors roles and responsibilities, it is felt that the best way to deliver this is to have a joint panel with the County Council. As well as resolving capacity and complexity issues the new panel would achieve greater local consistency in the level of allowances and command more confidence as well as saving some administrative duplication.

It is therefore recommended that the current panel be disbanded and Council agree to establishing joint arrangements with the County Council. The Borough Council will be required to pay direct costs of Panel members, for example, meeting allowances for each Panel member and venue/refreshment costs in respect of meetings regarding the Borough. However, the County Council have indicated that they will not charge the Borough for other administrative costs, arising from the Borough's use of the joint panel. The proposed terms of reference for the independent Remuneration Panel are attached. Council has to be aware that any amended scheme, has to have regard to the recommendations of the relevant Independent Review Panel.

Once the Remuneration Panel has met and provided recommendations, a further report will be brought to Council.

Background Papers

File: Remuneration Panel
email correspondence with County Council

NORTHAMPTON BOROUGH COUNCIL

INDEPENDENT REMUNERATION PANEL

TERMS OF REFERENCE

General

The Panel is established by Northampton Borough Council (jointly with Northamptonshire County Council) pursuant to the Local Authorities (Members Allowances) (England) Regulations 2003 (SI2003/1021).

The purpose of this panel is to make recommendations regarding the allowances which Authorities can make to their elected members.

The Panel are required to make recommendations on:-

- The level of Basic Allowances payable to all members of the Council
- The responsibilities and duties which should receive special responsibility allowances and the level of those allowances
- The duties which should attract travelling and subsistence allowances and the level of those allowances
- As to whether dependents' carer allowance should be payable and the level of such allowance
- As to the circumstances for which Co-optees' Allowances should be paid and the level of such allowances
- As to whether if the Allowances Scheme is amended any allowances should be backdated
- As to whether adjustments to the level of allowances may be determined in accordance with an index (and if so which index) and as to how long such index should apply before its use is reviewed (maximum period 4 years)
- As to which (if any) members of the Council are to be entitled to pensions in accordance with the Local Government Scheme and whether basic allowance or special responsibility allowance, or both, should be treated as amounts in respect of which such pensions are payable