

CITY OF PLYMOUTH

Subject: Members' Allowance Scheme
Committee: Council
Date: 1 February 2010
CMT Member: Director for Corporate Support
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Ref:
Part: 1

Executive Summary

Following a resolution of Council on 6 July 2009, the Independent Remuneration Panel was asked to consider the responsibilities of the members of the Overview and Scrutiny Management Board members and make recommendations for any additional special responsibility allowance. The Democratic and Member Support Manager asked the Panel to consider whether any Special Responsibility Allowance should be backdated to 6 July 2009. The Panel was also asked to consider a number of miscellaneous issues that had arisen since the previous review of allowances. (Appendix B)

Corporate Plan 2009-2012

None directly arising.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The annual additional cost of the proposals are £22,262 in 2010/11, which will need to be contained within the current revenue budget for Democracy and Governance. These costs will be subject to national pay award increases. (Appendix A).

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None directly arising.

Recommendations & Reasons for recommended action

Members are asked to consider the recommendations contained within the report of the Independent Remuneration Panel (See summary of recommendations in Appendix B) . Statutory Instrument 2003 No. 1021 states that the council must have regard to the recommendations of the Independent Remuneration Panel when determining the Members' Allowance Scheme.

Alternative options considered and reasons for recommended action

No alternative option is appropriate. On 6 July 2009, full council asked the Independent Remuneration Panel to review the existing scheme of members' allowances for members of the Overview and Scrutiny Management Board.

Background papers

Statutory Instrument No. 1021 – The Local Authorities (Members' Allowances) (England) Regulations 2003, the Statutory Guidance on Members' Allowances for local authorities in England and the report of the Independent Remuneration Panel.

Sign off

Fin	Cesf 900003	Leg	TH	HR	Corp Prop		IT		Strat Proc	
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Summary of Financial Implications of the Recommendations of the Independent Remuneration Panel - 1 February 2010

APPENDIX A

Members Allowances Scheme	Current SRA's	Current Scheme £	Proposed SRA's	Proposed Scheme £
Basic Allowance				
All Members (£10,045 x 57)	57	572,565	57	572,565
Band One				
Leader	1	30,132	1	30,132
Band Two				
Deputy Leader	1	21,202	1	21,202
Cabinet Member (£20,086 x8)	8	160,688	8	160,688
Chair of O&S Commission	1	20,086	1	20,086
Band Three				
O&S Commission Members (£10,045 x5)	5	50,225	5	50,225
Chaire of Planning	1	10,045	1	10,045
Chair of Licensing (misc)	1	10,045	1	10,045
Chair of Licensing (taxi)	1	10,045	1	10,045
Leader of the largest minority party	1	10,045	1	10,045
Band Four				
Chair of Audit	1	5,022	1	5,022
Leader of other minority parties (not paid as only one minority party)	1	5,022	1	5,022
Deputy Leader of largest minority party	1	5,022	1	5,022
Vice-chair of Planning	1	5,022	1	5,022
Lead Members				
O&S Management Board Members (£5022 x4)	0	0	4	20,088
Band Five				
Chair of Standards (independent member)	1	5,022	1	5,022
Total	82	920,188	86	940,276
Increase for estimated pay award in 2010/11 @ 1%				9,403
Total estimated cost in 2010/11 inclusive of pay award				949,679
Current budget for Basic Allowance and Special Responsibility Allowance 2010/11				929,412
Additional Pressure on Members Expenses in 2010/11				20,267
Note: The part year effect in 2009/10 of the new propsals backdated to July 09 is £15,066				
Members Notification with the Information Commisioner additional annual pressure (£35 x57)				1,995
Total additional resources required				22,262

Plymouth City Council

Independent Remuneration Panel

**Report on the review of the
members' allowance
scheme**

1 February 2010

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. Independent Remuneration Panel's Task
 2. Panel Composition
 3. Scope of Review
 4. Background Documents
 5. Overview and Scrutiny Management Board
 6. Issues that have arisen since the previous review of Members' Allowances
 7. Recommendations arising from the previous review of Members' Allowances
 8. Future Reviews
- Annex A – Analysis of councillors' questionnaires
- Annex B – Summary of recommendations

1. INDEPENDENT REMUNERATION PANEL'S TASK

The Independent Remuneration Panel was asked by the City Council, on 6 July 2009, to review the existing scheme of Members' Allowances for members of the new Overview and Scrutiny Management Board. The Panel will make recommendations for appropriate changes in accordance with statutory requirements and guidance.

2. PANEL COMPOSITION

The Independent Remuneration Panel comprises:

Paul Woods (chair)	Senior Partner at Wolferstans Solicitors, Director of Plymouth Chamber of Commerce and District Chairman of the Social Security Appeal Tribunal
Duncan Currall	Regional Managing Director - South West Media Group Ltd
Alan Wooderson	Chair of Devon and Cornwall Probation Area Board and Chair of the Probation Board's Association for England and Wales

Members of the Panel either have had or have some contact with the Council. In the interest of openness and transparency they wish to state those links here.

Paul Woods	Wolferstans Solicitors have provided and continue to provide some legal services to the Council.
Alan Wooderson	As well as being involved in probation services provided to the people of Plymouth, Alan is also occasionally asked to be involved in the resolution of statutory complaints made against Plymouth City Council.
Duncan Currall	Plymouth City Council advertises on a regular basis in South West Media Group's newspapers; and he has, over the last few years, undertaken work to assist the Council with its Improvement Programme, mentored members of the Council in a business capacity and has regular contact with senior officials and members in his various roles. Duncan is also a member of the Plymouth 2020 Local Strategic Partnership Board and Chair of the Plymouth City Centre Company. Both organisations work closely with Plymouth City Council.

3 SCOPE OF REVIEW

3.1 Following a resolution of the City Council on 6 July 2009 the Panel was asked to -

“Consider the responsibilities of the members of the new Overview and Scrutiny Management Board and report back to full council on any additional special responsibility allowance”.

3.2 The Democratic and Member Support Manager asked the Panel to consider whether any Special Responsibility Allowance recommended for members of the Management Board should be backdated to 6 July 2009, when the new Overview and Scrutiny Management Board came into existence

3.3 In addition, the Democratic and Member Support Manager asked the Panel to consider issues that had arisen since the previous review of allowances as follows:

- whether co-opted members should be able to claim a childcare and dependent carers allowance when on council duties?
- whether attendance at member development and learning events (organised by/approved by the council) should be included within the list of approved duties?

See sections 6.1 and 6.2 of the report.

3.4 A number of matters arising from the previous review (the Independent Remuneration Panel met in 2007/2008 and reported to council in February 2008) were also considered, as follows:

3.4.1 *Chair of Standards Committee*

The recommendation in the February 2008 report was that, ‘the role and responsibilities of the independent chair of the Standards Committee are reviewed after 1 April 2009 in order to assess the appropriate level of allowance for this post. This recommendation is subject to the outcome of legislation subsequent to the Councillors Commission recommendations which argue for a national rate for independent member chairs.’ See section 7.1 of this report.

3.4.2 *Notification under the Data Protection Act*

The recommendation in the February 2008 report was that, ‘further work is undertaken on this matter, within 6 months, to ascertain whether or not councillors should individually register as Data Controllers.’ See section 7.2 of this report.

3.4.3 *Information and Communication Technology*

The recommendation in the February 2008 report was that, 'the Council agrees a policy, within 6 months, about the provision of information and communication technology and related support to Members.' See section 7.3 of this report.

3.4.4 *Report of the Councillors Commission*

The recommendation in the February 2008 report was that, 'the entire members' allowance scheme is reviewed in detail by the Panel following the introduction of legislation resulting from the recommendations of the Councillors Commission.' See section 7.4 of this report.

3.4.5 *Composition of the Independent Remuneration Panel*

The recommendation contained within the February 2008 report of the Independent Remuneration Panel was that, 'the Council should appoint a fourth member to the Independent Remuneration Panel (in addition to the current three members).' See section 7.5 of this report.

4 **BACKGROUND DOCUMENTS**

In order to formulate their recommendations the Panel considered -

- the new Overview and Scrutiny function and Management Board structure
- the report of the Councillors Commission
- the Government's response to the Councillors Commission
- Statutory Instrument 2003 No. 1021. The Local Authorities (Members' Allowances) (England) Regulations 2003
- Data Protection Good Practice Note: Advice for the elected and prospective members of local authorities (Information Commissioners Office)
- questionnaires submitted by Members of the Overview and Scrutiny Management Board (Annex A)
- the report of the Independent Remuneration Panel, February 2008
- interviews with members of the Overview and Scrutiny Management Board
- interviews with council officers

5 **OVERVIEW AND SCRUTINY MANAGEMENT BOARD**

5.1 **Composition and responsibilities**

There are currently ten members of the Overview and Scrutiny Management Board consisting of -

- chairs of each of the five scrutiny panels
- two members from each of the main political groups
- one co-opted representative

The overview and scrutiny function is managed by the Overview and Scrutiny Management Board which came into existence following recommendations put to full council in July 2009. The terms of reference are as follows:

- To oversee workloads, including approval of work programmes, allocate work (based on request from Panels and from the Forward Plan) and the approval of Task and Finish Groups and to monitor the performance of Panels and Chairs
- To manage relationships between Panels, Cabinet Members, Theme Groups / Chairs and Partners and to produce relevant Protocols
- To monitor performance against Inspection Action Plans, including Access to Services and Equality Standards, and to monitor performance of partner organisations through LAA targets and priorities
- To monitor Call-ins, Councillor Call for Action and Petitions and to allocate work accordingly (Call-ins to be considered by a minimum of three Members to include the Chair of the Board and the Chair of the relevant Panel)
- To receive bi-monthly Finance and Performance Reports, including CIP monitoring and performance of Area Committees, and to carry out the Annual Budget Scrutiny
- To agree recommendations to Cabinet / Council / LSP Board and to monitor progress, including presentation of a quarterly report to the Cabinet
- To agree appointments of co-optees to Panels and to approve an annual scrutiny training programme
- Responsible for publicity and communications

The Overview and Scrutiny Management Board is scheduled to meet around ten times a year. There are also a number of provisional dates which are activated if executive decisions are called in.

5.2 **Special Responsibility Allowance**

The February 2008 report recommended a special responsibility allowance for members of the Overview and Scrutiny Commission which consisted of the five scrutiny panel chairs and one vice chair. At that time, the Panel concentrated on the responsibilities of the scrutiny panel chair members and, in retrospect, could usefully have considered the role of the vice-chair member separately from the chair members. The Panel then recommended that members of the Commission receive a Band Three allowance.

For the purposes of this review, the role of the Management Board member was considered separately to that of the Overview and Scrutiny Panel chair. It was considered that sufficient attention had been paid to the chair role in the previous review and that the Band Three allowance remained applicable to that role.

In reviewing background information as well as undertaking interviews with councillors and officers, it became clear to the Panel that the role of the Overview and Scrutiny Management Board member had changed significantly to that of membership of the Overview and Scrutiny Commission (the predecessor of the Management Board).

As a member of the Overview and Scrutiny Management Board, councillors take on significant additional duties. The role requires members to become familiar with a wide range of issues they would not normally be exposed to as a 'back bencher'. The Panel heard that councillors who sit on the Management Board are required to have an over-arching view of the work of the scrutiny function and certain areas may well be outside of their personal expertise/interest. They also need to engage in extensive background research to allow them to fulfill their role effectively.

Board members are asked to attend every meeting of the Overview and Scrutiny Management Board, including meetings for call-ins of executive decisions, as well as attend agenda planning meetings. Members are also required to attend a variety of scrutiny training events.

Board members now take part in the scrutiny of bi-monthly performance and budgetary reports along with other high level, sometimes controversial, issues such as the sale of Plymouth Citybus. The Panel found that the work of the Management Board is enhanced by the additional capacity, different viewpoints and knowledge of the non-chair members. The additional capacity these members bring appears to enhance the scrutiny function, which also extends to the scrutiny of other organizations and the Local Strategic Partnership (LSP).

Agreeing the appointment of co-opted members to all of the scrutiny panels as well as approving an annual scrutiny training programme is now amongst the duties of the Management Board and the Board also has a responsibility for increasing publicity and raising awareness about the scrutiny function.

In addition, the Management Board is developing relationships with the Local Strategic Partnership's Board and Theme Groups partly due to the developing statutory requirements for scrutiny of outside agencies and partners and partly to better coordinate the work of the LSP and scrutiny in order to avoid duplication and add better value to the work of the council.

The Panel believes that the role of Overview and Scrutiny Management Board

members should be recognised within the authority and it is clear, through the evidence submitted, that these members have a higher level of responsibility and give up more of their time to meetings and research than their 'backbench' colleagues. The additional workload and responsibilities that Management Board members assume should be recognised within the current scheme of allowances.

The Panel recommends that –

- (1) the special responsibility allowance for the members of the Overview and Scrutiny Management Board is Band 4 (currently £5,072.64) increased annually by the adjustment method recommended in the 2008 report.***
- (2) it is noted that the special responsibility allowance for each chair of the Overview and Scrutiny Panel remains at Band 3 (currently £10,145.28)***

** The Panel notes the current arrangements, which are that Members can only claim one Special Responsibility Allowance.

5.3 Allowance for co-opted member of the Management Board

The Panel considered the position of the co-opted member of the Management Board and considered it to be an important role which brings an independent voice and external expertise to the Board. The co-opted member is asked to attend formal business meetings and there is also an open invitation to attend agenda planning meetings, although attendance is not required. The co-opted member is asked to read agendas and associated reports before attending meetings.

The Panel understands that the co-opted member does not have any further commitment to the council other than meeting attendance, although the number of meetings that this post holder is expected to attend is greater than the average co-opted member. The Panel sees no reason to change the current arrangements at this time but believes that a review of the commitment required by this co-opted member should be undertaken within a period of twelve months from the consideration of this report by full council.

The Panel recommends that a review of the role of the co-opted member of the Overview and Scrutiny Management Board is undertaken, in within a period of twelve months from the consideration of this report by full council, in order to assess whether an allowance would be appropriate.

5.4 Backdating of Allowance

All members of the Overview and Scrutiny Management Board have been

performing their new role since 6 July 2009 and members' allowances have previously been retrospectively awarded. The Panel considered that the new allowance should be implemented from the date on which the new duties commenced.

The Panel recommends that the special responsibility allowance relating to members of the Overview and Scrutiny Management Board is backdated to 6 July 2009.

6 ISSUES THAT HAVE ARISEN SINCE THE PREVIOUS REVIEW OF MEMBERS' ALLOWANCES

6.1 Childcare and dependent carer's allowance for co-opted members

In its previous review, the Panel strongly believed that individuals should not be discouraged from standing as a councillor because they are responsible for children, elderly relatives or people with disabilities.

Co-opted members' time, knowledge and expertise are essential to the work of the council and the Panel considered that the principle that those members of the public performing a civic duty should not be left "out of pocket" for doing so should be extended to co-opted members.

The Panel suggests that, in line with councillors' expenses, the maximum period of the entitlement should be the duration of the approved duty plus reasonable travelling time. The allowance should not be payable to a member of the claimant's own household.

The Panel recommends that co-opted members are entitled to claim childcare and dependent carer's allowances (against receipts) when they are on approved council business.

6.2 Attendance at member development and learning events

In its previous report, the Panel noted that the regulations state that a members' allowance scheme may pay travelling/subsistence/dependent carer's allowances as are incurred in:

- attending a committee, sub-committee or outside body meeting
- attendance at any other authorised meeting (provided that it is a meeting to which Members of at least two political groups have been invited)
- attendance at a meeting of any association of authorities of which the authority is a member
- attendance at any Cabinet meeting
- performance of any duty connected with the opening of tenders
- performance of any duty requiring the authority to inspect or authorise the inspection of any premises

- performance of any duty in connection with arrangements for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996
- the carrying out of any other duty approved by the authority for the purpose of or in connection with the discharge of the functions of the authority or any of its committees or sub-committees

The Panel recognises that councillors must have the appropriate knowledge and skills to undertake their roles effectively and must feel able to engage in learning and development opportunities provided by the City Council and outside bodies. Council accepted the Panel's previous recommendation that, 'the existing travelling and subsistence arrangements continue i.e. that Members are entitled to claim such allowances necessarily met in carrying out their official duties as councillors outside of the city boundary (in line with the officers' scheme).'

For the purposes of clarity, the Panel considers that attendance by Members at development and learning events is included in the list of approved duties.

The Panel recommends that attendance at Member learning and development events is included in the list of approved duties.

7 RECOMMENDATIONS ARISING FROM THE PREVIOUS REVIEW

7.1 Independent chair of Standards Committee

The previous report recommended that, 'the role and responsibilities of the independent chair of the Standards Committee are reviewed after 1 April 2009 in order to assess the appropriate level of allowance for this post. This recommendation is subject to the outcome of legislation subsequent to the Councillors Commission recommendations which argue for a national rate for independent member chairs.'

The Panel noted that very little progress had been made with any of the recommendations made by the Councillors Commission. They also noted that there had been a delay, nationally, in the implementation of the relevant legislation and that the role of the independent chair of the Standards Committee was still developing.

The Panel recommends that the level of allowance appropriate for the independent chair of the Standards Committee is reviewed in summer 2010.

7.2 Notification under the Data Protection Act (1998)

In its previous report, the Panel recommended that further work was undertaken, within 6 months, to ascertain whether or not councillors should individually

register as data controllers.

The Data Protection Act regulates the holding and processing of personal information that relates to living individuals and which is held on computer or, in some cases, on paper.

Organisations or individuals that process information covered by the Act may need to notify the Information Commissioner about their processing. A description of the processing activities is placed on a public register of notifications. These organisations or individuals must also comply with eight data protection principles which together form a framework for the proper handling of personal information. Individuals whose personal information is processed have rights under the Act, for example, to a copy of the information that is held about them.

When elected members represent residents of their ward, they are likely to have to notify in their own right if, for example, they use personal information to timetable surgery appointments or take forward complaints made by local residents.

The Panel considers that most, if not all, councillors are likely to fall into the above category and that good practice would be for all councillors to notify the Information Commissioner.

The Panel suggests that the city council undertakes the notification process, on behalf of each councillor, to the Information Commissioner. This arrangement is likely to streamline the operation and ensure that each councillor receives appropriate advice on the matter. The Panel notes that the current registration cost is £35 per individual.

The Panel recommends that –

- (1) the city council undertakes the notification process relating to the Data Protection Act 1998, on behalf of each councillor, to the Information Commissioner***
- (2) for the purposes of clarity, information about Members' notification with the Information Commissioner is included within the Members' Allowances Scheme.***

7.3 Information and Communication Technology

The previous report recommended that the Council agreed a policy, within 6 months, about the provision of information and communication technology and related support to Members.

The following are the Information Technology options available to each Member:

'Each member is entitled to either a laptop or a BlackBerry. If a BlackBerry is selected, the Council will pay the monthly contract and the cost of calls. The BlackBerry may only be used for council business. If a laptop is selected, the Council will supply a printer and will pay the costs of broadband to the Member's home address.'

For the purposes of clarity, it is suggested that the above information is included within the Members' Allowances Scheme.

The Panel notes that Members' IT provision is currently under review.

The Panel –

(1) notes the Members' IT options above

(2) recommends that, for the purposes of clarity, the information is included within the Members' Allowances Scheme.

7.4 Report of the Councillors Commission

In its previous report, the Panel recommended that the entire members' allowance scheme was reviewed in detail by the Panel following the introduction of legislation resulting from the recommendations of the Councillors Commission.

The report of the Councillors Commission was published in December 2007. The report contained 61 recommendations to the Government which the Commission believed would encourage able, qualified and representative people to seek election as a councillor.

In its previous review, the Panel took particular note of the following recommendations -

- A national framework of guiding principles for members' allowances schemes should be developed. There should be a national minimum basic allowance for each type and size of authority.
- The basic allowance should be suspended or partly returned where councillors are "measurably failing to fulfill their role description".
- The role of a councillor must be compatible with full time employment.

The Government responded to the Councillors Commission in July 2008 and stated that it was looking forward to working with the Local Government Association, the IDeA and the Leadership Centre in order to take forward some of the recommendations. It is understood that little progress has since been made.

7.5 **Composition of the Independent Remuneration Panel**

The Panel believes a fourth member is required to try and ensure that the Panel is representative of the wider community and that there is sufficient capacity to convene when required to do so by the council.

The Panel recommends that the process for recruiting a fourth member of the Panel begins following the consideration of this report at the City Council meeting on 1 February 2010.

8 **FUTURE REVIEWS**

In order to review the allowances for the independent chair of the Standards Committee and the co-opted member of the Overview and Scrutiny Management Board, as per the recommendations above, the Panel seeks to convene again as identified previously in this report. The Panel could also review any other issues that may have arisen since the consideration of this report.

The Panel recommends that it convenes at the appropriate times (as identified in this report) in order to review the allowances of the independent chair of the Standards Committee and the co-opted member of the Overview and Scrutiny Management Board, as well as any other miscellaneous issues as required.

Analysis of questionnaires

The Panel sent a questionnaire to each member of the Overview and Scrutiny Panel. Eight members returned the questionnaire. The Panel collated the information about the amount of time councillors thought they spent in their role as a member of the Overview and Scrutiny Management Board:

All Members

Average: 27.3 Hours per month

Scrutiny Panel Chair Members of Overview and Scrutiny Management Board

Average: 19.7 Hours per month

Non-Chair Members of Overview and Scrutiny Management Board

Average: 34.9 Hours per month

Councillors commented that accurately attributing with any precision how much time they averaged on Overview and Scrutiny Management Board business over a day, a week or a month had not been easy. Councillors considered that the Panel should also take into account their work on task and finish groups, the possibility of call-ins and the activation of provisional meeting dates.

Although the Panel gave weight to the questionnaires, other background information and, more specifically, the interviews with councillors helped the Panel to form its recommendations.

SUMMARY OF THE PANEL'S RECOMMENDATIONS

The Panel recommends that –

- 5.2.1** *the special responsibility allowance for the members of the Overview and Scrutiny Management Board is Band 4 (currently £5,072.64) increased annually by the adjustment method recommended in the 2008 report.*
- 5.2.2** *it is noted that the special responsibility allowance for each chair of the Overview and Scrutiny Panel remains at Band 3 (currently £10,145.28)*
- 5.3** *a review of the role of the co-opted member of the Overview and Scrutiny Management Board is undertaken, within a period of twelve months from the consideration of this report by full council, in order to assess whether an allowance would be appropriate.*
- 5.4** *the special responsibility allowance relating to members of the Overview and Scrutiny Management Board is backdated to 6 July 2009.*
- 6.1** *co-opted members are entitled to claim childcare and dependent carer's allowances (against receipts) when they are on approved council business.*
- 6.2** *attendance at Member learning and development events is included in the list of approved duties.*
- 7.1** *the level of allowance appropriate for the independent chair of the Standards Committee is reviewed in summer 2010.*
- 7.2.1** *the city council undertakes the notification process relating to the Data Protection Act 1998, on behalf of each councillor, to the Information Commissioner; and*
- 7.2.2** *for the purposes of clarity, information about Members' notification with the Information Commissioner is included within the Members' Allowances Scheme.*
- 7.3.1** *the Members' IT options in section 7.3 of the report are noted*

- 7.3.2** *for the purposes of clarity, the IT information is included within the Members' Allowances Scheme.*
- 7.5** *the process for recruiting a fourth member of the Panel begins following the consideration of this report at the City Council meeting on 1 February 2010.*
- 8** *The Panel recommends that it convenes at the appropriate times (as identified in this report) in order to review the allowances of the independent chair of the Standards Committee and the co-opted member of the Overview and Scrutiny Management Board, as well as any other miscellaneous issues as required.*