

North Tyneside Council

Report to Council

Date: 27 November 2014

ITEM 9

Title: Report of the
Independent
Remuneration Panel

Portfolio: Elected Mayor

Cabinet Member:

Mrs Norma Redfearn

Report from Service Area: Law and Governance

Responsible Officer: Vivienne M. Geary, Head of Law and Governance **Tel:** (0191) 643 5339

Wards affected: All

PART 1

1.1 Purpose:

This report requests the Council to give consideration to the recommendations of the Independent Remuneration Panel in relation to:

- the level of the basic allowance paid to Members;
- the level of Special Responsibility Allowance which should be attached to the position of chair and deputy chair of the new sub committees appointed at the Annual Council Meeting; and
- the level of allowance attached to the role of Independent Person.

1.2 Recommendation:

It is recommended that Council considers the recommendations of the Independent Remuneration Panel.

1.3 Council Plan and Policy Framework

This report has no direct relevance to the Authority's Our North Tyneside Plan priorities or to the Policy Framework.

1.4 Information:

1.4.1 Background

- 1.4.2 Following consultation with elected members the Independent Remuneration Panel has given consideration to the level of Members' allowances for 2015/16.
- 1.4.3 The Panel has previously carried out detailed research on Members' allowances which demonstrates that the Authority's allowances are significantly out of line with national and regional allowances. It still believes that the current North Tyneside Members' Allowance Scheme does not recognise the commitment required to fulfil the various roles of a being councillor, nor does it provide sufficient recompense for undertaking those various roles.
- 1.4.4 The Panel whilst acknowledging that, politically, it is never a good time to consider increasing the level of allowances paid to elected members especially in view of the economic challenges facing the Authority it considers that further inaction in relation to the level of the basic allowance is not a sustainable option.
- 1.4.5 The Panel therefore recommends that the level of the basic allowance, paid to all members of the Authority, should be increased to the mean average of the LA7 authorities (Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland) i.e. £9,759.
- 1.4.6 The Panel also agreed that its previous decision that it is appropriate to keep the existing index link between members' allowances and the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (Green Book) annual pay award should continue for another 4 year period.
- 1.4.7 The Panel has also been requested to give consideration to the level of allowances which should be attached to post of chair and deputy chair of the new sub committees which were created at the Annual Meeting of the Council held on 5 June 2014. The new sub committees had been created to replace the former Environment and Culture Sub Committee and the Economic Prosperity and Housing Sub Committee and to better align the scrutiny sub committees with the relevant cabinet portfolios. The new sub committees created were:
- Culture and Leisure;
 - Economic Prosperity;
 - Environment; and
 - Housing.
- 1.4.8 The Panel gave consideration to the terms of reference of each of the new sub committees and the expected workloads and responsibilities of the chairs and deputy chairs. Having examined the information presented the Panel concluded that each of the sub committees would be equivalent to a minor committee under the Members' Allowances Scheme.
- 1.4.9 The Panel therefore recommend that a special responsibility allowance of £2,100 be attached to the position of chair of the Culture and Leisure, Economic Prosperity, Environment and Housing Sub-committees and an allowance of £1,473 be attached to the post of deputy chair of those sub committees.
- 1.4.10 The Panel also gave consideration to the level of allowance which should be attached to the post of Independent Person(s) appointed in accordance with the Localism Act 2011 to

assist the Council when investigating allegations that an elected member or co-opted member has breached the Council's Code of Conduct. The current allowance for the post of Independent Person is £1,000 and the Panel considered that this was set at an appropriate level based on the workload and responsibilities of the post.

1.4.11 The Panel noted that there could be occasions when the Independent Person was required to attend hearings over a number of consecutive days and therefore suffer a loss of earnings for those days. The Panel considered that it was appropriate that, where this occurred, the Independent Person should be able to claim a contribution towards any loss of earnings. The Panel recommended a daily figure of £30 for absences of up to 4 hours and £60 for absences from work of over 4 hours.

1.5 Decision options:

The following decision options are available for consideration by Council

Option 1

Approve all or part of the recommendations of the Independent Remuneration Panel in relation to the amendments to the Members' Allowances Scheme; or

Option 2

Refer the matter back to the Independent Remuneration Panel for further consideration of specific issues identified by Council; or

Option 3

Defer consideration of the matter to obtain appropriate advice on the implications of any alternative proposals.

1.6 Reasons for recommended option:

The Authority is required to have in place a Members' Allowances Scheme having had regard to the recommendations of the Independent Remuneration Panel which is subject to annual review.

1.7 Appendices:

Appendix: Report of the Independent Remuneration Panel.

1.8 Contact officers:

Vivienne M. Geary, Head of Law and Governance, tel. (0191) 643 5339
Dave Parkin, Democratic Support Officer, Law and Governance, tel. (0191) 643 5316
Alison Campbell – Finance Services (Tel. 6437038)

1.9 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) North Tyneside Council Constitution

(2) North Tyneside Members' Allowances Scheme

(3) Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The report recommends that the level of the basic allowance be increased to £9,759 from April 2015. This would require the Members' allowances budget to be increased by £116,000. If the Council made an alternative decision in relation to the level of allowances appropriate consideration would need to be taken in relation to the financial implications.

The report also recommends that there be an increase in the number of special responsibility allowances paid in the 2014/15 municipal year. The additional allowances proposed for the Chair (£2,100 x 4) and Deputy Chair (£1,473 x 4) of the new sub-committees will be tempered by the removal of the allowances associated with the former Environment and Culture Sub-committee and the Economic Prosperity and Housing Sub-committee (Chair £2,100 x 2, Deputy Chair £1,473 x 4). The above allowances can be accommodated within existing budgets.

Any decision by Council to change the Allowance Scheme or the level of any of the allowances will be reflected in the budget through the 2015/16 Financial Planning and Budget process along with any decision to apply future increases as a result of the proposal to index link allowances to the pay award

2.2 Legal

The Council is required to approve a Members' Allowances Scheme each year, following advice from the Independent Remuneration Panel, in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Elected Mayor and Elected Members were consulted as part of the Independent Remuneration Panel's preparation of the report.

2.3.2 External Consultation/Engagement

There has been no external consultation or engagement on the report of the Independent Remuneration Panel.

2.4 Human rights

The proposals within this report do not themselves have any direct implications in respect of the Human Rights Act 1998.

2.5 Equalities and diversity

There are no direct equalities or diversity implications arising from this report.

2.6 Risk management

The risks associated with this report will be managed in accordance with the North Tyneside Council risk management process.

2.7 Crime and disorder

There are no crime and disorder implications associated with this report.

2.8 Environment and sustainability

There are no direct environment and sustainability implications arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X