

Report of the SCDC Independent Remuneration Panel (IRP) Council 23 January 2014

1. This report summarises the conclusions and recommendations of the IRP arising from its review of SCDC's Members' Allowance Scheme (MAS) in 2013. The IRP's review has taken account of issues raised by Members and has been undertaken in consultation with a Reference Group (RG) representing all party groups, and also separately with the Conservative Group.

ALLOWANCES

2. The IRP has reviewed whether it is possible and appropriate to amend SCDC's MAS to enable a fairer distribution of Allowances to be made which more closely relates to the actual input made by individual Councillors to Council business whilst not increasing the overall costs to Council Tax payers, (both Basic Allowances and Special Responsibility Allowances (SRAs) are lump sum payments with the same Basic Allowance payment being made to Councillors irrespective of their actual time input to Council business and regularity of attendance at Council meetings).
3. The IRP was asked to review whether it was possible to relate the payment of Basic Allowance to a Councillor's attendance record. However, following consultation with SCDC officers the IRP has found that the 2003 legislation governing Members' Allowance payments does not provide for them to be withheld for non-attendance at meetings and that custom and practice across all local authorities is that the Basic Allowance can only be withdrawn if a member is suspended.

Recommendation 1

The IRP concludes that relating the payment of Basic Allowance to Councillors meeting attendance is not feasible given prevailing legislation and current practice and that if a political party has concerns regarding an individual Councillor's attendance / performance etc then those concerns should be addressed by the relevant Group Leader.

4. In its February 2013 report to Council, the IRP proposed that consideration be given to recognising the different time commitment which Councillors give to membership of particular committees through the introduction of new SRAs for committee members. Adjustments would be made to existing SRAs and the Basic Allowance reduced to enable these changes to be made without increasing the overall cost of SCDC's MAS. Following discussions with the Reference Group it was agreed that the IRP should meet with the Conservative Group as any changes to the current MAS would require the support of that Group as they constitute the majority of SCDC councillors. The IRP met with the Conservative Group on 20 July 2013 and found that the Group do not recognise a need for the payment of additional SRAs to committee members and that they would not support any changes to the current MAS.

Recommendation 2

The IRP concludes that, without the support of the majority of members of the Council, there is no purpose in undertaking further work on this proposal.

5. The payment of SRAs to the Chair and Vice-Chair of the newly formed Partnerships Review Committee increased the overall cost of members' allowances by £271 in 2013/14, (the additional cost of £5295 being offset by savings of £5024 made by reallocating SRAs paid to dual role holders and by a reduction in the number of SRAs paid due to the disbanding of the Standards Committee). The views of the IRP were not sought in establishing allowance payments for the Partnership Review Committee roles. It is important that the process for determining and allocating SCDC's allowance payments is transparent and is perceived by all internal and stakeholders to be made on an objective and fair basis. Some other authorities, (eg Cambridge City) have adopted an agreed ranking framework with the aim of providing a more consistent and objective rationale for the setting of SRA payments, and for their adjustment as committee and council roles and responsibilities change over time.

Recommendation 3

The IRP recommends that during 2014/15 the IRP reviews the basis and process for determining and allocating SRA payments against the need to demonstrate transparency, consistency, objectivity and fairness and with reference to benchmarked best practice in other comparable authorities for consideration by the Council in 2015. This review would be undertaken by the IRP on the assumption that any consequential changes to allowance payments would be agreed by the Council for implementation in 2015/16, (subject to these changes not leading to any increase in the overall cost of SCDC's Members' Allowance Scheme).

6. Last year the Council accepted the IRP's recommendation that Allowances be increased by the same percentage amount as any pay applied to Council officers from 1 April 2013.

Recommendation 4

The IRP recommends that Members' Allowances be increased by the equivalent percentage amount as the Council agrees to apply to the pay rates of Council staff, effective from 1 April 2014.

EXPENSES

7. The IRP has reviewed the feasibility of reimbursing at cost some of the expenses which are currently covered by the Basic Allowance, (eg travel to parish council meetings and telephone calls from home for which Councillors are not entitled to claim reimbursement) so as to both reduce Councillor's tax liability and enable payments more appropriate to actual expenses incurred by Councillors.

Recommendation 5

Councillors were asked to contribute data on mileage undertaken on Council business; on the basis of the data provided by 20 respondents and the administrative implications of the proposal, the IRP has concluded that there is little or no advantage to be gained from reducing the Basic Allowance to pay mileage expenses and that the additional administrative effort cannot be justified.

8. The IRP was asked to consider increasing the £646 component of the Basic Allowance intended to recognise the expenses involved in Councillors work and has concluded that this payment (along with the rest of the Basic Allowance) is subject to income tax deduction based on the tax codes of individual Councillors it is not clear to the IRP how increasing the current payment within the Basic Allowance would advantage Councillors. Increasing this payment as an addition to the Basic Allowance would increase the overall cost of the SCDC MAS.

Recommendation 6

The IRP recommends that Councillor induction material is updated so as to ensure that all Councillors are both aware of the expenses addressed through the payment of the Basic Allowance and also of the other expenses to which they are entitled to make claims for reimbursement.