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1. **PURPOSE OF REPORT**

- 1.1 To provide Members with the report of the Independent Panel on Members' Allowances and to advise of the recommendations from the Scrutiny Commission (29 August 2013), endorsed by the Executive (11 September 2013).

2. **RECOMMENDATION**

That the Council:

- i) acknowledges the recommendations for increases in Members' Allowances;
- ii) cannot accept the recommendations, with the exception of those relating to the positions of Mayor and Deputy Mayor, in the current circumstances.

3. **BACKGROUND TO THE REPORT**

- 3.1 Attached to this covering report (at Appendix 1) is the paper presented to the Scrutiny Commission, which has appended to it (at Appendix 2) the report and recommendations of the Independent Panel convened to review Members' Allowances within this Council. The final report of that Panel, comprising two former independent members of the Standards Committee and a business representative, was produced in October 2012 and had been the subject of much debate and concern at senior Member level thereafter. In the event, the Scrutiny Commission was asked to give non-political consideration of the issue and provide advice to the Council.
- 3.2 The Scrutiny Commission gave the matter full and very careful consideration on 29 August, the outcome of which was a strong consensus, across all groups, that, whilst Members accepted the findings of the Independent Panel in respect of the very low allowances paid to Members of this Council, as compared with other Districts locally and with other comparators across the county, they could not accept the implementation of those recommendations.
- 3.3 The Scrutiny Commission Members felt strongly that, in the current climate, where the Council's employees had had no pay increase for some years and had been offered only 1% for 2013/14; where the number of jobs was reducing across public and private sectors; and where 'real' incomes were reducing as part of welfare reforms, they could not accept such significant increases and agreed to recommend that position to the Council.

- 3.4 There were two exceptions to the recommendation not to accept any increases in Allowances: Because of the exceptional amount of time commitment from both the Mayor and Deputy Mayor, along with the acknowledged personal financial expense, the Scrutiny Commission recommended that their allowances be increased in line with the recommendation in the report of the Independent Panel.
- 3.5 The Scrutiny Commission asked also that the wider public be made aware of the recommendations and that the report had been prepared by people wholly independent of the Council. The Commission asked also that its recommendation for refusal of the Allowance increases be endorsed by full Council.
- 3.6 The Executive met on 11 September to consider these recommendations from the Scrutiny Commission and gave its full endorsement and support to them.

#### 4. **FINANCIAL IMPLICATIONS [SK]**

The increase in the Allowances paid to the Mayor and Deputy Mayor, as recommended in the Independent Panel report, will cost an additional £2,804.24 in a full year.

#### 5. **LEGAL IMPLICATIONS [LH]**

There are none arising directly from this report.

#### 6. **CORPORATE PLAN IMPLICATIONS**

In preparing and considering this report, the following implications are relevant:

- \* Providing value for money and proactive services

In addition, I have taken into account the Council's 'Value' of 'Equality and Fair Treatment for All'.

#### 7. **CONSULTATION**

Consultation has taken place initially with the senior Members (two Group Leaders, two Group Deputies and the Chair of Scrutiny Commission). Reference to the Scrutiny Commission and Executive were the next steps in that process. The Independent Remuneration Panel has been consulted.

#### 8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Members of this Council not receiving a fair and reasonable allowance for their work, with the potential for them to be considerably out of pocket, thus reducing the 'pool' for future candidates for these important public representative roles.	Council to give consideration to the recommendations of the Independent Panel	Chief Executive
Open and transparent discussion does not take place and/or 'political' points being made, thus avoiding proper discussion of the matter.	Consideration takes place initially in the 'non-political' setting of the Scrutiny Commission	Chair of Scrutiny Commission and Chief Executive

9. **KNOWING YOUR COMMUNITY - EQUALITY AND RURAL IMPLICATIONS**

The decision does not propose a change to a service or a new or revised policy. In terms of implications on the community, the implications will not affect any particularly group adversely.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector
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Background papers: Comparisons with other councils (as requested by Chief Executive)

Contact officer: Steve Atkinson, Chief Executive (ext 5606)

Executive Member: Cllr Bron Witherford

**SCRUTINY COMMISSION - 29 AUGUST 2013**

**REPORT OF CHIEF EXECUTIVE RE MEMBERS' ALLOWANCES**

**WARDS AFFECTED: ALL**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

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1. **PURPOSE OF REPORT**

To advise Members of the provenance and findings/recommendations of an Independent Panel convened to consider Allowances paid to Members of this Council and to seek views on potential action [eg to seek Members' views / seek approval/inform Members]

2. **RECOMMENDATION**

That the Scrutiny Commission:

- \* considers the detail in the report of the Independent Panel;
- \* makes comment on amendments to the report and recommendations of the Independent Panel;
- \* advises the Council on the most appropriate means of progressing the report of the Independent Panel.

3. **BACKGROUND TO THE REPORT**

3.1 Member Allowances within Hinckley and Bosworth Borough Council have remained unchanged since 2005. The most recent review was in 2007, but at that point and since, Members have resolved not to accept any increase, as this was largely in line with the position faced by employees of the Council.

3.2 In the intervening period, many other councils have reviewed their level of Allowances, mainly upward, resulting in the Allowances paid at this Council falling behind - from a level which was already very much at the lower end of the scale. Most recently also, the national pay negotiations for employees have resulted in a 1% increase for 2013/14.

3.3 Late in 2011, the Group of Senior Members (Group Leaders, Deputies and the Chair of Scrutiny Commission) at one of their regular meetings, at the instigation of the Conservative Group Leader, asked the Chief Executive to undertake research into the comparative position with other similar councils, with a view to informing further consideration of the position at Hinckley and Bosworth. All concerned supported this initiative (24 February 2012).

3.4 As a result of this work, it being clear that the level of Allowances was amongst the lowest, the Group agreed that an Independent Panel be convened to consider what might be the appropriate level of Allowances in the circumstances faced by the Council and the work it was undertaking.

3.5 The report of the Independent Panel (including its membership) is attached as Appendix A. In my view, it is self explanatory.

3.6 The Senior Members decided at the time the report was completed (October 2012), that the time was not appropriate for its wider consideration. However, the point has now been reached when the matter needs to be given that wider consideration by Members and the Scrutiny Commission is the appropriate body to conduct that consideration in a non-political environment.

3.7 Accordingly, the Commission is asked to consider the attached report of the Independent Panel and:

- \* comment on the recommendations and the background;
- \* provide advice to the Council as to whether some or all of the recommendations be formally considered by the Council; or
- \* advise the Council that the report be acknowledged but taken no further;
- \* provide any other advice to the Council.

#### 4. **FINANCIAL IMPLICATIONS [SK]**

The additional cost of the proposed increase in the allowances is £48,779.39 per annum. A provision has been made in the base budget for 2013/14 of this amount.

#### 5. **LEGAL IMPLICATIONS [LH]**

There are none arising directly from this report.

#### 6. **CORPORATE PLAN IMPLICATIONS**

In preparing and considering this report, the following implications are relevant:

- Providing value for money and proactive services

In addition, I have taken into account the Council's 'Value' of 'Equality and Fair Treatment for all'.

#### 7. **CONSULTATION**

Consultation has taken place initially with the senior Members (two Group Leaders, two group Deputies and the Chair of Scrutiny Commission). Reference to the Scrutiny Commission is the next step in that process. The Independent Remuneration Panel has been consulted.

#### 8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion, based on the information available, that the significant risks associated with this decision/project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report/decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Members of this Council not receiving a fair and reasonable allowance for their work, with the potential for them to be considerably out of pocket, thus reducing the 'pool' for future candidates for these important public representative roles.	Council to give consideration to the recommendations of the Independent Panel	Chief Executive
Open and transparent discussion does not take place and/or 'political' points being made, thus avoiding proper discussion of the matter.	Consideration takes place initially in the 'non-political' setting of the Scrutiny Commission	Chair of Scrutiny Commission and Chief Executive

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

This decision does not propose a change to a service or a new or revised policy. In terms of implications on the community, the implications will not affect any particular group adversely.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background papers: Comparisons with other councils (on request from the Chief Executive)

Contact Officer: Steve Atkinson, Chief Executive (ext 5606)

Executive Member: Councillor Bron Witherford

**Hinckley and Bosworth Borough Council**  
**Independent Remuneration Panel**

1. A meeting of an Independent Remuneration Panel for Members' Allowances for Hinckley and Bosworth Borough Council was held on Friday 12 October 2012. The members of the Panel were selected on the basis that two had been independent members of the Council's Standards Committee, immediately prior to new statutory arrangements introduced earlier in 2012. The third member was selected, as a representative of local business interests.
2. The purpose of the meeting was to consider whether, in view of the present financial/economic circumstances, the information circulated regarding comparisons with other District Councils in Leicestershire and elsewhere in the country and the timing of the last review (2005, revised in 2007), the current allowances paid to Members of Hinckley and Bosworth Borough Council should be changed.
3. The members of the Panel were:
 

Gordon Stokes	(Former independent member of Standards Committee)
Mick Claricoates	(Former independent member of Standards Committee)
Terry Spall	(MIRA - Business Representative)

The meeting was supported by the Chief Executive and the Chief Officer for Corporate and Customer Services, Scrutiny and Ethical Standards/Monitoring Officer.

4. The Panel appreciated the information provided to them and asked questions relating to a number of issues, including:

- Relative workloads
- Current priorities/responsibilities and changes since 2005
- Time commitments of councillors
- 'Voluntary' nature of the work of councillors
- Pay awards to employees since 2007
- Any financial 'cap' on any proposals the Panel might make
- Other allowances (mileage/childcare)

5. After a wide-ranging discussion, the Panel asked that the following comments/recommendations be put confidentially to the Cross-Party Liaison Group as its 'interim' report. The Panel did consider the potential for a 'range' for each allowance, but on balance considered that a single point in each case would be more appropriate for Members' consideration.

6. Comments/considerations

- i) After five years of 'no-change' in the level of allowances beginning prior to the economic downturn and, taking into the account the levels now paid by other comparable councils, particularly other Districts in Leicestershire, the Panel was unanimously of the view that the levels now paid for Councillors at Hinckley and Bosworth Borough Council were too low and well below any 'average' for similar Councils in England.

- ii) The recommendations of the Panel (below and attached) would bring the levels of allowances at Hinckley and Bosworth Borough Council more in line with, but still below, other Boroughs and Districts.
- iii) The Panel was aware also of the significant increased in responsibility transferred to Councils under the Localism Act, along with the greater emphasis/expectations from successive Governments over the period on increased 'local leadership' and local accountability from elected Members (for example, in Planning, Finance, Housing delivery and Welfare).
- iv) The Panel recognized that the improvement in the standing of the Council had continued since 2008, with the ratings of the Citizens' Panel continuing on an upward trend. The Panel considered that this reflected the ongoing efforts of elected Members, which should be recognized.
- v) Comparisons with the position of employees over the same period should take into account incremental payments and regradings due to changes in responsibility/reorganisations, which had not been available to elected Members.
- vi) The Cross Party Liaison Group should consider:
  - a) The potential for different levels of allowance to be made to different Members of the Executive, depending on the levels of responsibility (for example Finance and Housing).
  - b) The potential for the Chairman of Planning Committee to be paid an allowance in excess of that for the Licensing and Regulatory Committee's Chairman and the Chairman of Scrutiny Commission.

## 7. **Recommendations**

- i) that the **Basic Allowance** be increased from £3,275 to £4,000 per annum.
- ii) that the **Special Responsibility Allowances** be increased to the levels set out in the attached Appendix (a).
- iii) that the **allowances for the Mayor/Deputy Mayor** be increased, as follows:
 

Mayor	- from £7,197.60 to £8,000
Deputy Mayor	- from £ 998.16 to £3,000
- iv) that the travel allowances be aligned to HMRC rates - 45p per mile up to 8,500 miles per year.
- v) that future increases in the general level of Allowances be tied to those received by the Chief Executive
- vi) that the Council Leader and the Chief Executive should jointly review changes to the responsibilities and workload of those positions carrying 'special responsibility', along with the level of the respective allowances.



## 8. Financial Implications

If the recommendations above are approved by Council then this will require an additional budget provision of £48,779.39 as follows:

<b>Role</b>	<b>Current (£)</b>	<b>Proposed (£)</b>		<b>Budget Impact</b>
Basic *34 members	3,275.00	4,000.00	34	24,650.00
Mayor	7,197.60	8,000.00	1	802.40
Deputy Mayor	998.16	3,000.00	1	2,001.84
Leader of Council	7,640.00	10,000.00	1	2,360.00
Members of Executive	4,095.00	5,500.00	8	11,240.00
Opposition Leader(s)	2,455.00	3,500.00	1	1,045.00
Licensing and Regulatory Committees (Single Chairman)	2,455.00	3,500.00	1	1,045.00
Planning Committee Chairman *1	2,455.00	3,500.00	1	1,045.00
Scrutiny Commission Chairman	2,455.00	3,500.00	1	1,045.00
Appeals Committee Chairman	1,644.95	2,500.00	1	855.05
Ethical Governance and Personnel - Committee Chairman	1,644.95	2,500.00	1	855.05
Finance, Audit and Performance - Committee Chairman *2	1,664.95	3,500.00	1	1,835.05

**Special Responsibility Allowances**

<b>Role</b>	<b>Current (£)</b>	<b>Proposed (£)</b>
Leader of Council	7,640	10,000
Members of Executive	4,095	5,500
Opposition Leader(s)	2,455	3,500
Licensing and Regulatory Committees (Single Chairman)	2,455	3,500
Planning Committee Chairman	2,455	3,500 * <sup>1</sup>
Scrutiny Commission Chairman	2,455	3,500
Appeals Committee Chairman	1,644.95	2,500
Ethical Governance and Personnel Committee Chairman	1,644.95	2,500
Finance, Audit and Performance Committee Chairman	1,664.95	3,500 * <sup>2</sup>

\*<sup>1</sup> See also reference in covering report to this role/allowance

\*<sup>2</sup> Because of increasing financial burdens and responsibilities

Steve Atkinson  
Chief Executive

29 October 2012