

NORTHAMPTON BOROUGH COUNCIL
REPORT BY THE INDEPENDENT PANEL FOR
COUNCILLORS ALLOWANCES

ANNUAL REVIEW OF COUNCILLORS ALLOWANCES 2005-06

Introduction

Northampton Borough Council resolved at its full Council meeting on 28 November 2005, to establish jointly with Northamptonshire County Council an Independent Review Panel to exercise the relevant functions in respect of both authorities.

NBC is undergoing massive changes. Major changes to its governance structures have been conceived and implemented by the Council. Remuneration of Councillors, has been identified by Government monitors as an important strand in the Council's recovery.

The Panel has been working to extremely tight timescales. As a result, the Panel has adopted two positions. A short term and medium term position. The short term position provides advice on priority areas and is covered by the advice in this report.

A medium term consideration will look at the whole issue of remuneration and a further report will be prepared and submitted to full Council at a later date. The medium term position will look at all allowances again which could include a further review of the allowances suggested in the short term report.

Background

Northampton Borough Council was identified by the Audit Commission, in its March 2004 Inspection Report as "poor". As a result of this classification, the Government has appointed a Lead Official who has the responsibility of supporting the Council in its recovery programme and if this cannot be

achieved, to advise the Government on whether formal intervention powers should be used.

The Council has instigated a major change programme which has focused, amongst other things, on managerial and political leadership. The latter has been manifested in a major review of the Council's political structures. A number of new and very innovative structures have been created. These include the Improvement Board (which has been established as a formal committee); an Audit Committee and Improvement Clinics. The Council's Overview and Scrutiny Committees have been reduced from 7 to 1, although there is now a facility for task and finish panels to consider specific issues.

Of the new structures, the Improvement Board is the most innovative. It is comprised of cross-party leading members and as part of its membership includes NBC's Chief Executive and directors, the Chief Executive of Northamptonshire County Council, staff representatives and representatives from the business community (yet to be appointed). The Board considers and is responsible for driving forward Northampton Borough Council's Improvement Agenda. The Improvement Board meets once fortnightly although there is a pre-meeting the week before. This means that Councillors on the Board need to attend to Improvement Board business once a week.

Northampton Borough Council, by resolution of its full Council on 28th November 2005, appointed the Remuneration Panel (jointly with the Northamptonshire County Council) to assist it in reviewing its current remuneration scheme in accordance with the provisions of the Local Government and Housing Act 1989 (as amended) and the Local Authorities (members allowance) England Regulations 2003.

The Panel has been charged with the following terms of reference:-

- 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

However, given the tight timescales the Panel has, as explained earlier, only been able to take a short term position on priority areas. This has considered the level of basic allowances payable to all members; special responsibility allowances in relation to specific posts; travel allowances and backdating of allowances in this review.

The Panel was provided with background information which included details of the Council's current recovery programme and information about the context within which the Council is currently working. Further, some comparative data on allowances currently provided by other local authorities and various reports on the structural changes taking place in the Council's political structures and governance arrangements.

The Panel had a number of meetings at NBC premises and met with a number of Councillors which included two Leaders and one Deputy Leader; Director of Governing; Chair of Scrutiny; a cross-section of ordinary Councillors and the Government's Lead Official.

The Panel recognised the very considerable efforts being made by all Councillors, together with the enthusiasm and engagement of Councillors in helping to meet the very difficult challenges facing the Council in terms of its recovery. The efforts and level of intervention required by Councillors was well in excess of what would be expected in a normal Council environment. This required, amongst other things, a very different way of working. For example, the Improvement Board meets very regularly, and seeks to obtain cross-party working and consensus, within the environment of a Single Administration Council.

The Panel considered this, the comments and views of those who appeared before it and comparative data from other Councils to form its conclusions.

Panel Advice

The Panel recommends to Northampton Borough Council that:-

1. The Basic Allowance should be increased to £6,000 per annum and backdated to 1 September 2005.
2. That the current Travel Allowance of £600 per year regardless of the amount of travel undertaken should be removed in that travel within the

Borough should be claimed for in the same way as travel outside the Borough.

3. That the Special Responsibility Allowance for members of the Improvement Board should be set at £6,000 per annum and backdated to 1 September 2005 and that the Special Responsibility Allowance for the Chair of Overview and Scrutiny should be set at £3,000 per annum and backdated to 1 September 2005 and that the Special Responsibility Allowance for the Chair of Audit Committee should be set at £2,000 per annum backdated to 1 September 2005.
4. That the allowance for members of the Improvement Board be withdrawn from the scheme as soon as the Improvement Board ceases to exist (with a pro rata allowance up to the date the Improvement Board ceases)

Budgetary Implications

Increase in Basic Allowance:	£2,000 x 47 (Councillors) = £94,000
Increase in Allowances for Improvement Board Members:	£6,000 x 6 = £36,000
Audit Committee Allowance:	£2,000
Overview and Scrutiny Chair Allowance:	£1,000 (£3,000 increase from £2,000)
Reduction in Travel Allowance:	(less £28,200)

NB: However offset by amount claimed

The Panel will now continue with its full review for 2006/2007, and the Panel's advice will be provided to a future full Council meeting.

Panel Members

Ray Starkey

Ross Catlin

Gary Smith