



**North Tyneside Council**

**REPORT OF THE  
INDEPENDENT REMUNERATION PANEL**

**JULY 2012**

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## 1.0 INTRODUCTION

1.1 The Remuneration Panel was initially appointed in 2003 under the provisions of the Local Authority (Members Allowances) (England) Regulations 2003. These regulations replaced the Local Authorities (Members Allowances) (England) Regulations 2001.

1.2 Our Terms of Reference are as follows: -

- a) To consider issues and representations relating to Members' remuneration and expenses.
- b) To make recommendations and provide advice to the Council

1.3 The current Panel was appointed in 2007 and comprises of Mr John Anderson CBE, Chairman of Leeds Building Society; Mr Brian Reeve, Chief Technical Officer, Port of Tyne Authority and Mr Phil Harwood, General Manager, Bernhard Schulte (UK) Ltd

## CURRENT ECONOMIC CLIMATE

1.4 In conducting our deliberations we are fully aware of and have noted the current financial pressures facing both national and local government.

## 2.0 BACKGROUND

2.1 The members of the Panel have been asked to give consideration to the following:

- That the Council policy be changed to set a limit of £50,000 on any allowance paid under the Members' Allowance Scheme;
- Further this Council agrees that with the support of the Remuneration Panel that we make representations to the relevant Government Department to introduce a national allowance scheme for elected members that would take into account the different models of councils' and their responsibilities, as well as the size of constituencies that elected members represent. This would create a single scheme of remuneration and take away the large variations in payments and present a value for money framework for all elected members across the country;
- The amount paid under the Members' Allowances Scheme in respect of the Dependent Carers Allowance be reviewed; and
- The level of Special Responsibility Allowance to be paid to the Chair and Deputy Chair of the Governance Committee.

## 3.0 ISSUES CONSIDERED BY MEMBERS OF THE PANEL

### A limit of £50,000 payable under the Members' Allowances Scheme

3.1 At the Annual Meeting of the Council held on 17 May 2012 it was reported that following consultation with the Leaders and Deputy Leaders of each of the Political Groups represented on the Council, the Independent Remuneration Panel had given consideration to the level of Members' allowances for 2012/13. We considered the Groups' views that no increases in allowances be

approved in view of the current economic climate and the financial pressures currently facing local authorities. The Panel noted the fact that the Council has previously agreed that Members' allowances should be index linked to the NJC employees annual pay award, and that no such pay award has been made for 2012/13. The Panel recognises the valuable work undertaken by Councillors but agrees, and recommends, that there should be no increases in allowances for the year 2012/13.

3.2 The Panel has however previously carried out detailed research on Members' allowances which demonstrates that the Council's allowances are out of line significantly with national and regional allowances. The Panel believes that the current North Tyneside Members Allowance Scheme does not recognise the qualities and time commitment required to fulfil the various roles of a councillor, nor does it provide sufficient recompense for undertaking those various roles. It is therefore the intention of the Panel to undertake a full review of the levels of Members' allowances in North Tyneside prior to the Council agreeing allowances for 2013/14.

3.3 At that meeting the following motion was agreed:

"The Remuneration Panel be requested to consider the following:

- The Council policy be changed to set a limit of £50,000 on any allowance paid under the Members' Allowance Scheme.
- Further this Council agrees that with the support of the Remuneration Panel that we make representations to the relevant Government Department to introduce a national allowance scheme for elected members that would take into account the different models of councils' and their responsibilities, as well as the size of constituencies that elected members represent. This would create a single scheme of remuneration and take away the large variations in payments and present a value for money framework for all elected members across the country; and
- The Independent Remuneration Panel be requested to review the amount paid under the Members' Allowances Scheme in respect of the Dependent Carers Allowance."

3.4 The members of the Remuneration Panel when considering the motion had regard to their previous reports in relation to the Members' Allowances Scheme. It was noted that, at present, the only position which would be affected by such a cap on allowances would be the post of Elected Mayor. The panel had previously identified a number of key principles in relation to the levels of allowances for the Elected Mayor. These were:-

- The level of allowance for the Elected Mayor should be set at such a level that senior managers in the public, private or voluntary sector should not have to sacrifice personal benefit for the sake of taking political office
- The level of allowances for the Elected Mayor must reflect the importance of the role and the size and complexity of the organisation which he/she will be leading

- The Council needs to ensure that its allowance scheme properly rewards elected members for the very significant commitment that they make in participating in Council activities
- 3.5 In North Tyneside it was acknowledged back in 2008, when the Council did not approve implementation of a revised scheme, that councillor allowance levels were substantially below the averages across the region and countrywide.
- 3.6 In the interim that gap has further widened, with North Tyneside Members' allowances being among the lowest in the country, putting at risk the Council's ability to continue to attract individuals to become councillors for North Tyneside Council.
- 3.7 The Panel had regard to the current level of allowances paid to elected mayors in other authorities. We note that the level paid in North Tyneside is towards the lower end of the allowances paid.
- 3.8 We feel that the current North Tyneside Members' Allowance Scheme does not recognise the qualities and time commitment, which is required to fulfil the role of councillor, nor does it provide adequate recompense for undertaking the various councillor/civic roles. With this in mind, we feel that it is clear that that it is not appropriate to pursue placing a cap on the level of allowances paid under the Members Allowances Scheme.

#### Representations regarding a national scheme of allowances

- 3.9 We have considered the request of the Council for the Panel to support its representations to government regarding a national scheme of members' allowances. We do not believe such an approach would be successful and therefore do not support such an approach. The Panel would however support an officer led approach to give consideration to the development of a regional members' allowances scheme.

#### Dependent Carers Allowance

- 3.10 We were asked to consider whether there should be an increase in the level of allowance paid for dependent carers to allow members to carry out their duties. Since December 2003 the Council, acting on a recommendation of the Independent Remuneration Panel, agreed that a Dependent Carers Allowance should be available for elected members based on an hourly rate linked to the statutory minimum wage, currently £6.08, for approved duties. Under the scheme the level of allowance automatically increases in line with changes to the national minimum wage. An analysis of the allowances in respect of neighbouring and mayoral authorities has indicated that the level of dependent carers allowance is in line with those of similar authorities.
- 3.11 The Panel does not consider that there have been any material reasons presented that would demonstrate a need to change the current level of Dependent Carers Allowance. The Panel will however be undertaking a full review of the levels of allowances in the coming year.

### Governance Committee

- 3.12 We have been asked to give consideration to the level of Special Responsibility Allowance to be paid to the Chair and Deputy Chair of the newly appointed Governance Committee.
- 3.13 The Localism Act 2011 places a statutory duty on the Council to promote and maintain high standards of conduct by its elected and co-opted members. The Act requires the Council to adopt a Code of Conduct dealing with the conduct of its elected and co-opted members by 1 July 2012 and introduce local arrangements to handle any misconduct complaints. We note that the Council has decided to create a Governance Committee with the following remit:
1. To promote and maintain high standards of conduct by the Elected Mayor, Councillors, Co-opted Members and church and parent governor representatives.
  2. To ensure the Elected Mayor, Councillors and Co-opted Members and church and parent governor representatives observe the Members' Code of Conduct.
  3. To advise the Council on the adoption or revision of the Members' Code of Conduct.
  4. To monitor the operation of the Members' Code of Conduct.
  5. To advise, train or arrange to train the Elected Mayor, Councillors and Co-opted Members and church and parent governor representatives on matters relating to the Members' Code of Conduct and Disclosable Pecuniary Interests.
  6. To grant dispensations to the Elected Mayor, Councillors and Co-opted Members and church and parent governor representatives from requirements relating to interests set out in the Members' Code of Conduct.
  7. To monitor complaints received by the Council in respect of the Members' Code of Conduct.
  8. To review the Whistle-blowing policy for Members.
  9. To conduct hearings following investigation and determine complaints made against Councillors (including following requests for review).
  10. Where a Member is found to have failed to comply with the Code of Conduct to take such action as may be necessary to promote and maintain high standards of conduct, in accordance with the powers available to the Committee.
  11. To amend the assessment criteria for complaints against Members (included in the Council's adopted arrangements) as it considers appropriate from time to time.

12. To undertake such further functions as may be the responsibility of the Committee under the Council's adopted arrangements in relation to the handling of complaints against Members.

13. To approve the contents of an annual report summarising the work of the Committee over the previous year for submission to the Annual Council meeting.

3.14 Based on the remit set out above the Panel would be minded to classify the Governance Committee as a major committee of the Council and therefore would recommend that the level of allowance to be paid to the Chair and Deputy Chair be £3,003 and £2,100 respectively.

#### 4.0 RECOMMENDATIONS

The Panel recommends that:

4.1 A cap of £50,000 on the level of allowances to be paid under the Members' Allowances Scheme is not considered appropriate and be not applied;

4.2 Council be recommended to authorise officers to examine with other local authorities in the area the introduction of a regional Members' Allowance Scheme

4.3 No increase is made to the level of Dependent Carers Allowance at the present time, but that the issue is considered as part of a full review of the Scheme;

4.4 The level of Special Responsibility Allowance to be applied to the Chair and Deputy Chair of the Governance Committee be set at £3,003 and £2,100 respectively in line with a major committee of the Council; and

4.5 A full review of the Members' Allowance Scheme be undertaken prior to the Council's consideration of the 2013/14 allowances.

#### 5.0 BACKGROUND INFORMATION AND REFERENCES

The Local Authorities (Members' Allowances) (England) Regulations 2003

Member's Allowance Schemes of Tyne and Wear Authorities, Mayoral Authorities Statistical Neighbours

Reports and minutes of the Council meetings held on 17 May 2012 and 28 June 2012

Previous reports of the Remuneration Panel