

Report of the North Tyneside Independent Remuneration Panel

March 2017

Executive Summary

The views of the Independent Remuneration Panel are required to be taken into account by the Council when considering any changes to the Members' Allowances Scheme. The Panel has been requested to consider and make recommendations in relation to the Members' Allowances Scheme for the 2017/18 financial year.

The Government's National Living Wage was introduced on 1 April 2016 for all working people aged 25 and over, and the Panel recommends that the current Members' Allowances scheme be amended in respect of the payment of the Dependent Carers Allowance to reflect the introduction of the National Living Wage.

The Panel noted that the majority of the neighbouring authorities have not made changes to their Members' Allowances Scheme in the past year and it therefore considers no further changes be made to the current scheme for 2017/18

The Panel **recommends** that there be no change to the North Tyneside Members Allowance Scheme for 2017/18 with the exception that the Dependent Carers' Allowance be paid to eligible Members aged 25 and over at the equivalent to the National Living Wage rather than the Minimum Wage.

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' allowances and expenses.
 - b) To make recommendations and provide advice to the Council
- 1.3 The current Panel was appointed in 2012 and comprises of Mr John Anderson CBE, Regional Chairman of Coutts Bank; Mr Brian Reeve, Senior Projects Director, Royal Haskoning DHV; Mr Les Watson, formerly of the Audit Commission and Dr Rachid Zemouri, Managing Director of ICAS Limited

2.0 BACKGROUND

- 2.1 The Panel was requested to give consideration to the current Members' Allowances Scheme and to make recommendations on the level of allowance for 2017/2018.

3.0 MEMBERS' ALLOWANCE SCHEME

- 3.1 The Panel had been requested to give consideration to the Members' Allowances Scheme to determine if it was still set at an appropriate level. The Panel noted that the Scheme had a number of elements, including a basic allowance, special responsibility allowances and payments to cover expenses incurred in carrying out the duties of an elected member.
- 3.2 Under the current scheme all Members of the Council are entitled to receive a basic allowance. This allowance is intended to cover a range of incidental expenses incurred by Members, including stationary, postage, telephone calls and additional costs associated with heating and lighting the home, and to recognise the unpaid work spent on ward matters.
- 3.3 The Panel notes that in November 2014 the Council accepted its recommendation to increase the level of the basic allowance with effect from the financial year 2015/16 to bring it to the average figure for the LA7 authorities.
- 3.4 The Panel acknowledges that the majority of the neighbouring authorities have not increased their level of allowances since this authority agreed to an increase in the level of the basic allowance in November 2014. The Panel therefore considers that no change be made to the Members' Allowances

Scheme for the 2017/18 financial year, other than the proposal set out in paragraph 3.6 below.

3.5 The Panel continues to recognise that there may be a need to carry out a review of special responsibility allowances, however it thought this was not the appropriate time for it to undertake such a review.

3.6 The Panel notes that in the current Members' Allowances Scheme, the payment of a Dependent Carers Allowance is available to Members who have childcare or other care commitments whilst undertaking approved duties at the equivalent to an hourly rate of the statutory minimum wage.

In the light of the introduction of the Government's National Living Wage on 1 April 2016 for all working people aged 25 and over, the Panel recommends that the payment of the Dependent Carers Allowance under the Members' Allowances Scheme be amended to reflect the National Living Wage rather than the Minimum Wage. The National Minimum Wage will still apply to those aged under 25.

The following rates are for the National Living Wage and the National Minimum Wage.

Year	25 and over	21 to 24	18 to 20
October 2016 (current rate)	£7.20	£6.95	£5.55
April 2017	£7.50	£7.05	£5.60

3.7 The Panel **recommends** that there be no change to the Members Allowance Scheme for 2017/18 with the exception that the Dependent Carers' Allowance be paid to eligible Members aged 25 and over at the equivalent to the National Living Wage rather than the Minimum Wage.

4.0 BACKGROUND INFORMATION AND REFERENCES

- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Previous reports of the Remuneration Panel
- Member's Allowances Schemes of Tyne and Wear Authorities, Mayoral Authorities and Statistical Neighbours
- Local Government Act 1972
- North Tyneside Council Constitution
- North Tyneside Members Allowances Scheme