
MEMBERS' ALLOWANCES - REVIEW

Responsible Cabinet Member - Councillor John Williams, Leader

Responsible Director - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. To consider a review of the Members' Allowances Scheme and the appointment of an additional Member to serve on the Council's Independent Members' Allowances Panel.

Background

2. Members might recall that the Council's current Members' Allowances Independent Panel was constituted to review the Council's Members' Allowances Scheme in May 2003. Recommendations of the Panel have been made to Council in October 2003 (when a full review of allowances was undertaken) and again in May 2006 (when the allowances were revised following the appointment of an Audit Committee).
3. Councils must establish and maintain an Independent Remuneration Panel which can make recommendations to the Council about the allowances to be paid to elected Members, including the level of basic allowance for all Members, and on whether dependants carers allowance, travel and subsistence allowances and co-optees allowances etc. should be paid and the levels of such allowances.

Review

4. It is four years since the Panel last reviewed the full Members' Allowances Scheme. The Panel recommended in 2003 that allowances be increased in line with the annual pay award for employees. The Local Authorities (Members' Allowances) (England) Regulations 2003 states, inter alia, that Councils must not rely on an index figure such as this is for longer than a period of four years before seeking a further recommendation from its Panel on an application of an index to its scheme.
5. It is therefore necessary to reconvene the Panel to review the application of the index and also take the opportunity to ask it to review the current level of allowances and make recommendations as to whether any further allowances should be payable.

Independent Remuneration Panel

6. To meet legislative requirements, the Council's Independent Panel must comprise of a minimum of three members. Currently the Council has two serving Panel members, Declan Hall, a Lecturer in Local Government and Politics at the University of Birmingham

(INLOGOV) (who is the Chair of the Panel) and Rob Shotton, a retired Chair of Business Link Tees Valley.

7. The guidance in relation to the appointment of an Independent Remuneration Panel suggests that members can be appointed either through an advertisement or through a personal approach. The individuals are subject to the similar requirements to Councillors and must be independent of the Council. Experience at this authority and across the Tees Valley in relation to the appointment of Independent Members of the Standards Committee and Remuneration Panels is that general adverts do not prove to be cost effective. An approach has therefore been made to a suitable candidate to sit on the panel who has agreed to sit on the panel. Alastair Arkley, is a prominent businessman within the Tees Valley, with the relevant requirements and independence. It is therefore recommended that Council confirm his appointment to the Panel.

Terms of Reference

8. Suggested Terms of Reference for the Panel are attached at **Appendix A** for Members consideration.

Guidance to the Panel

9. The Panel is clearly free to recommend a scheme to the Council that it believes appropriate but it would be helpful if in advance of their considerations that they are aware of any key factors for example the available budget. The Council will consider its budget in February next year and early indications are that resources will be tight and therefore Members may wish to advise the Panel that given the likely budget position they would not be minded to approve a scheme that is in excess of the current budget as adjusted for ongoing inflation. This view is supported by the Leader and Cabinet.

Legal Implications

10. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

11. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

12. The issues contained within this report are required to be considered by Council.

Conclusion

13. This report asks Members to consider a review of Members' Allowances to comply with legislation and authorise the appointment of Alastair Arkley to serve on the Members' Allowances Panel.

Recommendation

14. It is recommended :-

- (a) That a review of the Council's Members' Allowances Scheme be undertaken by the Council's Independent Remuneration Panel.
- (b) That Alastair Arkley be Appointed to the Members' Allowances Panel; and
- (c) That the Terms of Reference for the Panel, as attached at **Appendix A**, be approved for the review of Members' Allowances.
- (d) That the Director of Corporate Services advise the Panel that the Council wish to limit the expenditure on the Members Allowances Scheme to the current budget plus inflation

Reason

15. To ensure that this Council reviews its Members' Allowances Scheme to meet legislative requirements.

Paul Wildsmith
Director of Corporate Services

Background Papers

No Background papers were used in the preparation of this report.

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**INDEPENDENT PANEL
TERMS OF REFERENCE**

1. To make recommendations to Darlington Borough Council on the following:
2. The amount of basic allowance that should be payable to its elected Members.
3. the categories of Members who should receive a special responsibility allowance and as to the amount of such an allowance.
4. the duties for which a Travelling and Subsistence Allowance can be made and as to the amount of this allowance.
5. the amount of co-optees allowances.
6. the expenses of arranging for the care of children and dependents and the amount of these allowances and the means by which they are determined.
7. whether annual adjustments of allowances should continue being referred to employees annual pay awards.
8. the pensionable allowances and whether any changes should be made to the current scheme.
9. whether any other allowances should be payable to Members or co-opted members.
10. the implementation date for the review of allowances.