

Copeland Borough Council

Independent Remuneration Panel

Interim Review of Members' Allowances - March 2006

Introduction

1. The following is a summary of the proceedings and recommendations made by the Independent Remuneration Panel appointed by Copeland Borough Council to consider the current Members' Allowances scheme and advise the Council on a revised scheme of allowances for Members. The Independent Remuneration Panel has been set up to conform to the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations require all local authorities that adopt executive arrangements to set up and maintain an Independent Remuneration Panel to review and provide advice on Members' allowances.

2. The Council is required to take account of the advice of the Panel in determining its Scheme of Members' Allowances.

The Panel

3. The Panel comprised the following members:

Judith Crisp, a Partner at Bleasdale & Co, Solicitors, Whitehaven.

John Head, West Cumbria Development Officer, Cumbria Chamber of Trade.

Shirley Williams, External Affairs Manager, British Nuclear Group.

Terms of Reference

4. The terms of reference of the panel as agreed by the Council on 13 September are attached at Appendix "A". These require the Panel to conduct a full review of Members' remuneration by 31 December 2006 and an interim review by 31 March 2006. This report contains the Panel's conclusions and recommendations on the interim review.

Methodology

5. The Panel met on the following occasions:
 - a. 15 November 2005
 - b. 1 February 2006
 - c. 20 February 2006
 - d. 20 March 2006

6. Panel meetings were held at the Copeland Centre, Catherine Street, Whitehaven in private session. The Leaders of the two political groups on the authority, a representative of the non-aligned Members, and the Chief Executive were invited to give evidence to the Panel on changes they believed should be included in the interim review. The Panel also sent out a questionnaire to all Members that ensured no Member was denied an input to the review process and to get a sense of what Members felt about the review. The questionnaire also gave Members an opportunity to make general comments in addition to, or instead of, responding to the questions. 13 completed questionnaires were received. The Panel concluded that it would not be appropriate to draw definitive conclusions from such a small and possibly unrepresentative sample of Members' views, and that the results from the questionnaire responses should therefore be disregarded for the purposes of the interim review.

7. The Panel took into account similar remuneration schemes elsewhere, particularly in other District Councils in Cumbria, and authorities in Copeland's "family group" as defined by the Audit Commission. It took into account the statutory guidance of the Office of the Deputy Prime Minister (ODPM), which all local authorities are required to have regard to when approving Schemes of Members' Allowances.

Basic Allowance

8. The Panel considered whether to make any recommendation in the interim review for a change to the level of Basic Allowance.

9. The Panel noted that the 2003 IRP report recommended a substantial increase in the level of Basic Allowance and that the increases recommended (and accepted by the Council) have been

implemented on a phased basis of 33% per year for 3 years. The final element of the phased increases will take effect at the start of the 2006/07 year. The Allowance is also index-linked.

10. The Panel did not receive any compelling evidence that the Basic Allowance should be increased as a result of the interim review, nor does it consider that the current Basic Allowance is anomalous in terms of either other Cumbrian authorities or regionally.
11. The Panel therefore recommends that no further increase in Basic Allowance be introduced for 2006/2007 over and above the phasing and index-linked increases already due for 2006/2007.

Special Responsibility Allowances

12. The Panel has received no compelling evidence that any of the Special Responsibility Allowances (SRA) (other than the Leader's SRA – see below) should be increased as a result of the interim review, or that there are any positions of responsibility in the Council which do not attract SRA currently, but should.
13. The Panel therefore recommends that no change is made to SRA's other than the Leader's SRA for 2006/2007.

The Leader's Special Responsibility Allowance

14. The Panel has received some evidence that the Leader's SRA should be increased and in particular that this SRA should reflect the fact that the Leader's role in most modern local authorities is now a full-time one. The Panel notes that the concept of a full-time Leader was recognised in the 2003 IRP Report and the recommended SRA for the Leader in that report was calculated by reference to the number of hours most Councillors spend on Council duties projected into a full-time role, and including an additional element of added responsibility. As required by ODPM guidance, the allowances recommended by the 2003 IRP also assumed that some element of the work of all Councillors should continue to be voluntary – that some hours are not remunerated at all. The 2003 IRP calculated that this voluntary element should be 30% and this Panel sees no reason to depart from this view.
15. On the basis of the evidence received the Panel therefore sees no reason to re-calculate fundamentally the basis of the Leader's SRA for the purposes of this interim review. This will be done in the full review later in 2006. However the Panel recognise that the Leader's role in a modern local authority is an increasingly onerous

and responsible one and that the Leader's SRA at Copeland has fallen a little behind those of other Cumbrian local authorities. The Panel therefore proposes to recommend a Leader's SRA for 2006/2007 based on the average of the Leader's SRAs for the other Cumbrian authorities, but excluding Allerdale. The Panel's view is that the Leader's SRA for Allerdale is, on the face of it, an obvious anomaly in both county and regional terms.

16. The Panel therefore recommends a Special Responsibility Allowance for the Leader of the Council of £13,982 for 2006/2007.

Dependant Carers' Allowance

17. This allowance was first introduced following the 2003 IRP Report, and although the Panel notes that take-up has so far been nil, they nevertheless believe that this allowance could still serve as an incentive to people with dependants becoming involved in local government, particularly in the context of the district council elections due in May 2007. The Panel therefore recommends that the percentage of incurred costs of care which will be reimbursed under this allowance be increased from 70% in the current scheme to 100%, provided the same costs cannot be reimbursed from other sources.

Pensions

18. The Panel will be examining the possible introduction of pension provisions in respect of both Basic Allowance and Special Responsibility Allowance in the full review later in 2006 and have no recommendations to make at this time.

Benefits Eligibility

19. The Panel is aware that there are some Councillors for whom there are disincentives to standing for certain positions of seniority in the Council because of the adverse effects payment of SRA's for those positions would have on their eligibility for benefits. The Panel will be examining this issue in the full review later in 2006, with a view to identifying suitable mechanisms for addressing this apparent anomaly.

Travelling and Subsistence

20. The Panel has considered the current scheme of travelling and subsistence for Councillors, and the position of Councillors who live some distance from the Council's administrative offices and are

involved regularly in spending considerable time travelling to meetings. The travel and subsistence scheme will be examined in detail in the full review but in the meantime the Panel consider that the existing travel and subsistence allowances are adequate to cover costs incurred by these Councillors.

Conclusions

21. The Panel would like to thank the Members and officers of the Council for their assistance and co-operation in the conduct of this review.

Judith Crisp
John Head
Shirley Williams

23 March 2006.