

HINCKLEY & BOSWORTH BOROUGH COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. A meeting of the Independent Remuneration Panel for Members' Allowances for Hinckley and Bosworth Borough Council was held on Wednesday, 5 November 2014. This is the report of the Panel and its recommendations to the Council.

2. This was the first meeting of the newly appointed Panel. The members of the panel were:

Jim Mutton, OBE (Chairman)

Jessica Daly

Stuart Pemberton

Chris Stone

Mr Stone was unable to attend the meeting but submitted his comments in writing, which were read out to the Panel. The Panel was welcomed by the Deputy Chief Executive (Corporate Direction) and advised and supported by the Chief Officer (Finance, ICT, Asset Management, Audit & Procurement) and the Democratic Services Officer.

3. The meeting had been convened in accordance with the recommendations of the Internal Auditor and on the request of Members during consideration of the recommendations of the previous panel that a review take place in advance of the new Council in May 2015.

4. To assist in its deliberations, the Panel was presented with the following information:

- The current Members' Allowance Scheme
- Members' Role Descriptions as set out in the Council's Constitution
- A summary of question responses from Councillors during a recent survey
- A comparison of allowances paid in neighbouring authorities
- The recommendations of the previous review in October 2012 and extracts from the minutes of the Scrutiny Commission and Council when these recommendations were considered in 2013.

5. During discussion, members of the Panel made reference to the following:

- The recent decision of the Government to remove Councillors from the Local Government Pension Scheme
- The low level of allowances in comparison with neighbouring authorities
- The public perception of levels of remuneration (the perception being Councillors are paid more than they actually are)
- The absence of an increase in allowances since 2005
- The time commitment required to be a Councillor
- The need to encourage and support new Councillors

- The increase in responsibility transferred to local authorities under the Localism Act 2011
- The changing responsibilities of members in relation to special responsibilities, for example the increasing importance of the role of the Chairman of the Scrutiny Commission
- The discrepancy between the current mileage rate payable to Councillors, the HMRC rate, and the rate payable for officers which was based on the AA Cost of Motoring calculations.

6. In formulating its recommendations, the Panel gave consideration to and made comment upon:

- a) The current position with regard to the allowances having remained unchanged for a number of years, which had led to an erosion of the base and a low 'starting point' to which increases may be applied.
- b) The allowances payable being not only low in comparison with neighbouring authorities, but also in relation to the average number of hours spent on Council duties.
- c) The mileage rate being in excess of that recommended by the HMRC and further in excess of that paid to officers, which was in line with the AA Cost of Motoring.
- d) The issue of fairness over time, insofar as Members had not allowed themselves sufficient remuneration for the work they had been undertaking and, therefore, allowances did not accord with the principal of "fair pay for fair work"
- e) The hard work undertaken by the previous Remuneration Panel, whose recommendations had been acknowledged, but largely not progressed (with the exception of the Mayor and Deputy Mayor's allowances). It was felt that the recommendations made in 2012 continued to be appropriate and should be used as a basis upon which to propose recommendations to Council in this instance.

7. The Panel made the following recommendations:

- (i) that the Basic Allowance be increased from £3,275 to £4,000 per annum;
- (ii) That the allowances for the Mayor and Deputy Mayor remain unchanged (as these were increased in 2013).
- (ii) that the Special Responsibility Allowances be increased as follows:

Role	Current allowance (£)	Proposed allowance (£)
Leader of the Council	7,640	10,000
Member of the Executive	4,095	5,500
Opposition Leader(s)	2,455	3,500

Licensing & Regulatory Committees Chairman	2,455	3,500
Planning Committee Chairman	2,455	3,500
Scrutiny Commission Chairman	2,455	3,500
Finance, Audit & Performance Committee Chairman	1,644.95	3,500
Appeals Panel Chairman	1,644.95	2,500
Ethical Governance & Personnel Committee Chairman	1,644.95	2,500

- (iii) that the travel allowances be aligned to HMRC rates of 45p per mile;
- (iv) that the Panel meets on an annual basis (unless requested by Council to review the Scheme at any point within the ensuing 12 months) in accordance with recommendations of Internal Audit to give consideration to the Members' Allowance Scheme. Consideration may be given to applying a percentage increase in line with the NJC increases for employees.

Mr J Mutton OBE
Chairman of the Independent Remuneration Panel