

STRATFORD-ON-AVON DISTRICT COUNCIL

INDEPENDENT REMUNERATION PANEL (IRP)

FINAL REPORT ON PERIODIC REVIEW

JANUARY 2008

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1. Introduction

- 1.1 The Council is required under the *Local Authorities (Members' Allowance) (England) Regulations 2003*¹ and subsequent amendments to establish and maintain an Independent Remuneration Panel (IRP) to review and make recommendations to the Council on the range and levels of remuneration for elected Members.
- 1.2 Under the Regulations the Council is required to undertake a full review every 4 years. The last review was last undertaken in December 2003.
- 1.3 A new panel has been appointed which met during January 2008. This report provides the recommendations of the Panel about allowances to be paid to Councillors serving on Stratford-on-Avon District Council.

2. Membership of the Panel

- 2.1 The Panel comprised:

John Elliott - Director / Group Company Secretary, The Bird Group

Charles Goody - Director, Medi-Avant Ltd

Alan Bartlett – Retired Chief Officer, Council for Voluntary Services

Vic Allison - Deputy Managing Director, Wychavon District Council

3. Approach and Methodology

- 3.1 The Panel was provided with officer support and comprehensive information to help them with their deliberations. This included:
 - Detailed information on the Council's current scheme (including Dec 07 index-linked updates of the figures);
 - Details of other Councils' schemes;
 - Benchmarking information on levels of allowances paid in other similar local authorities, i.e. the Council's *family group*;
 - Statistics about the Council's meetings, including their frequency;
 - The views of Members on the Council's current scheme²; and,
 - Issues raised by both Officers and Councillors to be addressed².
- 3.2 Having received a full briefing and been presented with the information outlined above, the Panel deliberated in private, receiving guidance and additional information from officers upon request.
- 3.3 In determining its proposals, the Panel was keen, firstly, to ensure parity and comparability with allowances paid at other similar local authorities.

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

² Obtained from Councillors within a survey – 28 questionnaires were returned.

Secondly, the Panel wanted to introduce consistency and a clear relationship between the amounts paid. That relationship seems to have been lost within the current scheme, probably arising from *drift* applied by annual index linking. To address this, the Panel has used the basic allowance and factored the Special Responsibility Allowances payable against this by applying a multiplier of the basic allowance. The factors/multipliers are stated in the explanations of the findings and in Appendix 1.

4. Recommendations

4.1 That the following level of allowances be paid:

	Existing (2007-08)	2008-09 Recommendation
Basic Allowance:	4,455	4,500
Special Responsibility Allowances:		
Leader	9,501	10,125
Executive Portfolio-holder	4,782	5,062
Overview & Scrutiny Chairmen	3,315	3,375
Area Planning Committee Chairmen	1,671	2,250
Other Committee Chairmen	1,086	1,125
Leader Majority Opposition	2,280	2,250
Leader Minority Opposition	1,086	1,125
Co-optees/ Independent	273	375

(Note: a full table of the recommendation including multipliers applied is included at **Appendix 1**)

Travel and Subsistence

Councillors' allowances for 2008-09 be paid in accordance with the Council's Local Agreed Scheme for Officers.

4.2 **Annual Review of the Scheme** - In order to monitor the implementation of the scheme and assess the impact of changes, it is recommended that the Panel should undertake an Annual Review after 12 months of operation.

5. Explanation of Findings

A. THE BASIC ALLOWANCE – payable to all Members

	Existing	Proposed
Basic Allowance	£4,455	£4,500

The Panel was mindful that the current level of Basic Allowance was relatively high (i.e. within the top quartile) when benchmarked against similar local authorities and so a rounding up of the basic allowance only is proposed (equivalent to a 1% increase).

In verifying the proposed amount, the Panel envisaged Members spending in excess of 10 hours a week on Council business, other than work for which a Special Responsibility Allowance is payable (see below). Based on the average hourly wage for the Region (£12.02) this would mean that at least 28% of this time could be considered 'voluntary'. This compares to a range of between 25% and 50% and typically around 30% - 33% used elsewhere³.

B. SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

	Factor	Existing	Proposed
Leader	2.25	£9,501	10,125

The Panel was mindful that the current level of Leader's SRA was comparatively low against benchmarking information. The Panel felt that this needed to be redressed both in this current review and the Panel's first annual review. Whilst recommending a factor of 2.25 this year, the Panel considered that 2.5 might better reflect the level of responsibility but is minded to delay the impact of this through introducing it in 12 months time (*subject to the Annual Review* – see below).

	Factor	Existing	Proposed
Executive Portfolio-holders (incl. Deputy Leader)	1.125	£4,782	£5,062

Upon the basis of the benchmarking information, the Portfolio-holders' SRAs were found to be comparatively low. Also, the Panel was mindful of their developing role particularly in relation to activity at regional and County level and the assumption of more delegated powers since 2003. The Panel felt that this needed to be redressed both in this current review and the Panel's first annual review, where a factor of 1.25 should be applied.

The Panel noted that currently the Council had a comparatively large Executive and there may be further scope to increase allowances should the size of the Executive reduce at any time in the future.

³ The Guidance on Regulation for Local Authority Allowances issued by the Office of Deputy Prime Minister (July 2003) states that an element of the work of Members should continue to be voluntary and should, therefore, not be remunerated.

	Factor	Existing	Proposed
OSC Chairmen	0.75	£3,315	£3,375

The Panel felt that a small adjustment upwards would be appropriate. Benchmarking information indicated that the proposed level payable was comparable. Increasing responsibility associated with introducing the Councillor Call for Action (CCfA) may be a consideration during the Panel's first annual review.

	Factor	Existing	Proposed
Area Planning Committee Chairmen	0.5	£1,671	£2,250

The Panel was mindful of the regular frequency of these meetings and the relatively high demands on the Chairmen above those generally of other Committee Chairmen. Therefore, this should be reflected in the allowance payable.

	Factor	Existing	Proposed
Chairman of the Council and Committee Chairmen*	0.25	£1,086	£1,125

*(*this relates to the Chairmen of the Council, Employment, Planning & Regulation Committee, Standards & Ethics Committee, Audit Committee, General Purposes & Licensing Committee, Licensing Committee, Licensing Panels and the new joint Area Committees)*

The Panel was aware of the role and workload of these Committees. However, the Panel was mindful of two emerging issues:

- The level of remuneration to Licensing Committee and Licensing Panel Chairmen (Committee and the 3 Panels). Currently one allowance was paid and divided between the Chairmen.; and,
- The possible increasing workload of the Standards & Ethics Committee with the introduction of local determination of complaints.

The Panel proposes to address the first issue by introducing Chairman's allowances for the Chairman of the Committee and the Panel Chairmen. A separate allowance would be paid to the Chairman of the General Purposes and Licensing Committee

In relation to the work of the Standard's & Ethics Committee, the Panel considered this was something that needed to be monitored and reviewed at the first Annual Review of the Scheme.

In relation to the Planning and Regulation Committee, the Panel decided that the current allowance paid was too high and that this committee should be treated for allowance purposes no differently than other similar committees. This consideration was linked to the increase in the allowances payable in respect of the Area Planning Committees, where the Panel considered the workload and frequency of meetings justified the payment of a higher level of allowance.

In relation to the new Joint Area Committees, it was reported that the County Council had yet to consider the level of fees it would make to Chairmen. Therefore, the Panel decided to recommend payment at this level and to reconsider at its first annual review of the scheme.

	Factor	Existing	Proposed
Leader of Largest Opposition Party	0.50	£2,280	£2,250
Leader(s) of Other Group(s)	0.25	£1,086	£1,125

The Panel wished to break the link between the allowance payable and the size of the Leader's group on the basis that the volume of work did not directly relate to the size of the group. However, the use of multipliers (0.5 and 0.25) did apply logic to the likely balance of responsibility between the Leader of the main and other formal Groups.

	Existing	Proposed
Independent Members & Parish Representatives on the S&E Committee.	£273	£375

The Panel was mindful of the commitment involved in supporting the work of the Standards and Ethics Committee, a committee where workload was expected to increase. These co-optees did not receive any Basic Allowance. The Panel wished to keep the situation under review and consider again in twelve months' time during their first Annual Review.

C. TRAVEL AND SUBSISTENCE

The Panel recommends that there be no change in the current scheme, which mirrors the local scheme for officers, other than one point where harmonisation was required. This related to Members no longer being able to claim a lunch allowance where meals were taken within the boundaries of the District.

The Panel was mindful that the existing travel scheme was linked to RAC information on motoring costs and, therefore, took account of increases in fuel costs. Maintaining a joint scheme for officers and Members promoted the Council's positive *One-Council* culture.

The Panel was also mindful of environmental concerns and it was keen to ensure that the Council fulfilled its environmental leadership role. Accordingly, it is asking for suggestions on ways and means of promoting use of greener forms of transport initiatives. These could then be considered at the Panel's first annual review.

D. OTHER ALLOWANCES

No recommended changes to existing Carers etc. allowances other than index linking. Also, the Panel considered that there were no strong suggestions for changing the Council's position in relation to Pensions for Councillors.

E. APPLICATION OF THE SCHEME

The Panel noted that in the existing scheme, only one SRA is paid to a Councillor, this being the highest one if they are eligible to two or more.

The Panel saw no reason to change this arrangement and they would recommend that this be formalised within the new Scheme.

F. REVIEW OF SCHEME

The Panel had the option of deciding whether it should review the scheme annually or alternatively the new scheme should simply be index-linked for the duration of the next 4 years.

The Panel recommends that this Panel be maintained and it review the scheme in 12 month's time so that the application of the scheme can be carefully considered and the impact of changes assessed. In particular, the Panel wished to review:

- The workload of the OSC following the introduction of Councillor Call For Action;
- The workload of the Standards and Ethics Committee in relation to local determination of complaints;
- The workload of the licensing function;
- The implementation of the new joint Area Committee and locality working arrangements to ensure parity and harmonisation with any allowances paid by the County Council;
- The possibility of linking Councillors' training with the Members Allowance scheme; and,
- Environmental considerations in relation to travel allowances

In relation to training, the Panel considered how it might incentivise attendance at training events through the members' allowances scheme. The Panel had assumed that there was the availability of adequate training and this was taken advantage of by all members and not only those in receipt of SRA's. Assumed average hours input would also include an amount for training. The Panel asked for further information about attendance at training events in order that this can be considered further at the first annual review. In the meantime, the Panel is keen to obtain views from Councillors themselves about the ways and means that training could be promoted.

Stratford-On-Avon District Council – Allowance Recommendations 2008-09

	<u>Existing (2007-08)</u>	<u>Factor/ Multiplier</u>	<u>2008-09 Recommendation</u>
Basic Allowance:	4,455	n/a	4,500
Special Responsibility Allowances:			
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