

**REPORT OF THE INDEPENDENT REMUNERATION PANEL ON
MEMBERS' ALLOWANCES
REPORT OF THE CHIEF EXECUTIVE**



WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To present the recommendations of the Independent Remuneration Panel with regard to Members' Allowances.

2. RECOMMENDATION

- 2.1 The recommendations of the Independent Panel be approved.

3. BACKGROUND TO THE REPORT

- 3.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 ("The Regulations"), local authorities must establish and maintain an Independent Remuneration Panel to provide the authority with recommendations on its remuneration scheme and the amounts to be paid to councillors.

- 3.2 Members allowances within Hinckley & Bosworth Borough Council have remained unchanged since 2005, despite a review in 2007 and 2013. The basic and special responsibility allowances for HBBC councillors are the lowest of all neighbouring and Leicestershire authorities.

- 3.3 During the debate on the Allowance Scheme in 2013, members acknowledged that an increase in the allowances was necessary due to the low rate, the increase in responsibility and workload of councillors and so as not to discourage new councillors. They generally felt, however, that in light of the economic climate, the pay freezes or low pay rises in public and private sector and the reduction in benefits to many residents, they could not accept an increase in the basic allowance and special responsibility allowance. They therefore did not accept an increase in the basic and special responsibility allowances, with the exception of the allowances for the Mayor and Deputy Mayor which were increased in line with the recommendations of the Panel.

- 3.4 In considering the above in 2013, it was requested that the allowances be reviewed again in 2014 to take effect on commencement of the new Council in May 2015.

- 3.5 In auditing the Members' Allowances Scheme in late 2013, the Internal Auditor recommended that the Independent Remuneration Panel meet again by autumn 2014 and at least annually thereafter.

- 3.6 A new Independent Remuneration Panel was therefore appointed following a recruitment process and met on 5 November to consider making recommendations to Council in relation to the Members' Allowances Scheme. The report of the meeting is attached as an appendix.

- 3.7 The recommendations of the Panel are the same as those put to Council in 2013, as the Panel felt that these allowances would form an appropriate base for future increases. The full financial implications are set out in section 4 below.

3.8 The Scrutiny Commission gave consideration to the report of the Independent Panel at its meeting on 13 November. They supported the recommendations with the exception of the reduction of the mileage allowance, which they felt should not be changed. A minute extract from that meeting is appended to this report. Members' attention is drawn to the recommendation that future annual reviews move the Allowances for this Council closer to the norm for similar Councils.

4. FINANCIAL IMPLICATIONS (KP)

4.1 The full year impact of the proposed changes is £47,040 is summarised in the table below. For illustrative purposes the calculation has assumed 2 opposition leaders.

Role	Current	Proposed	Number	Budget impact (£)
	(£)	(£)		
Basic allowance	3,275	4,000	34	24,650
Leader of the Council	7,640	10,000	1	2,360
Member of the Executive	4,095	5,500	8	11,240
Opposition Leader(s)	2,455	3,500	2	2,090
Licensing & Regulatory Committees Chairman	2,455	3,500	1	1,045
Planning Committee Chairman	2,455	3,500	1	1,045
Scrutiny Commission Chairman	2,455	3,500	1	1,045
Finance, Audit & Performance Committee Chairman	1,644.95	3,500	1	1,855
Appeals Panel Chairman	1,644.95	2,500	1	855
Ethical Governance & Personnel Committee Chairman	1,644.95	2,500	1	855
Total				47,040

4.2 Members should note that if members' mileage rates were decreased from £0.65 per mile to £0.45 per mile, this cost would be reduced by £2,274 based on actual mileage claimed in 2013/2014.

4.3 As outlined in 3.4, if approved, the change in allowances will come into effect in May 2015 and therefore the part year budget impact for 2015/2016 will be £43,120.

4.4 If approved, the change in allowances will be built into the 2015/2016 budget to be financed from the General Fund.

5. LEGAL IMPLICATIONS (MR)

5.1 The Council is required by the Regulations to make a Scheme before the beginning of each year (ie before 1 April in each year) for the payment of basic allowance. The Scheme may also make provision for, inter alia, special responsibility allowances and travelling and subsistence allowances

5.2 Approval of the Members' Allowances Scheme is reserved for Council and before the Council makes or amends a Scheme it must have regard to the recommendations made by the Independent Remuneration Panel.

6. CORPORATE PLAN IMPLICATIONS

6.1 This report supports all corporate aims as it is a Member issue.

7. CONSULTATION

7.1 The aim of this report is consultation with the Scrutiny Commission

8. RISK IMPLICATIONS

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

8.2 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.

8.3 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
Difficulty in recruiting, retaining and supporting councillors and in encouraging membership	Ensure the Members' Allowances Scheme is fit for purpose and set at a reasonable and fair level	Chief Executive

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 This report does not impact any particular community, group or service. It serves to encourage and support members to facilitate membership from all communities and changes would apply to members from all wards within the borough.

10. CORPORATE IMPLICATIONS

10.1 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

Background papers: None

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