

ROTHERHAM METROPOLITAN BOROUGH COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

March, 2011

Present:-

Alan Tolhurst (Rotherham NHS) (in the Chair)
Rev. David Bliss (Vicar of Rotherham)
Nick Cragg (Rotherham Chamber)
Elaine Woodhams (Further Education Sector)

Janet Waggott (Chief Executive of Ryedale District Council) acted as Independent Facilitator.

The Panel received a report and advice from Mr. Tim Mumford, Assistant Chief Executive (Legal and Democratic Services) and Mr. Lewis South, Democratic Services Manager.

1. Introduction

The Local Authorities (Members Allowances) (England) Regulations, 2003 require an Independent Panel to review remuneration and pensions for Elected Members of Local Authorities.

The above-named Panel met on 18th and 26th January, 2011 to consider and review the Council's Members' Allowances Scheme and to make any recommendations for change on:-

- Basic Allowance.
- Travel and Subsistence.
- Special Responsibility Allowances.
- C-opted Members.

2. Basic Allowances

Consideration was given to the present Basic Allowance of £12,271 and comparisons were made with other Local Authorities, to the role of the Councillor and to the present downturn in the economic climate.

The Panel welcomed the inclusion of all costs for travel and subsistence within the Borough in the basic allowance and the ease of administration that this allowed.

Reference was made to the need to add some sort of factor for inflation in the future, whether it be the Retail Price Index or matching the Local Government Salary Award or if there was a need to consider any possible increase at all in the near future.

The Panel referred to the wider role of the Councillor in the community, their responsibilities and activities and the many and varied tasks undertaken by Councillors.

Discussion took place on the attendance at meetings at the Town Hall. It was noted that some Councillors were not good attendees at meetings. Arrangements for meetings were not seen as conducive to good attendance, including the lack of the need for formal apologies to be made.

The Panel welcomed the position that many Councillors clearly gave a commitment to their role and could evidence their activity. However, the Council should consider if the decision-making process provided 'Value for Money' and if all Councillors were undertaking an effective part.

Possibly, there were barriers preventing Councillors fulfilling their role, such as the starting time of meetings or meeting venues or there being too many meetings.

The Panel noted that some public bodies, local authorities and politicians had voluntarily agreed a reduction in their overall costs.

The arrangements for pensions were noted.

3. Special Responsibility Allowances

The Panel reviewed each Special Responsibility Allowance paid, including the job role, the level of activity and the responsibilities undertaken by each position together with comparators from other local authorities.

With regard to the Leader of the Council, the Panel felt that the allowance was less than it could be given the significant responsibility and commitment that the post demanded. If the financial climate had been better consideration would have been given to recommending an increase.

The operation of the Strong Leader/Cabinet style was noted.

The Panel felt that there could possibly be more parity between the role of Deputy Leader and the role of Leader of the Opposition. These allowances had been set some time ago and possibly did not reflect the position now. For example, there were three Members of the Opposition in 1999 whereas today there are nine Conservative, three Independent and one BNP. The Panel asked that consideration be given as to whether the time was now right to consider narrowing the differential between these two positions.

The Chairman of the Planning Board was thought to be a particularly active position of considerable challenge. If the financial climate had been better consideration would have been given to recommending an increase.

The Panel discussed the role of Members as Ward Councillors, the role of the Executive and the role of Scrutiny. This led to questions on the current role of the Area Assemblies and the Chairmen of the Area Assemblies. The Panel noted the need for a local focus, but felt that if the Council were to review its governance arrangements, this might be a priority area to consider, including whether the Area Assembly functions could be delivered in a more cost effective way and if in these difficult times the number of Area Assemblies could be reduced and still give the same level of service.

The role of Cabinet Adviser was discussed, particularly as it appeared to be unique to Rotherham. It was noted that the advisers did not have the actual responsibility for taking decisions. The Panel felt that these posts might be regarded as opportunities to gain experience, rather than as remunerated positions.

The role of all Vice-Chairmen was reviewed. It was noted that the strong commitment of all Chairmen appeared to limit the activity of Vice-Chairmen. The Council were asked to consider if payments should continue to be paid to Vice-Chairmen or if a system should be introduced where Vice-Chairmen should only be paid an allowance linked to the number of meetings they chair.

It was noted that the Audit Committee comprised of just five Members, all of whom had a vital job to perform in overseeing the governance of financial and non-financial performance of the Council. The Council were asked to consider if the Council would be better served if allowances were paid to all members of the Audit Committee.

The Panel queried if there should be Independent Members (co-opted Members) of the Audit Committee to add expertise and experience to the Committee.

4. Travel and Subsistence

The Panel carried out a detailed examination of all travel and subsistence outside of the Borough.

The Panel welcomed the information that no first class rail travel had been undertaken in the past year, but did note that on occasions first class rail travel was cheaper than standard class.

It was noted that there was a small anomaly in that the allowance for absence from home or place of work up to 12 hours was £11.20. The deduction when meals were provided was £11.00 thus allowing the Member to claim 20 pence. As this 20 pence had never been claimed it was suggested that both figures be £11.00.

The Panel suggested that the wording of various sections of the scheme for travel and subsistence could be simplified.

It was noted that Council Officers now had a car mileage rate of 40p per mile, which was the HMRC recommendation and it was suggested that Councillors should have the same rate.

Information was provided that various income was taxable.

5. Co-Opted Members

The Panel reviewed the arrangements relating to the allowances and travel and subsistence arrangements for all Co-opted Members, particularly those on the Standards Committee.

These arrangements were considered to be generally satisfactory, but would benefit from a detailed review following the implementation of any proposals from the Localism Bill.

6. Finance

The Panel suggested that the Council consider the present downturn in the present economic climate and the political situation when making decision on the Members' Allowances Scheme. Reference was made to the impact of the poor economic climate on many residents of Rotherham and also on Council employees and those of the Council's partners.

The Panel noted that if the overall cost base was frozen for two years this would equate to a significant drop in member allowance after allowing for inflation.

The Panel felt the Council may wish to consider the economic situation when reviewing allowances.

7. Summary of Findings

THE PANEL RECOMMENDED THAT:-

1. THAT THE CURRENT BASIC ALLOWANCE OF £12,271 BE RETAINED.
2. THAT THE COUNCIL BE ASKED TO CONSIDER MAKING SAVINGS TO SPECIAL RESPONSIBILITY ALLOWANCES PAID, ESPECIALLY TO REFLECT THE PANEL'S VIEWS AS SET OUT IN THE REPORT.
3. THAT THE BASIC ALLOWANCE AND THE SPECIAL RESPONSIBILITY ALLOWANCES AGREED BY THE COUNCIL BE NOT INCREASED FOR THE NEXT TWO YEARS AND BE REVIEWED BY THIS PANEL BEFORE ANY CHANGES ARE PROPOSED.
4. THAT THE COUNCIL BE INVITED TO REVIEW ITS MEETING ARRANGEMENTS AND THE VARIOUS OPTIONS AVAILABLE WITH A VIEW TO INCREASING ATTENDANCE LEVELS AT MEETINGS.
5. THAT IN ORDER TO HARMONISE WITH COUNCIL EMPLOYEES THE CAR MILEAGE RATE FOR TRAVEL OUTSIDE OF THE BOROUGH BE 40P PER MILE.
6. THAT RAIL TRAVEL BE ALWAYS UNDERTAKEN IN THE MOST COST EFFECTIVE WAY.
7. THAT THE PRESENT ARRANGEMENTS RELATING TO CO-OPTED MEMBERS BE RETAINED.
8. THAT THE WORDING IN THE SCHEME BE SIMPLIFIED WHEREVER POSSIBLE.

**Mr. Alan Tolhurst,
Chair of the Independent Remuneration Panel,
26th January, 2011.**