

Report of the Independent Members' Remuneration Panel to County Council

Cabinet Member: David Huxtable

Division and Local Member: All

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1. Summary/link to the Corporate Plan

- 1.1 Provisions in relation to allowances for elected Members are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692) ["the Regulations"]. Under the Regulations the Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances, for consideration by the County Council. The Council may accept, reject, or amend any of the recommendations.
- 1.2 Council has noted in previous Panel reports (most recently to Full Council in November 2009) the intention to complete a fundamental review of the Scheme of Members' Allowances with a view to reporting outcomes to this Council meeting. The terms of reference for the review – attached as Appendix A – reflect the role of independent panels as set out in the regulations. The Panel has completed its review and attached as Appendix B is the proposed new Scheme based on the recommendations of the Panel. Attached at Appendix C is the current Scheme as amended by the Council in July and November 2009 for comparison. Appendix D summarises the financial impact of the proposed Scheme if adopted by the Council as presented.
- 1.3 Council is asked to note that it is not the Panel's function to consider the performance of Members either individually or collectively. The Panel's statutory role is specifically to make recommendations in relation to the payment of certain allowances as set out in Appendix A and to recommend a scheme for their allocation.
- 1.4 All Members have a personal interest in this item through receipt of allowances and this note has the effect of taking this fact as having been declared. Members do not need therefore to make a verbal declaration at the Council meeting.

2. Recommendations

2.1 Council is recommended to approve:

- (a) the new Scheme of Members' Allowances attached as Appendix B to this report to apply for the 2010/2011 financial year
- (b) the proposal set out in paragraph 5.8 for the phased approach to the full implementation of the new Scheme.
- (c) the proposal in paragraph 9.1 for the Panel to meet at least annually to consider the need for any adjustments to the Scheme and to recommend the Council accordingly.

2.2 In the event that the Council decides not to approve the proposed Scheme, it is recommended that:

- (a) the Council refers the proposed Scheme back to the Independent Panel for further consideration with guidance as to the issues that the Council want re-considered, for report and recommendation to the Council in May 2010; and
- (b) pending the further report in May, the Council retains the existing Scheme until such time as a new Scheme is approved.

3 Background – Fundamental Review of the County Council's Scheme of Members' Allowances– Why and how?

3.1 The Panel has reported previously to the Council its reasons for undertaking a fundamental review of the Scheme of Allowances at this particular time. The current Scheme has been in place for a number of years and it was felt that this was an appropriate time to review it given:

- Changes in the role of elected Members over the years suggesting that the basis and assumptions on which the Scheme had been based needed to be re-tested to see if they were still appropriate
- The recent change in the governance arrangements of the Council with the move to a 'strong leader' model
- The timing of the review coincided with the change in the Administration of the Council following the June 2009 election
- A general wish to see if there was scope to remove financial and other barriers to potential candidates for election
- The fact that the Panel has now been in place some 2 years and has spent that time getting to know the existing Scheme but always with the intention that a more comprehensive review would be appropriate around this time and the Panel would have sufficient knowledge to undertake such a review.

- 3.2 The fundamental review of the Scheme has been a complicated and comprehensive piece of work covering:
- benchmarking information against Somerset's 'family of Councils'
 - a meeting with chairs of the district council independent panels in Somerset
 - attendance at a meeting of South West Chairs of Independent Remuneration Panels and their Principal Advisers on 17 September 2009
 - advice and support given by Officers
 - regular discussions with Member representatives of each political group on the Council
 - information from surveys carried out with Members of the Council pre and post election
 - a report to Council in November 2009 bringing forward some interim recommendations in relation to the list of approved duties for which travel, subsistence and carers' allowances are paid.
- 3.3 In coming to its conclusions and recommendations in relation to the Scheme the Panel has met on a number of occasions. The Panel expressly wished that its thanks be recorded for the support given by Officers to its work on the fundamental review, including Julian Gale, Group Manager – Community Governance, Susan Gratton, Member Support Officer and Jacky Barnes, Group Manager – Audit, Risk Management and Insurance.

4. General Commentary

- 4.1 Provisions for Councils' Members' Allowances schemes are contained in Regulations which define a number of basic requirements alongside which considerable scope is given to Councils to adopt local provisions according to their circumstances. The only mandatory element provided for in the Regulations is the payment of a Basic Allowance to all members of a Council. All of the other elements that are currently paid under our Scheme, ie, Special Responsibility, Travel, Subsistence and Carers' allowances are all discretionary.
- 4.2 The basic principles on which Remuneration Panels work are not legislative but there are national operational standards. In summary they include:
- The 50% rule (no more than 50% of Members of any individual Council should receive an SRA)
 - Any Member should only receive one SRA at any one time (this rule has not been applied within SCC)
 - Basic Allowance payments should be based on a voluntary time contribution of 30% or 33%
 - Clarity is needed when considering a role – is it a supporting one, requiring time and effort or is it a leadership role requiring judgement and responsibility.
- 4.3 The key elements of the current Scheme were based on evidence and assumptions. The Panel during its work on the Scheme has been keen to ensure that the new Scheme:
- is similarly evidenced based and based on reasonable assumptions
 - is relevant to the needs of this Council and its members
 - is future proofed as far as is reasonable.

4.4 The evidence available to the Panel has indicated that all of the key elements of the Scheme, ie,

- Basic Allowance (BA)
- Special Responsibility Allowance (SRA)
- Travel Allowance (TA)
- Subsistence Allowance (SA)
- Carers' Allowance (CA)

are still relevant and should continue to feature in the Scheme. The new Scheme at Appendix B therefore caters for all of these elements.

4.5 The Panel would like the Council to consider the Scheme as a whole package. The Panel recognises that some of the changes from the current Scheme are significant in the new Scheme. In the event that the Council feels unable for any reason to agree the Scheme as a package, then the Panel would prefer that the Scheme be referred back for further consideration with guidance from the Council on any elements that need revisiting. The intention in these circumstances would be that the Panel would bring forward recommendations to the Council's meeting in May.

5. Basic Allowance

5.1 The Panel started its considerations with the BA as it is the only compulsory element of the Scheme and in the Panel's opinion should provide the basic building block for the calculation of SRAs. Key elements that the Panel have looked at can be summarised as:

- What the BA is supposed to cover and whether this fits the changing role of the member – with particular reference to the treatment of IT costs
- the original base calculation used to calculate BA and whether the calculation is still relevant, or whether there are alternative and better methods of calculating the base
- the relationship between and relative impact on the overall scheme of the BA and SRAs
- the continuing justification or otherwise for retaining the voluntary element of BA.

5.2 The statutory guidance in relation to BA states that it is intended to recognise the time commitment of Members, including on constituency matters and attendance at political group meetings. It also provides for the coverage of incidental costs such as the use of their homes. It goes on to indicate that having established what Members do and the hours which are devoted to these tasks, the Council must then agree a rate at which and the number of hours for which Members ought to be remunerated through the BA.

- 5.3 Accordingly, the County Council's Scheme states that BA recompenses Members for time devoted to their work as a councillor, and covers:-
- constituency duties, including use of the Members home;
 - dealing with correspondence;
 - single Member duties;
 - attendance at single party/political meetings;
 - attendance at Committee, Sub-Committee, Board, Panel or Working Party meetings, (including travelling time to and from meetings);
 - attendance at seminars, conferences and training sessions;
 - attendance on 'outside bodies';
 - other incidental costs, for which no other specific provision is made.

The Panel concluded that this list was still appropriate although one or two of the references need updating and it disguises changes in the role of the Member within the local community. In particular evidence gleaned nationally and in discussion with Members indicates how the profile of the role has grown in recent years as a result of pressures caused by:-

- increasing expectations that local people have of their local Member;
- the added complexity of the role resulting from the increasing focus on cross-service and cross-agency working with a range of partners at a community level etc.
- greater use and reliance on information and communication technologies in communication has raised expectations and increased the volume of case work.

- 5.4 One issue which has been raised a number of times with the Panel is the issue of IT costs. It is only in relatively recent times that Members of the Council have been provided as of right with IT equipment by the Council. Costs of 'connection' and 'consumables' have not specifically been provided for within the BA. Many councils identify a specific sum within their BA to meet IT costs so recognising very clearly this additional burden. In the Council's current Scheme IT related costs fall within the last bullet point outlined above. Having considered the options, the Panel concluded that there was justification for identifying within the BA a specific sum as a contribution towards IT connection and consumable costs. **The Panel has included a sum of £200 per annum for each of the next three years be identified within the BA, to be reviewed for the 2013/14 financial year.**

5.5 The annual sum for BA paid within the current Scheme was originally based on the Local Government Association recommended figure per day for calculating allowances (based on a benchmark of a median white-collar wage), reduced by 10% to reflect South West Region wage rates, and then further discounted by a third to reflect the voluntary element of some of the work. This daily rate was then multiplied by 132 days per annum (to reflect the estimated average time that Members spend on Council business at that time) to give a final calculation. Over time, the allowance for the County Council has fallen out of line with this calculation as annual increases, where made, have tended to follow inflation. Although reference is still made in the current Scheme at Appendix C to the LGA calculation as the base for the calculation of BA, the BA sum being paid by the Council now has no relation to the LGA base-line. In fact, if the LGA calculation was applied now the BA would be nearly £12,000 per annum. The Panel is not alone, having looked at other Schemes, in feeling that the LGA calculation is no longer an affordable option for a baseline calculation. The Panel felt that the time is therefore right to revisit the base calculation and ensure that the calculation used is relevant to the Council now and into the future. The LGA calculation is not the only method used of calculating BA – other use, for example, a local median white-collar annual pay figure.

5.6 Having considered the options the Panel is recommending within the Scheme:-

- that the South West median white-collar wage (currently £19,545) should be used by the Council as the base for the calculation of BA for 2010/11 through to 2012/13.
- that the voluntary element / public service element should be retained at the current level of 33%. The Panel recognised that the retention of the voluntary element is not supported by all members but the Panel felt that it had to have regard to the statutory guidance that recommends the retention of the voluntary element. The Panel also felt it important to recognise that the BA should not be viewed as a salary. 33% is a common percentage applied to the voluntary element reduction and the Panel could see no reason to move away from this percentage.

5.7 The other element of the calculation required for the BA is an assessment of the time commitment given by Members to the role. The Panel had available to it a considerable amount of evidence both locally from Member surveys carried out by the County Council pre and post the 2009 election. Information was also gathered from the South West and nationally. In spite of the wealth of information the Panel did not find it easy to arrive at a single figure for the number of hours that members contribute to the role as the figure varies so much from Council to Council, and Member to Member and is very much dependent on their individual circumstances and roles. The Panel was also very much aware that the information gathered from Members locally following the 2009 elections related to a busy induction period with all Members of the Council adjusting to new roles and the time commitment required during this period would not necessarily be representative of other periods during the quadrennium. Evidence suggested however that a figure of around 30 hours a week was a reasonable assumption on which to base a typical members' time commitment into the role. Based on the Council's working week of 37 hours this equates to an assumption that Members spend the equivalent of 4 days a week (29.6 hours) on Council business. The Panel has therefore concluded that this should be used as the base calculation for the calculation of BA. If this is applied to the salary calculation in paragraph 5.5 above this gives a BA figure of £10,620 pa, which equates to an increase of 10.2% from the current figure - £9639 pa.

5.8 However, the Panel is **recommending** a phased 3 year implementation of the increase as follows:-

- 2010/11 - £9639 x 2.5% increase = £9880 + £200 (IT) = £10080
- 2011/12 - £9880 x 2.5% = £10127 + £200 (IT) = £10327
- 2012/13 - £10127 x 2.9% = £10420 + 200 (IT) = £10620

This spreads the overall financial impact of the increase and if the Panel's proposals in respect of SRA – see section 6 below – are accepted by the Council, **the overall impact in year 2010/11 is limited to a 1.9% increase.** Future years' financial impact is set out in Appendix D but the Panel is proposing that it reviews the position on an annual basis to assess whether any changes are required to the Scheme. This may impact further on the financial position.

5.9 In terms of the balance of the two main elements of the Scheme – the BA and the SRA – the Panel felt that there was justification for some re-balancing of the Scheme from SRAs towards BA to reflect the increasing demands as ‘community leaders’ on all elected Members. In relation to BA the Council is broadly in line with its ‘family of councils’ average although it is worth noting that the creation of large unitary councils may result in significant increases in the BA being paid in these councils. In addition the evidence indicates that, generally speaking, councils have not yet adjusted their BA to reflect the changing roles of Members in communities. The Panel considers it essential to recognise these changes within the BA. In terms of SRAs paid the Council is, generally speaking, relatively generous compared to its ‘family’ and the Panel feels that this gives some scope to adjust the overall Scheme as suggested above. The Panel recognises that such a rebalancing in favour of the BA will not, in itself, create a wider interest in the community to stand for election as a councillor – this would only be achieved through a range of initiatives including action by Government. However, an increase in BA would at least provide some recompense for those persons who have, and wish in the future, to put themselves forward for community service as a councillor.

6. Special Responsibility Allowance (SRA)

6.1 The Panel’s review of the Council’s current SRA provisions covered:

- the current ‘bandings’ system based on percentages of the Leader’s allowance, with a view to reviewing the structure
- the need to ensure by definition that levels of payment for SRA are primarily based on levels of responsibility attached to a post and cannot relate to the individuals occupying such posts or the performance of individuals in those posts.
- the posts covered by SRA and the justification or not for continuing to pay SRA to those in the Scheme as well as the inclusion of any additional posts that the Panel feel justify an SRA payment; and
- levels of payment as compared with our benchmark ‘family’ of Councils.

6.2 In summary, the Panel felt that the Council’s SRA scheme was complicated in terms of the number of bandings and their calculation and relatively generous in terms of levels of payment compared to our “family of authorities”. Reference has already been made to the Panel’s view that there should be a re-balance between BA and SRA payments and the new Scheme makes provision for this.

6.3 Alongside the issue of SRA’s, the Panel considered the issue of whether an allowance should be paid to non-elected co-optees’ on committees. This was in response to representations made by the Chairman of the Standards Committee in relation to the independent members of the Standards Committee.

- 6.4 Leaders Allowance: The Panel noted from comparisons with other Councils that different methods are used to calculate the Leader's SRA and once established this allowance is commonly used as the base for the calculation of other SRA bandings. When the current Scheme was established the Leader's SRA was bench-marked to a typical chair of a Government appointed body. The Panel noted that many councils' took a different approach and based the Leader's SRA and other SRA bandings on a multiplier of the BA so ensuring a local emphasis to SRA bandings and a direct relationship to the other key bench-mark (BA) within the Council's Scheme. The Panel felt that this was a more appropriate method of calculation and the Scheme provides for the Council to adopt the BA multiplier model as the means to calculate the SRAs.
- 6.5 In terms of the level that the Leader's SRA should be set at, the Panel felt that the Scheme should reflect the 'strong leader' model of governance that the Council adopted in June 2009 and recognise the additional responsibilities of the Leader under these arrangements. The Scheme provides for a multiplier of 3 x the BA for the Leader in 2010/11 which results in an increased SRA of £30240 as compared to £29103 on 2009/10. Additionally, the Scheme increases the differential between the Leader's SRA and the other SRAs – again to reflect the increased importance of the role.
- 6.6 SRA Bandings: The current Scheme has a relatively complicated system of bandings – some eight in total based on declining percentages of the Leader's SRA. The new Scheme has a simplified bandings structure down to six and based on multipliers of the BA. The Panel believes that this new structure better reflects the different levels of responsibility that apply to the various posts.
- 6.7 Changes to SRAs: Appendix C includes the current list of SRA payments and Appendix B shows the proposed new list. Aside from the Leader's SRA the other changes being recommended by the Panel within the Scheme can be summarised as follows:-
- a general reduction in the levels of payment for most SRAs for 2010/11 meaning a small % reduction in SRA payments for most posts within the structure;
 - SRA payments to be increased at the same % rate as BA for 2011/12 and 2012/13;
 - the SRA for a Deputy Leader without service responsibilities has been deleted as this doesn't reflect current circumstances;
 - the deletion of the SRA for the Administration's lead on scrutiny as this provision was specific to the last Administration. Under the current scrutiny arrangements, the Administration's lead on scrutiny receives an SRA as the Vice-Chairman of the Committee.
 - a proposal to bring the SRA for the Chairman of the Scrutiny Committee into line with the Council's 'family of Councils'. The current SRA for this post is significantly above the average for the Council's 'family' and the Panel can see no justification for this even recognising the significant changes to the structure of scrutiny made in June 2009. In the current structure the post is judged as equivalent to a key decision maker and the Panel, although acknowledging the importance of the role, does not feel that this is justified hence its proposed re-banding. The Panel is mindful, however, that local authority scrutiny is an ever-changing area of activity and the Council should keep the issue of the level of SRA paid to the Chairman of the Committee under regular review.

- that an SRA (within the lowest banding) should be paid to Opposition Group Spokespersons in recognition of the importance of their role in holding the Leader and Cabinet to account in a ‘strong leader’ model of governance.
- that the Chairman of the Audit Committee’s SRA should be increased to the next banding as the Panel considers that this role equates to the Chairman of the Regulation Committee given the vital role of the Audit Committee in the governance of the Council.
- that to be consistent with other Committee Vice-Chairmen, the Vice-Chairman of the Audit Committee should be paid an SRA in the lowest banding.
- that there is no justification for adding Cabinet Support Members, Member Champions, Opposition Group Spokesperson Support Members or the member appointed to the Board of Southwest One or indeed any other member appointed in a ‘Director’ capacity to the list of posts in receipt of SRA.
- That in accordance with the statutory guidance, Members should only receive one SRA even where the Member concerned would qualify for more than one as a result of posts held.

The result of these recommendations would be an increase in the number of posts qualifying for SRA but still below 50% of the Council members as recommended in the statutory guidance.

- 6.8 Co-optees Allowance: The Panel received representations from the Chairman of the Council’s Standards Committee requesting the payment of a co-optees’ allowance for the Independent Members of the Standards Committee. This was based on the responsibility carried by those individuals as a result of the increasing range of functions undertaken by the Standards Committee, particularly in relation to the investigation and resolution of complaints made against elected members. The Panel felt that there was an argument for making such provision for the Independent Members of the Standards Committee and such provision is commonly made by other Councils. The Panel has therefore included within the Scheme a payment of £504 pa in 2010/11 which equates to a factor of 0.05 of the BA. The independent Chair of the Standards Committee should continue to receive an SRA and therefore in the Panel’s view should not also receive the Co-optees Allowance.
- 6.9 In relation to co-optees on other Committees of the Council, namely on the Scrutiny Committee and the Pensions Committee, the Panel did not feel that their circumstances justified the payment of a co-optees allowance as they are representatives of other bodies or interests on those Committees. They are, however, able to claim travel and subsistence from the Council at the same rate as elected Members for attendance at meetings of those bodies.

7. Travel and Subsistence Allowances

7.1 These are two separate allowances but tend to be considered together. The Panel has concentrated its efforts on refreshing the list of 'approved duties' for which Members can claim travel, subsistence and carers' allowances. Council will recall approving recommendations from the Panel at its last meeting in November 2009 for interim changes to the list of approved duties to reflect changing circumstances following the June 2009 election. The Panel stated in that report that it intended to have a fresh look at the list as part of the fundamental review with a view to simplifying, modernising and clarifying it to ensure that it meets the current roles and circumstances of members.

7.2 List of 'approved duties': The Panel has included a much revised list of approved duties within Appendix B. A commentary on the main changes to the list follows.

- The rights of Members to attend formal Committee meetings has been extended – see 1 (a). Currently Member attendance is restricted and where the Member is not a named member of the Committee the list includes provisions such as their need to 'have an interest in the business' of the committee in order to be able to claim allowances. The Panel feels that this rule is both impractical to apply and an inappropriate 'hoop' to have to jump through. The Panel feel that a Member should have the right to attend any formal meeting of the Council and claim relevant allowances.
- 1(c) on the new list reflects what happens with Members attending County Hall for, for example, a meeting with an Officer. It should be made clear in the list that this is a legitimate expectation of a Member.
- The new list defines in more detail – see 1 (d) - what Members can claim for when representing the Council on outside bodies including the Local Government Association where specific rules apply.
- 1(g) refines the provision for attendance at parish / district council meetings. Many Members attend Parish Council meetings as a way of keeping in touch with their community and informing the local council of County Council business. Others attend at the invitation of the relevant Council. These circumstances should be specifically provided for.
- See 1 (h). In respect of conference attendance, the Panel is aware that the Council's funding of such attendance is restricted. On occasions Members may choose to pay delegate fees themselves to attend events important to them and the Panel considers that this level of commitment should be reflected in the agreement of the Council to pay travel and subsistence.
- At 3 the provisions in relation to the payment of allowance for SRA duties has been simplified to move away from the lengthy list contained in the original Scheme. Under the new provision all duties undertaken by post holders in receipt of SRA qualify as approved duties.

- 7.3 Travel Allowance: The Panel has simplified the travel allowance provision through the removal of the basic car mileage rate – set at 20p per mile in the current scheme. The Panel's understanding is that this is, in effect, a redundant provision and is inconsistent with most other councils who have a single rate – currently the Council's higher mileage rate.
- 7.4 The Panel considered whether the 40p mileage rate should be increased to match the rate paid to Officers for business mileage but noted the tax implications of such an increase and therefore decided against recommending any change.
- 7.5 Subsistence Allowance: Council's commonly use Officer subsistence rates to set the level for Members reimbursement and the Panel considers that the Council should move to this model of reimbursement. The new Scheme provides for this and means an increase in the maximum amounts that can be claimed.
- 7.6 The Panel has included some additional guidance for Members within the Scheme to remind them of their responsibilities when claiming these allowances, as follows:
- Members should combine trips wherever possible
 - Members should undertake business by 'phone or by email in preference to travelling
 - Members should not make excessive claims
 - A Member who is claiming mileage should always bare in mind the need to be able to demonstrate that the journey was wholly and necessarily in relation to his/her role as a Member.

8. Carers' Allowance

- 8.1 The current Scheme provides for the payment of a carer's allowance (by way of reimbursement) of expenditure incurred by Members (a) in arranging child-care and (b) on professional care for elderly, sick or dependant relatives to enable them to undertake approved duties.
- 8.2 In line with a self-certification process payments are made on the basis of the reimbursement of actual expenditure incurred up to a maximum of an hourly rate of £5 per hour for each hour of absence from home subject to a maximum of £40 in any one day.
- 8.3 The Panel noted that take-up of this allowance has been non-existent in recent years. The Panel has made provision for the level of reimbursement to reflect and track the national minimum wage (currently £5.80 per hour) with a maximum of 8 x the hourly rate to help with take-up in the event that any member finds themselves in the position of needing to claim.

9. Pensions

- 9.1 The Council agreed in September 2005 that all elected Members should be given the option to join the Council's Pension Scheme. This provided both BA and SRA to be treated as 'qualifying earnings'. The Panel saw no reason to recommend changes to these arrangements but have included some wording in the Scheme itself to confirm this position.

10. Future-proofing

- 10.1 The Council has the option within the Scheme to make provision for an annual adjustment of allowances via indexing. The Panel is not making any recommendation in relation to indexing because of the recommended incremental approach to the implementation of this Scheme. However, the Panel will wish to meet at least annually over the period covered by the Scheme to:-
- Consider any changes in the South West median white-collar wage and potential impact on the Scheme
 - Consider any changes required to the SRA Scheme as a result of any changes to responsibilities of relevant post-holders.

The Panel so **recommends**.

11. Financial Implications

- 11.1 The Panel is aware that it is not obliged to have regard to the overall budgetary impact of its recommendations when reporting to the Council. However, the Panel is aware of the financial restraints facing local authorities currently and into the future and the public perception of elected Members awarding themselves increases in allowances. The Panel has therefore been at pains to come up with recommendations that are appropriate to the financial circumstances that the Council finds itself in.
- 11.2 The impact of the changes in year 1 (2010 to 2011) will be an additional Scheme cost of £16434 which is equivalent to a 1.9% overall increase. A summary detailing this increase and the position in years 2011/12 and 2012/13 is attached as Appendix D to the report. These additional costs relate specifically to the changes to BA and SRA. They also include the employers National Insurance and Pension Contribution increases. These figures were not available to the Panel but have been calculated on the back of the Panel's recommendations and included to demonstrate the complete Scheme cost.
- 11.3 Extending the list of approved duties may result in some additional claims and costs in relation to travel and subsistence. Also the increase in subsistence rates may increase costs to a degree. This impact should be monitored by the Council on an on-going basis to assess affordability.

12. Background papers

- 12.1 Report to County Council by the Independent Members Remuneration Panel, September 2005 and relevant Council Minute.

Report to County Council by the Independent Members Remuneration Panel, July 2009 and November 2009 and relevant Council Minutes.

Note For sight of individual background papers please contact the report author

APPENDIX A

Fundamental Review of the Members Allowances Scheme – Terms of Reference

This review reflects the requirements of the Regulations which provide for independent remuneration panels to have the following functions:

- To make recommendations to the authority as to the amount of basic allowance that should be payable to its elected members.
- To make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance.
- To make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance.
- To make recommendations as to the amount of co-optees' allowances.
- To make recommendations as to whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
- To make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended.
- To make recommendations as to whether annual adjustments of allowance levels may be referred to an index, and, if so, for how long such a measure should run.
- To make recommendations as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972.
- As to treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.

