

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL APPOINTED
TO MAKE RECOMMENDATIONS
ON THE SCHEME OF MEMBERS'
ALLOWANCES AT BRECKLAND COUNCIL**

December 2010

1. BACKGROUND

- 1.1 Breckland Council has appointed an Independent Remuneration Panel to consider and recommend a scheme of allowances that complies with the requirements of the Local Government and Housing Act 1989, the Local Government Act 2000 and associated regulations.
- 1.2 This is third Panel appointed, reporting in the third year of its three year term. Membership is as follows:
 - Andrew Egerton-Smith (Chairman)
 - Paul Findlay
 - Diane Foster
 - Jeff Prosser.
- 1.3 The Panel has been supported by Stephen McGrath, Member Services Manager.
- 1.4 The Panel has looked at all areas within its remit under the regulations, which asks that recommendations be made to the Council:
 - On the amount of basic allowance that should be payable to its Elected Members
 - About the responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such an allowance
 - About the duties for which a travelling and subsistence allowance can be paid and the amount of this allowance
 - As to the amount of any co-optees' allowance
 - As to whether the authority's scheme should include an allowance for the expense of arranging for dependant and child care, the amount of such allowance and the means by which it is determined
 - On whether any allowance should be backdated to the beginning of the financial year in the event of a scheme being amended
 - As to whether annual adjustments of allowance levels may be made by reference to an index and, if so, how long such a measure should run
 - On allowances for town and parish councils
 - As to which members are to be entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972.
 - As to treating basic and special responsibility allowances as amounts in respect of which such pensions are payable.
- 1.5 The findings of the Panel on matters relating to pensions are binding upon the Council. Otherwise, the Council must have regard to the Panel's recommendations before agreeing a scheme.

2. DOCUMENTATION, EVIDENCE AND ACKNOWLEDGEMENTS

- 2.1 The Panel met on two occasions, on 9th and 17th November 2010, and took account of the following documentation:
 - Guidance from the Department for Communities and Local Government on the application of the local authority allowances regulations
 - The Panel's previous report
 - Details of the existing scheme of allowances and comments made by the Council when adopting it
 - Comparative information from other local authorities
 - A list of the "approved duties" for which travel and subsistence may be claimed
 - Members' Job Descriptions

- Council developments and performance information
 - Member attendance at Committees
 - Member Development and Training.
- 2.2 The Panel interviewed Mr William Nunn, Leader of the Council, on 17th November 2010 and is grateful to him for responding to the invitation and the information which he provided.

3. CONTEXT OF THE REVIEW

Current Scheme

- 3.1 The current scheme of allowances, which runs from 1st January – 31st December 2010, is based upon the recommendations contained in the November 2009 report of the Panel. The scheme set allowances for one year only, rather than extending the index-linked scheme, giving the economic uncertainty at the time.

Further Developments

General

- 3.2 The Panel is familiar with the culture of Breckland and has previously made it clear what is expected in terms of performance in recognition of the levels of allowance recommended. In reaching its conclusions, the Panel took note of the following key developments during the past year:

- **Joint Shared Management Structure** - Breckland Council and South Holland Council are committed to implementing a joint management structure by April 2011. At the start of this process, both authorities have appointed Terry Huggins as their shared Chief Executive.
- **Financial Situation** – Under the Comprehensive Spending Review, Breckland Council will be receiving approximately a 7.1% cut in its grant each year for the next four years. The exact make-up of this cut has still to be announced and this decision is expected in December 2010.
- **Member Charter and Charter Plus** – Breckland Council was successful in obtaining Charter Plus and retaining Charter Accreditation for Elected Member Development. These awards were made following a joint assessment on 8th September 2010.
- **Councillor Call for Action** – This is a feature of the enhanced community role of Councils and Councillors under the Local Government and Involvement in Public Health Act 2007. Any individual may raise any matter through the Scrutiny process which is of an individual concern, or has been brought to his or her attention by the people he or she represents. A protocol for this has now been adopted by Full Council.

Task & Finish Panels

- 3.3 The authority continues to look at the Overview and Scrutiny function and how to make best use of the powers it has, having changed the structure 18 months ago.
- 3.4 At that time, the three Policy Development and Review Panels were replaced by Task and Finish Groups that are less formal and are drawn together for specific pieces of work. In the Council Constitution, it states that there may be no more than three of these groups in existence at any one time.

- 3.5 At the annual meeting of Council in May 2010, Members agreed not to have 3 appointed Task and Finish Chairmen (who receive an annual allowance of £2,600 each) but to instead appoint a non-Executive member as Chairman for each Group created.
- 3.6 Given the assurance from the Leader of the Council that this policy of not having Full Council appointed Chairmen is likely to change next year, the Independent Remuneration Panel was asked to determine whether it wanted to introduce an appropriate "session" rate instead of a fixed allowance.

4. GENERAL PRINCIPLES AND OBSERVATIONS

- 4.1 The Panel confirms its wish to work with the Council to achieve satisfactory outcomes, taking account of the authority's entrepreneurial culture and position on Council tax, customer satisfaction and the desire to introduce a shared management structure with South Holland Council.
- 4.2 Although the regulations do not provide for performance related pay for Members, the Panel remains of the view that receipt of allowances should be dependent upon compliance with performance measures and commitment to member development and training. The Panel noted that the authority had achieved Charter Plus this year for Member Development and then went through the annual training programme, attendance levels and Personal Development Plan process that Members use.
- 4.3 In 2003, a scheme of allowances was introduced that increased existing rates substantially and beyond those payable in most comparable authorities. In addition to acknowledging the culture of the authority, the justification for this was that the higher allowances would be instrumental in attracting more prospective and able candidates. In considering rates of allowances for other authorities, including those currently applicable in all Norfolk districts, it is apparent that Breckland allowances are still above average. At the same time, Breckland has maintained the lowest Council tax and good rates of public satisfaction with its services.
- 4.4 In reaching its conclusions, the Panel has taken note of Government advice that an element of time given by Members should be considered to be voluntary.
- 4.5 Taking account of comparators and the current economic situation (including the likely impact upon staff pay), the Panel started from the point of recommending that the basic allowance be unchanged for another year, with special responsibility allowances (except where workloads had changed) also being held back. The situation should be reviewed in a year's time, but meanwhile the new scheme should apply only to the next calendar year. Another reason for this recommendation is the prospect of changes in ways of working currently under discussion, in particular the desire to have a joint Management Structure with South Holland Council with effect from April 2011. When interviewed, Mr Nunn agreed that such an approach would be reasonable in all of the circumstances outlined above.
- 4.6 It follows that index-linking (which in current terms would be likely to result in reduced allowances when applied) would not at present be a feature of the scheme. There are in any event doubts as to the reliability of index-linking as a basis for the calculation of allowances, given the variety of indices available and the different results that they show. Furthermore, the scheme would not reflect the state of public finances and the adverse impact that this will have on local government over the next few years.
- 4.7 The Panel was disappointed with the attendance levels from some Members at Committee meetings. It was felt that all Members should aspire to attend at least 75% of the committee meetings they were supposed to attend. It was recognised that sometimes it was difficult to attend meetings for work, family and other commitments. There were a number of Members, however, whose attendance records for the past two

years have been relatively low and it was felt that in these circumstances, it would have been advantageous if there was a legal recourse to adjust the level of Member allowances if a Member did not attend a specified percentage of meetings each year. However, this is currently not possible, albeit the Panel did request that a letter be sent to the Department of Communities and Local Government to highlight this concern. Mr Nunn acknowledged the Panel's concern about the level of attendances in some cases, but did point out that attending meetings was only one of the roles of Elected Members.

5. BASIC ALLOWANCE

- 5.1 "The basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes." (Government Guidance on Consolidated Regulations for Local Authority Allowances).
- 5.2 The Panel believes that using the basic allowance as a "building block", as previously, is the best way to construct a scheme.
- 5.3 Holding the existing basic at £5,200 for another year is still considered by the Panel to be a reasonable recompense when compared to the basic allowance payable by other authorities in the region and the current economic climate in local government.

6. SPECIAL RESPONSIBILITY ALLOWANCES

- 6.1 Before finalising its recommendations on Special Responsibility Allowances, the Panel met with William Nunn, Leader of the Council, on 17th November 2010. As well as Mr Nunn's thoughts on Members' roles generally, the Panel was particularly interested in his views on the work levels of each area of special responsibility and how, if at all, these had changed. The Panel had specifically flagged the role of the Deputy Leader, Chairman of Licensing Committee and Chairmen of the Task and Finish Groups.
- 6.2 Mr Nunn did raise the possibility of creating a differential between the Special Responsibility Allowance paid to Executive Members and that paid for the Deputy Leader (an annual appointment, like his own, under the Council's Constitution). The justification for this was that the Deputy Leader (currently paid as an Executive Member at the same rate) was taking the lead in various aspects of the Council's work on his behalf. This increased level of work and responsibility had been maintained now for several years and was increasing given the changes that local government is facing. Mr Nunn did confirm, however, that he was aware of the financial pressures facing local government and did not want to increase the overall cost of Member Allowances. In reaching their decision, the Panel accepted the increased level of responsibility for the role of Deputy Leader and noted that this case had applied to two individuals now for several years. It was therefore applicable to the role, rather than the enthusiasm and dedication of the person fulfilling it. On that basis, the Panel agreed to recommend the award of half a unit (currently £2,600) for this additional responsibility.
- 6.3 With regard to the role of Chairman of Licensing Committee, the Panel noted that this role had substantially decreased in recent years. The Committee had only met on a limited number of occasions during the past two years. Whilst the Licensing Sub-Committee was still meeting regularly, the Chairmen of these meetings were being paid an additional allowance. In view of the decreasing workload, the Panel felt that there was no longer a need for an annual allowance, but the role should be reflected by a responsibility allowance of £235 for each meeting chaired instead.
- 6.4 In view of the change in the way Scrutiny Task and Finish Group Chairmen are appointed, whereby Full Council has decided not to have three appointed Chairmen

and each is now appointed for a specific topic, the Panel agreed that there is a need to introduce an allowance for chairing each meeting. Having considered the level of work that goes into the scrutiny reviews and the number of meetings, it is felt that an allowance of £115 per meeting chaired is appropriate.

- 6.5 The Panel was mindful throughout the process that it did not want to increase the overall level of Member Allowances, but likewise did not want to penalise any Member for the role they undertake. The decision by Full Council to not appoint three Scrutiny Task and Finish Group Chairman would realise a significant saving anyway. Furthermore, the significant decrease in level of responsibilities for the Licensing Chairman would likewise realise some efficiencies. Finally, the Panel felt that the increase in responsibility allowance for the Deputy Leader was merited and could be met from the above savings recommended to Council for consideration.
- 6.6 The Panel agrees that the gearing of the different levels of special responsibility allowance are still appropriate and the detailed figures recommended are set out in Appendix 'A' to the report.

7. CO-OPTED MEMBERS AND SPECIALIST ADVISERS

Background

- 7.1 Regulations now permit provision within schemes of allowances for payments to co-opted Members. Whereas the basic allowance for Elected Members is intended to acknowledge their wider duties, payments to co-optees are designed to cover the costs of attendances at meetings and conferences. Government guidance says that an element of the contribution of co-opted Members, like that of Elected Councillors, should be considered to be voluntary.

Audit Committee

- 7.2 The Committee remains of the view that the current fee of £200 per meeting should continue to apply to specialist advisers enlisted by the Committee, to cover the cost of a session and preparation for it.

Standards Committee

- 7.3 The Panel decided that the current level of remuneration towards the duties of independent Members adequately reflects the commitment now required and, in line with the general principles of this review, should remain at the present level.

8. CHILDCARE AND CARERS' ALLOWANCES

- 8.1 The Panel is happy that the minor increases introduced last year regarding Childcare and Carer's allowances ensure that no Member suffers financially in this respect. It is therefore recommended that these allowances remain unchanged this year.
- 8.2 As far as specialist care is concerned, this can vary in scope and nature and it should be left to the Council to pay an appropriate rate upon application to ensure reasonable costs are reimbursed, rather than trying to set a standard rate.

9. TRAVEL AND SUBSISTENCE

- 9.1 The Panel has looked at the current list of “approved duties” (i.e. those activities in respect of which travel and subsistence may be paid) and agreed that no further changes are recommended.
- 9.2 Rates should remain at the same level as those set for staff under the National Conditions of Service, with the addition that reasonable expenses incurred is subsistence at conferences, supported by receipts, should be paid.

10. TOWN AND PARISH COUNCILS

- 10.1 Town and Parish Councils may now make payments to their members, but where they decide to do so, they must have regard to the recommendations of the Independent Remuneration Panel for the district. No formal requests for a recommendation on specific payments have been received. There has been the odd enquiry as to what the regulations say about the basic parish allowance that may be paid, either to the chairman or all members of the Council, but none within the last year. It is therefore proposed that any future requests from Town and Parish Councils are referred to the Panel on receipt and considered on their merits.

11. PENSIONS

- 11.1 Panels may make recommendations on the eligibility of councillors to join the Local Government Pension Scheme. The Panel must recommend whether some or all Elected Members should be eligible and whether basic or special responsibility allowances, or both, should be pensionable. These recommendations are binding on the Council; the authority can only offer membership of the Pension Scheme to those who have been recommended.
- 11.2 Having considered this part of its remit, the Panel remains of the same view as previous Panels and is recommending that no members are given access to the Local Government Pension Scheme. This view appears to be widely shared among local authority panels. The Panel strongly believes that payments made through the Scheme of Allowances should not be considered a wage or salary and that the considerable extra expense that could be involved in making member positions pensionable should not be imposed upon local tax payers.

12. SUMMARY

- 12.1 During their meetings and deliberations, the Independent Remuneration Panel has been mindful of the financial restraints affecting the Council and the public sector as a whole. Despite these, the authority has continued to perform very well, maintaining the lowest Council Tax in the country and with good levels of public satisfaction with local service provision.
- 12.2 Given these financial uncertainties and the intention of Breckland to create a joint management structure with South Holland Council next year, the Panel was mindful to only recommend a one year scheme for the period 1st January to 31st December 2011. Likewise, it was agreed that the Basic and Special Responsibility Allowances (with the exception of the Deputy Leader, Chairman of Licensing and Chairmen of the Scrutiny Task and Finish Groups) would remain unchanged from last year. Likewise, it is recommended that there are no changes to the Carer’s allowances, Co-opted Members and Specialist Advisers allowances, and travel and subsistence rates.

- 12.3 The Panel felt that there was a case to award the Deputy Leader an additional half a unit (£2,600) given the additional responsibilities that the postholder has had to pick up for the past few years. Likewise, the Panel felt that the responsibilities of the Chairman of Licensing Committee had significantly diminished and the £7,800 allowance should be replaced by a flat rate of £235 per meeting chaired. Similarly, given the decision of the Council not to appoint three designed Scrutiny Task and Finish Group Chairmen, but rather appoint a Chairman for each particular topic, it was agreed that a flat rate allowance of £115 per meeting chaired be adopted.
- 12.4 Whilst it is recognised that these recommendations, if adopted by the Council, will realise some efficiency savings to the authority overall, the Panel is confident that they do accurately reflect the level of work undertaken in those areas in comparison to the other roles.

13. RECOMMENDATIONS

Accordingly, the Panel's recommendations are as follows:

- 13.1 The new scheme be effective from 1st January 2011 until 31st December 2011.
- 13.2 Payments over this period be set at the rates shown in Appendix A to the Report for:
- The Basic Allowance
 - Special Responsibility Allowances for the positions indicated
 - Specialist Advisers to the Audit Committee, where required
 - Co-opted Independent and Parish Council representative members of the Standards Committee
 - Occasional chairing of meetings as indicated
 - Child Care and Dependant Carers.
- 13.3 Travel and subsistence be payable for those "approved duties" shown at Appendix B to the Report.
- 13.4 Travel and subsistence to be payable at the same rates as those applicable to officers under the National Conditions of Service, with the exception that reasonable expenses incurred at conferences, supported by receipts, should be paid.
- 13.5 No scheme be made for Town and Parish Councils, requests for the payment of allowances to be referred to the Independent Remuneration Panel as received.
- 13.6 No members be admitted to the Local Government Pension Scheme and no allowances paid to members to be considered pensionable.
- 13.7 The Council to have the right to withdraw allowances from a fully or partially suspended councillor and to require the repayment of any allowances paid during the period of suspension, such provision to be applicable to all allowances except those for dependant carers.
- 13.8 That the Member Services Manager be asked to write to the Department of Communities and Local Government to express concern at the lack of legal recourse available to potentially adjust the level of Basic Allowance payable to those Members who fail to attend a pre-determined percentage of committee meetings.

BRECKLAND COUNCIL'S INDEPENDENT REMUNERATION PANEL:
REPORT ON SCHEME OF ALLOWANCES FOR 2011

RECOMMENDED ALLOWANCES

The following allowances (with the exception of the Deputy Leader, Chairman of Licensing and Chairmen of the Scrutiny Task and Finish Groups, with the remaining figures the same as for last year) have been recommended for the year commencing 1st January 2011:

An annual basic allowance of £5,200, payable to all 54 members

Special responsibility allowances (a maximum of one claimable per member) payable to the holders of the following positions at the annual rates indicated:

| | |
|--|--|
| Leader | £20,800 |
| Deputy Leader | £13,650 (2010 - £11,050) |
| Executive Members x 6 | £11,050 |
| Chairmen – | |
| Overview & Scrutiny Commission | £10,814 |
| Development Control | £10,814 |
| Licensing | £235 per meeting chaired (2010 - £7,800) |
| Audit | £5,200 |
| General Purposes | £5,200 |
| Standards | £5,200 |
| Council | £2,600 |
| Appeals | £2,600 |
| Scrutiny Task and Finish Groups x 3 | £115 per meeting chaired (2010 - £2,600) |
| Licensing Sub-Committees | £235 per meeting chaired |
| Standards Sub-Committees | £115 per meeting chaired |
| Leader of Main Opposition Group | £2,600 |
| Leader of other political groups with more than 10 members | £1,850 |
| Executive Support Members | £1,850 |
| Co-opted Standards Committee Members | £900 |
| Specialist advisers to Audit Committee | £200 per session |

Rate per session for persons taking meetings in Chairman's absence:

| | |
|-------------------------------|------|
| Overview and Scrutiny | £235 |
| Development Control | £235 |
| General Purposes | £115 |
| Standards | £115 |
| Council | £58 |
| Appeals | £58 |
| Scrutiny Task & Finish Panels | £58 |

A childcare allowance of £7 per hour (normally subject to a maximum £30 per authorised duty)

Specialist dependant care – to be considered upon application

Travel and subsistence at current nationally agreed rates for staff

No allowances to be paid to any suspended councillor

There is an option for members not to claim allowances, in part or in full

**BRECKLAND COUNCIL'S INDEPENDENT REMUNERATION PANEL:
REPORT ON SCHEME OF ALLOWANCES FOR 2011**

**MEMBERS' TRAVELLING AND SUBSISTENCE ALLOWANCES:
APPROVED DUTIES**

The approved duties are:

- Council Meetings
- Committee/Cabinet Meetings (for members of Committee)
- Ward Representatives attending Committee as such
- Official Committee site visits
- Members attending Committee as proposer of motion referred by Council
- Members attending Committee at the request of the Chairman
- Members attending Committee to report back on the proceedings of an outside body
- Tender opening
- Local Authority Association meetings
- Representation on outside bodies (where travel or subsistence is not paid by that body)
- Executives' meetings with officers
- Party leaders' meetings with officers
- Joint Executive/Group Leader meetings called by the officers
- Conferences where representing, or with the authorisation of, the Council
- Overnight allowance for members attending conferences
- Ombudsman interviews
- Members attending Committees or working groups where invited or allowed to speak
- Attendance of Chairman of Cabinet at any authorised meeting
- Attendance at Portfolio meetings
- Attendance of Members at any official meetings called by officers or an Executive Member with officers
- Attendance of Overview and Scrutiny Commission Chairman, Executive and Executive Support Members at Scrutiny Task and Finish Groups
- Attendance at Overview and Scrutiny Commission by members who have referred items to the Commission which are on the agenda under consideration
- Authorised training and development
- Required attendance at public inquiries
- Attendance of Executive Support Members at Executive meetings
- Attendance of a member at Town or Parish Council meetings within the ward he or she represents, in the capacity of ward representative
- Mileage incurred by the Chairman or Vice-Chairman on civic duties.