

Meeting:	Council	Date:	21 March 2013
Subject:	Review of Members' Allowances 2013		
Report Of:	Chair of the Members' Allowances Panel		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Proposed Members' Allowances Scheme 2013-14		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To report the recommendations of the independent Members' Allowances Panel with regard to the Council's Members' Allowances Scheme and to seek a decision on an appropriate scheme for the payment of allowances in 2013-14.

2.0 Recommendations

- 2.1 Council is asked to **RESOLVE** that

- (1) Members' Allowances be frozen at the levels detailed in the 2012-13 Scheme, and set out in Appendix 1, for one year and no changes be made to the Scheme for the 2013-14 municipal year.

3.0 Background and Key Issues

- 3.1 The allowance scheme at the Council is based on a multiplier system. The Special Responsibility Allowances (SRAs) are a multiple of the Basic Allowance and only one SRA is paid. The format of the scheme was adopted in 2006 with the aim of ensuring that the Council had in place a simple and transparent scheme that was easily understood by Members and members of the public. It is also in line with best practice and government guidance.
- 3.2 In order to revise or maintain its Members' Allowances Scheme, the Council is required to have regard to the recommendations of the Members' Allowances Panel. The members of the Panel are: Mr Paul Corcoran (Chair), Mr Laurence King, Mrs Madeleine Townley, and Mrs Dorothy Smith.
- 3.3 In May 2012 the Council agreed to approve the Panel's recommendations to freeze Members' allowances at the rates set in the 2011-12 Scheme for a further two years, until the next detailed review took place in 2014, with any changes agreed at that time to be applied to the 2014-15 Scheme. However, the Panel also offered to undertake a minor review in 2013 to consider whether there had been any

significant changes in circumstances during the preceding 12 months that warranted consideration of any changes to the Members' Allowances Scheme for 2013-14.

- 3.4 Pursuant to the minor review, Members were asked to complete a short questionnaire in January 2013, which asked them to identify whether their work load had increased, decreased or stayed the same over the last 12 months and, where workloads had increased, to identify the reasons for this, and to explain the resulting impact on other areas of their life. The Panel asked Members to provide specific examples to evidence increases in workload to assist them with making a judgment on the significance of the issues raised.
- 3.5 16 out of 36 Members responded to the questionnaire, which represents a response rate of 44%. The Panel would like to thank those Members who took the time to respond and also to take the opportunity to strongly encourage all Members to respond to the questionnaire in future years as the responses have a significant influence on the proposals and it is important that all Members have a say in their allowances.
- 3.6 The Panel met once to consider the responses to the questionnaire and determine their recommendations.

Findings of the Review

- 3.7 During the 2013 review the Panel looked for an indication of significant changes in circumstances relating to any aspects of the Scheme; however, the primary focus was on identifying trends highlighted by a number of Members that would lead to reconsideration of the level of Basic Allowance.
- 3.8 Of those Members who responded to the questionnaire, 62% indicated that their workload had gone up over the last 12 months, with the remaining 38% stating that their workload had stayed the same. However, when the Panel took into account the number of non-respondents, the percentage of all Members identifying an increase in workload was reduced to 28%.
- 3.9 Of those respondents who identified an increase in workload, a number of the examples given did not relate specifically to the last 12 months, however, the Panel did identify several factors for consideration:
 - Changes to legislation affecting how the Council works and what can be done within communities (6% of respondents; 3% of all Members).
 - Organisational change, including cuts to services and reductions in staff (25% of respondents; 11% of all Members).
 - Cuts in funding to the voluntary sector (6% of respondents; 3% of all Members).
 - An increase in incidences of extreme weather (6% of respondents; 3% of all Members).
- 3.10 The Panel considered the factors identified to be important, but not 'significant' because each had been noted by only a small number of Members; in order to consider any factor to be significant the Panel would expect for it to be raised repeatedly by a high proportion of all Members.

- 3.11 In light of the evidence received, the Panel concluded that there have been no significant changes in circumstances during the last 12 months and is therefore recommending that the freeze on the level of allowances be applied for a further year, and no changes be made to the Scheme for the 2013-14 municipal year.
- 3.12 Members are asked to note that the scheme will remain linked to the Local Government staff pay award, and should an award be made before the next review, the level of allowances will be amended accordingly.

Parish Councillor Allowances

- 3.13 The Panel acts as the Parish Members' Allowances Panel for Quedgeley Parish Council (QPC), making recommendations to the Parish Council as it does to the City Council. QPC must have regard to the Panel's recommendations, but are ultimately entitled to agree their own scheme.
- 3.14 QPC currently pays allowances to their Members at the level agreed in 2006, namely 7.5% (£393.75) of the City Council Basic Allowance to Members of QPC and 15% (£787.50) to the Chair of QPC. Therefore any increase applied to the City Council Basic Allowance is automatically reflected in the QPC allowance, subject to approval by QPC.
- 3.15 For this reason, the Panel did not specifically consider changes to the allowances scheme for Quedgeley Parish Councillors as part of the minor review.
- 3.16 A detailed review of the QPC scheme will be carried out in 2014.

Pensions

- 3.17 Although not a direct consideration in the 2013 review, Members may wish to note that Councillor membership of the Local Government Pension Scheme (LGPS) has recently been commented on by the coalition Government.
- 3.18 On 19 December 2012 local government minister Brandon Lewis MP announced that a consultation would take place on proposals to end state-funded pensions for Councillors to help reduce the budget deficit. Mr Lewis MP stated that the Government "does not believe that an occupational pension scheme intended for employees, and paid for by taxpayers, is an appropriate vehicle for councillors". He indicated that Councillors should be denied access to the scheme from April 2014; those already in the scheme would have the pensions accrued up to that date protected, but would not be able to gather any more benefits after that date.
- 3.19 The Panel notes that Members of this Council have continually voted against being permitted to join the LGPS, despite previous recommendations that permission be approved.

4.0 Alternative Options Considered

- 4.1 During the minor review the Panel considered all relevant factors raised and the options available to them, including recommending an increase to the Basic Allowance.

5.0 Reasons for Recommendations

- 5.1 The Panel did not identify any significant changes in circumstances to justify changing the scheme at this time; therefore a freeze for a further year has been recommended.

6.0 Future Work and Conclusions

- 6.1 Should the Panel's recommendations be agreed by the Council, Members' allowances will be frozen for one year.
- 6.2 A detailed review of the Members' allowances scheme will take place in 2014. The Panel welcome the introduction of advisory Councillor Role Profiles and consider that these will be essential during the detailed review.
- 6.3 Recruitment of a fifth Panel Member will be undertaken prior to the commencement of the detailed review.

7.0 Financial Implications

- 7.1 Based on the appointments made at Annual Council in May 2012 the actual cost of the scheme is estimated to be £281,138, but is subject to variation following appointments at Annual Council in May 2013. This does not include any travelling, subsistence or carers' costs.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

- 8.1 The City Council is required to maintain an independent panel which makes recommendations to Council on the matter of Members' allowances. It is good practice to conduct an annual review.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

- 9.1 The Panel are satisfied that their recommendations do not present any risk to the Council.

10.0 People Impact Assessment (PIA):

- 10.1 During the PIA Screening Stage issues around age, gender and socio-economic factors were identified, however, the Panel considered that the impact on these areas was neutral as the scheme actively seeks to remove barriers by offering an appropriate level of remuneration, having taken into account time given on a voluntary basis. Any impact is further mitigated by offering payment towards the cost of engaging carers.
- 10.2 The Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 There are no community safety implications arising directly from this report.

Sustainability

11.2 There are no sustainability implications arising directly from this report.

Staffing & Trade Union

11.3 There are no staffing or trade union implications arising directly from this report.

Background Documents: None