

## **REPORT OF STANDARDS COMMITTEE**

(Meeting held on 5 March 2002)

### **1. MEMBERS' ALLOWANCES SCHEME – REPORT BY INDEPENDENT REMUNERATION PANEL (REPORT A) (MINUTE NO. 29)**

The committee has considered the report of the Independent Remuneration Panel that had been appointed to make recommendations for any amendments to the current scheme of Members' Allowances. The Panel's report is attached as Appendix 1. The Council is not obliged to adopt the recommendations but must have regard to them before making or amending their scheme of allowances.

Mrs Madeleine Sumsion, Regional Director South East Employers, a member of the Independent Review Panel, presented the Panel's report to the Committee, she explained that the responses to a questionnaire sent to all Members had been carefully reviewed, together with detailed information gleaned from interviews with several Members, as well as the Chief Executive. From this information, the Panel had concluded that there was broad satisfaction with the structure of the current scheme, and that some adjustments, rather than a major review, of the current scheme, was appropriate. The Panel had reviewed time inputs of various Member roles and explored whether these and the responsibilities and duties under the new structures were as had been expected.

Evidence received in response to the questionnaires and from the range of members interviewed did not indicate a need for any change in the calculated time input of 10 hours per week, on which the basic allowance was calculated. The Panel had noted that the rate of £10 per hour on which the current allowances scheme was based was the average gross hourly earnings for full time adults in 1999. The Panel had considered it appropriate to recommend an increase in this hourly rate to £11.18 per hour, the national average for full time adults revealed in the latest earnings survey, published in January 2002. This represented an 11.8% increase on the current hourly rate.

The Panel had examined the relative responsibilities of the Cabinet, Chairmen of Review Panels and various other roles and had concluded that there was no evidence to justify changes to most of these. However the Panel had felt that there were sound reasons for increasing the allowance paid to the Chairman of the Planning Development Control Committee, and for a new special responsibility allowance for the Chairman of the Standards Committee. The Panel had found no evidence to support the need for a special responsibility allowance for either the Deputy Leader of the Council or Vice Chairmen of Committees and Panels.

The Panel had acknowledged that, although allowances should move upwards better to reward Councillors for increasing responsibilities and time commitments, the recognition of the public service element meant that a commercial rate for the job was not appropriate and therefore the allowances recommended were unlikely to assist in recruiting suitable candidates to stand for election as Councillors. It was recognised that there was a balance to be struck between achieving this aim and having a level of allowances that was acceptable to the general public.

The Committee discussed the Panel's recommendation the allowances be automatically uprated annually by the same percentage increase the pay award to New Forest District Council employees. Members queried whether this uprating should be linked instead to national figures of awards across both the public and private sectors, as the recommended hourly rate of £11.18 was the rate across all sectors. Using public sector pay increase percentages for annual increases might result in Members' allowances not keeping pace with the national picture. Members were, however, reminded that this, together with other elements of the allowances scheme could be monitored and reviewed annually so that any such problem could be addressed at an early stage.

The Committee noted that the total cost of members allowances for a full year, based on the recommendations of the Review Panel, was £326,778. The current budget provision is £294,760. No provision has been made in the 2002/03 budget for increases in allowances and a supplementary estimate will be required for any additional expenditure required.

Some Members attending the meeting of the Committee expressed concern about the proposed 11.8% increase in the basic allowance in the context of council tax increase of 9.4% for 2002/03. It was pointed out that the recommended amount of £3,900 was not excessive as a basic allowance when compared to other Councils in the region.

Members were reminded that it was open to any Member to refuse all or part of the allowances to which they were entitled.

After a detailed discussion, the Committee felt that, as half of its members were not District Councillors and as decisions on allowances were influenced by factors such as public opinion, it was inappropriate for them to make a firm recommendation to the Council on the adoption or otherwise of the Panel's recommendations. However, the Committee endorsed the methodology, rationale and principles set out in the Panel's report and resolved to forward the Panel's report and recommendations to the Council for consideration.

Mrs Sumsion will be attending the meeting to present the Panel's report and to answer any questions from members.

**RECOMMENDED:**

- (a) That, in the light of the Committee's comments, the Council consider the recommendations of the Independent Remuneration Panel and agree a scheme of Members' Allowances to apply from May 2002; and**
- (b) That the Council authorises any amendments to the budget arising from its decision on (a) above.**

**Cllr J A G Hutchins  
CHAIRMAN**