

BOROUGH OF POOLE

COUNCIL

22 JULY 2008

**REVIEW OF MEMBERS' ALLOWANCES: REPORT OF THE CHAIRMAN OF THE
REVIEW OF MEMBERS' ALLOWANCES WORKING PARTY**

1. PURPOSE OF REPORT

- 1.1 To consider the recommendations of the Review of Members' Allowances Working Party in respect of the Scheme of Members' Allowances.

2. DECISIONS REQUIRED

- (i) the following proposals of the Independent Remuneration on Members' Allowances Panel for the payment of Basic and Special Responsibility Allowances be implemented with effect from 1 September 2008 and the Scheme of Members' Allowances 2008/2012 be amended accordingly;

	<u>£</u>
• Basic Allowance (£8,566 plus £414 expenses) making a total of	8,980 x 42
• The Leader – (£8,566 net basic x 250%)	21,415
• Deputy Leader - (Leader's Allowance x 60%)	12,849
• Executive Members (Cabinet, currently 8 Portfolio Holders) (Leader's Allowance x 50%)	10,707 x 8
• Chairman of six themed Overview and Scrutiny Committees x 50%)	4,283 x 6
• Chairman of Call-in Overview and Scrutiny Committee (Basic x 30%)	2,570
• Chairman of Transportation Advisory Group (Basic x 30%)	2,570
• Chairman of Planning net Basic	8,566
• Chairman of Licensing 50%	4,283
* Political Group Leaders (2) (50% net basic plus £50 per Group Member)	4,283
• Independent Member and Chairman of Standards Committee	1,280
• 3 Independent Members Standards Committee	468
• 4 Education Co-optees	841

- * Only 1 Allowance currently required as Leader of the Majority Group no longer proposed to be part of the Scheme.

- (ii) should Council approve the appointment of an additional Independent Member of the Standards Committee an additional allowance of £320 for part of the year from 23 July 2008 should be included in the Members' Allowance Scheme.

3. BACKGROUND/INFORMATION

- 3.1 Members will recall that whilst approving the recommendations of the Panel in principle, Council on 13th May 2008 tasked this Working Party with looking at the financial consequences of implementing the recommendations the Panel made to Council following its 16th April 2008 Meeting. The Working Party met on 4th July 2008 to consider these issues and a copy of the Minutes of that Meeting is attached for Members' information together with the Report.

Councillor Mrs Ann Stribley
Chairman of the Review of Members' Allowances Working Party

BOROUGH OF POOLE

REVIEW OF MEMBERS' ALLOWANCES WORKING PARTY

4 JULY 2008

The Meeting commenced at 10:00am and finished at 10:55am.

Present:

Councillors Brooke, Leverett and Mrs Stribley.

1. **ELECTION OF CHAIRMAN**

RESOLVED that Councillor Mrs Stribley be appointed Chairman of the Working Party for the rest of the Municipal Year.

2. **ELECTION OF VICE-CHAIRMAN**

RESOLVED that Councillor Brooke be elected Vice-Chairman of the Working Party for the rest of the Municipal Year

3. **APOLOGIES FOR ABSENCE**

There were no apologies for absence

4. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

5. **TERMS OF REFERENCE**

The Terms of Reference, as detailed on the Agenda, were accepted.

6. **REVIEW OF MEMBERS' ALLOWANCE SCHEME 2008-2012: REPORT OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES**

The Working Party considered the Report of the Head of Legal and Democratic Services. The Chairman outlined the background in relation to Members to the Working Party, reminding Members that the Council, at its Meeting on 13 May 2008, had accepted the recommendations of the Independent Remuneration Panel on Members' Allowances in principle but realising the current financial situation had asked that the situation be kept under review with a revised scheme (as approved by Council) in place until the Budgets had been reviewed.

The Chairman drew Members' attention to the financial implications of implementing in full the Scheme of Members' Allowances as proposed by the Independent Panel, detailed at paragraph 4.2 of the Report to the Working Party,

noting that these increases, together with a 2.9% inflation for each of the years 2009-2012 the increase, over the period of the scheme would be £85,855 for which no budgetary provision had been made.

Councillor Brooke queried whether the proposal of the Independent Panel should be implemented in full or whether each individual recommendation should be reviewed? He felt that the recommendations of the Panel to increase Portfolio Holder allowances to £10,707 were not appropriate and also queried the role of the Transportation Advisory Group, feeling that its role should be reviewed as this was an Advisory Group of Cabinet.

Both the Chairman and Councillor Leverett felt that there was a degree of public accountability in Chairing the Transportation Advisory Group and that it had a high importance in the view of the public. Councillor Brooke suggested that he would feel the role of Transportation Advisory Group was more responsible if it was part of the Scrutiny system and that it would then have similar weight as the Overview and Scrutiny Call-in Committee.

Councillor Leverett explained that he felt chairing the Transportation Advisory Group was stressful, the interface with the public was great and there as a high level of public participation and the reputation of the Council rested with that Chairman. The Chairman agreed that the responsibility and workload involved in chairing the Transportation Advisory Group needed recognition.

Councillor Brooke expressed his reservation about the suggested increase in Group Leaders Allowance which he noted that neither he nor the Conservative Group Leader had sought.

The Democratic Services Manager explained the significant role that the Independent Panel felt that being a Group Leader and its consequent responsibilities and difficulties warranted increased remuneration although the Panel recognised this had not been sought by any Member.

The Working Party agreed that since the Majority Party Group Leader would always either be Leader or Deputy Leader of the Council there was no need to make a provision for this Special Responsibility Allowance whilst the only one Special Responsibility Allowance could be claimed under the Scheme.

The Working Party acknowledged that should there be more than 2 Political Groups forming the Council, the Scheme could be revised. It was also agreed that no Group of less than four Members should be eligible of a Special Responsibility Allowance.

It was accepted that although the role of Group Leader was personal to those appointed to the role and in the future Group Leaders may have different views and the provision for payment should remain, accepting that whether or not to benefit from the proposed increase was a personal matter.

The Working Party considered the date of implementation of the new Scheme and agreed that 1 September 2008 was a sensible date following the August recess.

It was noted that the projected overspend in the current budget to 31 March 2009 following the implementation of any new Scheme would be £7610 which could be found from within the Legal and Democratic Services Budgets.

Any additional increase from 1st April 2009 would be addressed in the Medium Term Financial Plan.

RECOMMENDED to Council that

- (i) **the following proposals of the Independent Remuneration on Members' Allowances Panel for the payment of Basic and Special Responsibility Allowances be implemented with effect from 1 September 2008 and the Scheme of Members' Allowances 2008/2012 be amended accordingly;**

	<u>£</u>
• Basic Allowance (£8,566 plus £414 expenses) making a total of	8,980 x 42
• The Leader – (£8,566 net basic x 250%)	21,415
• Deputy Leader - (Leader's Allowance x 60%)	12,849
• Executive Members (Cabinet, currently 8 Portfolio Holders) (Leader's Allowance x 50%)	10,707 x 8
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• Independent Member and Chairman of Standards Committee	1,280
• 3 Independent Members Standards Committee	468
• 4 Education Co-optees	841

- * Only 1 Allowance currently required as Leader of the Majority Group no longer proposed to be part of the Scheme.

- (iii) **should Council approve the appointment of an additional Independent Member of the Standards Committee an additional allowance of £320 for part of the year from 23 July 2008 should be included in the Members' Allowance Scheme.**

CHAIRMAN

BOROUGH OF POOLE

REVIEW OF MEMBERS' ALLOWANCES WORKING PARTY

4TH JULY 2008

REVIEW OF MEMBERS ALLOWANCE SCHEME 2008-2012: REPORT OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

1. PURPOSE

- 1.1 To review the Scheme of Members' Allowances approved by Council on the 13th May 2008.

2. DECISIONS REQUIRED

- 2.1 That the Working Party consider the budgetary impact of adopting the Scheme of Allowances as recommended by the Independent Remuneration Panel on Members' Allowances of the 15th April 2008, noting that any resulting recommendations will be a decision for Council.

3. BACKGROUND/INFORMATION

- 3.1 Council at its Meeting on the 13th May 2008 considered the Report of the Independent Remuneration Panel on Members' Allowances. The Working Party will recall that Council, although agreeing in principle with the recommendations of the Panel, felt it was not appropriate to implement its recommendations until a financial appraisal of adopting the Scheme had been undertaken.

4. FINANCIAL IMPLICATIONS

4.1 The Head of Legal and Democratic Services, with the assistance of Financial Services, has been able to assess the implementation of these recommendations in full against the budgetary provision made within the Financial Years 2008/9 to 2012.

- 4.2 Allowing for 2.9% inflation from each of the years 2009/12, the increase required on the 2008/9 Budget of £571,470 would be:

2009/10 budget of £622,041	£50,571
2010/11 budget of £639,456	£17,415
2011/12 budget of £657,355	£17,899

This equates to an increase over the period of the Scheme of £85,885 for which no budgetary provision has been made.

The draft Budget proposals are enclosed for the period of the Scheme at Appendices A(1), A(2) and A(3) to the Report.

- 4.3 No additional funding has been identified from 2009/10 onwards and the Head of Legal and Democratic Services will address this issue as part of the Medium Term Financial Plan exercise for 2009/10.
- 4.4 Should the new Scheme be implemented from 1st September 2008 the projected overspend in the current budget to 31st March 2009 would be £7,610 which can be found from within the Legal and Democratic Services budget.
- 4.5 Should the new Scheme be implemented from 1st October 2009 the projected overspend on the actual Budget would be £4,900 which can be found from within the Legal and Democratic Services budget.
- 4.6 The original Budget for 2008/9 (allowing for a 2.5% inflation) was £571,470. Following implementation of the recommended increase of the LGA day rate on Members' Basic Allowance at 2.9% inflation there was a variance of £2,070 on this original figure.

Certain annual savings for budgeted Special Responsibility Allowances not claimed (as the Scheme only allows Members to claim one Special Responsibility Allowance) including on-costs are currently being made. These however depend in part on the current pattern of appointments and could change. They are as follows:-

Chair of Planning	-4,570
1 Portfolio Holder not appointed (8 budgeted for 7 now appointed)	-9,150
Education Co-optees (note none of the Education Co-optees claimed the allowance but this may change at any point)	-3,510
Carers Allowance	-2,540
Additional superannuation costs (more Members have joined the scheme than when the original budget was estimated). Currently there are 13 Members in the Scheme.	+5,710
Net variance to the original budget equates to a saving of	£11,990

4.7 The Proposals of the Independent Panel for payment of Basic Allowance and Special Responsibility Allowances are as follows:-

	<u>£</u>
• Basic Allowance (£8,566 plus £414 expenses) making a total of	8,980 x 42
• The Leader – (£8,566 net basic x 250%)	21,415
• Deputy Leader - (Leader's Allowance x 60%)	12,849
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• Chairman of Licensing 50%	4,283
• Political Group Leaders (2) (50% net basic plus £50 per Group Member)	4,283

4.8 In addition to this, the Panel recommended continued payment of a Special Responsibility Allowance to the Chairman of the Standards Committee which equates to £1,280 and the continuing payment of Education Co-optees (4) at £841 and 3 Independent Standards Committee Members of £468 per annum.

4.9 Council, at its Meeting on 13th May 2008 Resolved, inter alia, to delete the Special Responsibility Allowance for the Leader of the Majority Group from the Scheme noting that any future Majority Group Leader would be either Leader or Deputy Leader and so only one Special Responsibility Allowance could be claimed.

No budgetary provision had been made for this Post in 2008/9 onwards, therefore this is no saving to accrue.

4.10 The Working Party is advised that the appointment of an additional Independent Member of the Standards Committee to assist with local determination of complaints is to be recommended to Council on 22nd July 2008. This will attract an additional allowance of £320 for part of the year from 23rd July 2008 which has not been included in the Budget.

5. LEGAL IMPLICATIONS

- 5.1 Any decision to implement the recommendations of the Independent Panel will require a decision of Council and the making and publishing of an amended Scheme of Members' Allowances.

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Head of Legal and Democratic Services

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