

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON THE MEMBERS ALLOWANCE SCHEME FOR 2011/12

1. Regulatory context

The Local Authorities (Members Allowances)(England) Regulations 2003 require that the Council must have regard to a report of an Independent Remuneration Panel prior to setting its Members Allowance Scheme for the ensuing year.

The Statutory requirement is for the Panel to recommend;

- The level of basic allowance paid to all councillors
- Which members should receive a special responsibility allowance and at what level
- Whether there should be childcare and dependent carers' allowance and at what level
- The travel and subsistence allowance to be made available and at what level
- Whether there should be a payment of a co-optees allowance and at what level
- Whether there should be provision for an annual adjustment of allowances by a specified index and for how long up to four years
- Whether to allow an amendment to the scheme to apply from the beginning of the financial year
- Whether to provide for allowances paid to a member to be repaid following suspension or on cessation of being a member or due to non-entitlement
- Whether allowances should be pensionable and if so which allowances

2. The Panel

The Regulations require that there be a minimum of three people on an Independent Remuneration Panel. This Council has chosen to have five independent members.

The current Panel members are;

- Terry Hephrun
- Graham Knott
- Brenda Rochester (Chair)
- David Sparrow
- Vacancy

3. The process

The Panel has met on three occasions to deliberate the scheme of allowances for 2011/12 and considered the following evidence;

- Information on the work of the panel since its inception in 2001
- The current members allowance scheme

- Update on the political structure since May 2010
- Comparative data with neighbouring authorities
- Questionnaire and interviews with the political group leaders

3. Principles

Since its inception in 2001 the Panel has always worked to the following principles;-

That the members allowance scheme ought to be fair, easy to understand and straightforward to administer.

That the level of basic allowance should adequately reflect and compensate members for their commitment and time spent on carrying out their duties in their constituencies, at council meetings and representing the council on outside bodies and working groups. It is also recognised that a proportion of members' time should be spent on voluntary public service.

That the level of allowance should not be a deterrent to potential candidates to become elected members.

That the level of special responsibility allowance should reflect additional responsibilities over and above the generally accepted duties of a councillor and must be related to the discharge of the authority's functions. The special responsible allowance should be a multiple of the basic allowance.

That allowances should not be pensionable as the Panel believes the allowances should not be seen as a salary, nor should they be indexed.

5. The proposed scheme for 2011/12

The Panel agreed this year to undertake a light touch review because of the difficult economic climate, the changes affecting local government and the pressures on the Council's budget.

Basic Allowance

In its deliberations the Panel noted the council's wishes over the past two years not to accept the Panel's recommendations to increase the basic allowance. In the main this has been due to the difficult economic climate.

It is the Panel's duty to recommend a fair scheme of members allowances to Council however the Panel also feels that the current economic climate together with the changes affecting local government and the pressures on the Council's budget is not conducive to making any increase in allowances for 2011/12.

The views of the political group leaders have been taken into consideration when making this recommendation.

In making this recommendation the Panel is aware that this is the third year that allowances will have been frozen. It is also aware that Burnley's basic allowance still remains below that of comparable neighbouring authorities. This is something that the Panel intends to look at in more depth next year.

Special Responsibility Allowances

The Panel also recommends that there be no change to the definition of roles that attract special responsibility allowances under the existing scheme.

Dependent Carers' and childcare allowance

This allowance was introduced in 2004 to remove any barriers which might prevent people from becoming councillors. This allowance has never been claimed but the Panel recommends that it remains available at the current rate of the adult minimum wage and with the current criteria.

Travel and Subsistence Allowance

The Panel recommends that the level of travel allowance should be set the same as the NJC scheme for officers. The subsistence allowance should be set at same local rate for officers.

Co-optees Allowance

The Council currently pays the Chair of Standards a contractual annual equivalent to the members basic allowance. This payment should continue whilst a Standards Committee is in operation. There are no additional co-optees allowances to be paid.

Annual Adjustment of Allowances

The Panel does not feel it appropriate for the level of any allowances to be indexed as they are not seen as salaries.

Backdating of Allowances

The Panel recommends that there be no backdating of allowances.

Pensions

An Independent Remuneration Panel makes binding recommendations on whether members may be eligible to access the Local Government Pension Scheme.

Only members recommended by the IRP for such entitlement to the basic/special responsibility allowance can be included in the Pension Scheme. In all current and previous deliberations the Panel has felt that the payment of allowances does not represent a salary and does not feel it can recommend that any of allowances should be pensionable.