
MEMBERS' ALLOWANCES REVIEW

Responsible Cabinet Member - Leader

Responsible Director - Paul Wildsmith, Director of Resources

SUMMARY REPORT

Purpose of the Report

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

Summary

2. This report asks Members to consider a review of Members' Allowances to comply with legislation. It also seeks the appointment of a third member to serve on the Members' Allowances Panel; and suggests that the Panel also review the Council's current Mayoral Allowances when it meets.

Recommendation

3. 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 Paul McGee be appointed to this Council's Independent Panel;
 - (c) That the Terms of Reference for the Panel, as attached at **Appendix A**, to this report be approved for the review; and
 - (d) That the Panel be also asked to review the Council's current Mayoral Allowances.

Reasons

4. The recommendations are supported by the following reasons :-
 - (a) To ensure that this Council reviews its Members' Allowances Scheme to meet legislative requirements;
 - (b) To ensure the composition of the Panel is in accordance with Guidance; and

(c) To ensure the Mayoral Allowances are appropriate to the designated roles.

**Paul Wildsmith,
Director of Resources**

Background Papers

No background papers were referred to in the compilation of this report.

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S17 Crime and Disorder	This report has no implications for Crime and Disorder.
Health and Well Being	This report has no implications to address Health and Well Being for the residents of Darlington.
Carbon Emissions	There are no direct implications to Carbon Emissions which this report needs to address.
Diversity	There are no direct implications to Diversity which this report needs to address.
Wards Affected	There is no direct impact on any individual Ward
Groups Affected	There are no Groups affected.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	This is not a key decision.
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
One Darlington: Perfectly Placed	There are no links.
Efficiency	There are no efficiency proposals identified as part of this review.

MAIN REPORT

Information and Analysis

5. Members might recall that the Council's Members' Allowances Independent Panel was constituted to review the Council's Members' Allowances Scheme in 2003. Recommendations of the Panel have been made to Council in 2003 (when a full review of allowances was undertaken); in 2006 (when the allowances were revised following the appointment of an Audit Committee) and in 2008 (following a four-yearly review).
6. 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 a dependant's carers allowance, travel and subsistence allowances and co-optees allowances etc. should be paid and the levels of such allowances.

Review

7. At the last four-yearly review, the Panel recommended 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. The current indexing came into effect on 1 April 2008 and therefore the revision is required to introduce a new scheme with effect from 1 April 2012.
8. 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; make recommendations as to whether any further allowances should be payable; and whether any adjustment should be made to the allowances in the current financial climate.

Independent Remuneration Panel

9. 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 former Lecturer in Local Government and Politics (who is the Chair of the Panel); and Rob Shotton, a retired Chair of Business Link Tees Valley. The third member, Alistair Arkley, has resigned from the Panel.
10. 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 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 who has agreed to sit on the panel. Paul McGee, Director of Know How North East Limited, who is also a member of Stockton Borough Council's Independent Members' Allowances Panel, has the relevant requirements and independence to serve on Darlington's Panel.

11. It is therefore recommended that Council confirm his appointment to the Panel.

Terms of Reference

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

Mayoral Allowances

13. The Mayoral Allowances were last reviewed by this Council in the mid-1990's and, other than an annual increase in line with inflation, have not been reviewed since that time. It is suggested that the Panel be requested to review the Mayoral Allowances and make recommendations to the Council whilst undertaking their review of Members' Allowances. This suggested review has also been included in the Panel's Terms of Reference attached at Appendix A.

Panel Meeting

14. It is anticipated that the initial meeting of the Panel will be in September 2011 and it be requested to make recommendations to the full Council on 24th November, 2011.

Outcome of Consultation

15. No consultation has been undertaken on the content of this report.

Conclusion

16. This report asks Members to consider a review of Members' Allowances to comply with legislation, include Mayoral Allowances in that review and agree the appointment of Paul McGee to serve on the Panel.

**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. To make recommendations to the Council on the Mayoral Allowances and in particular:-
 - (a) The level of allowances to be paid to the Mayor; Mayoress (or Escort) and Deputy Mayor;
 - (b) When and how Mayoral Allowances should be increased; and
 - (c) Whether the Mayoral Allowance should include a 'transport' or any other allowance.
11. The implementation date for the review of allowances.