



South Tyneside Council



Independent Members' Allowances Panel

**Report
February 2008**

Independent Members' Allowances Panel

Review of Members' Allowances for 2008/09

Introduction

1. Each local authority is required to establish and maintain an Independent Remuneration Panel. The purpose of the Panel is to make recommendations to full Council about the allowances to be paid to Elected Members.
2. The members of the Independent Panel are: -
 - Peter Innes - Former General Manager of Easington District Council (Chairman)
 - David Clifford - Former Managing Director of Port of Tyne and a non-executive director of City Hospitals Sunderland NHS Foundation Trust
 - John Wells - Former Principal, South Tyneside College
3. In 2005, the Panel met to review all allowances paid to Elected Members and Co-Optees and recommended the level of allowances to be paid from 1st April 2005. The Panel also recommended that up until and including 2008/09, the Council may increase the allowances by specified indices without reference back to the Panel. The Council accepted the recommendations. The Panel would be convened if there were specific issues that needed to be considered.
4. The Panel met on 5th February 2008 to consider two issues that there were asked to consider.
5. This report details the Panel's recommendations.

Human Resources Committee

6. The chair and vice-chair of the Human Resources Committee are entitled to receive a special responsibility allowance at the lowest level (for 2008/09 this will be £4,774 and £2,388 respectively).
7. The Panel considered the number and nature of the meetings which the chair and vice-chair were expected to attend between May 2007 and April 2008. They noted that the number of meetings had probably increased since the allowance was originally set. They also noted the number of Appointment Panels, which the chair had been involved in recently.
8. While the number of meetings may have increased, to an extent the number depends on circumstances that arise in any one year – particularly the number of Appointment Panels. While the time commitment was important in looking at the level of allowances, it was also important to look at the responsibility of the Committee. The Committee had a very important role in overseeing Human Resources matters and the appointment of senior staff crucial to the Council being able to achieve its priorities. However, the Panel did not feel that the responsibility of the Committee had increased significantly since the level of allowance had been originally fixed, compared to the responsibilities of the other Committees, which attracted an allowance at the same or higher level.

9. The Panel would be willing to look at the allowance again when it carried out a wider review of the allowances and noted that it had the power to recommend that any changes be backdated to the beginning of the financial year.
10. **The Panel recommends no change to the SRA payable to the Chair and Vice-Chair of Human Resources Committee.**

Community Area Forums

11. The chairs of Community Area Forums are entitled to receive a special responsibility allowance at the lowest level (in 2008/09 this will be £4,774). The vice-chair is not entitled to receive any special responsibility allowance.
12. The Panel considered the enhanced role that both the Government and the Council was promoting for Community Area Forums through area scrutiny, area performance management, area and neighbourhood governance arrangements, delegation of local decision-making as well as the existing responsibility for the CAF grant scheme.
13. The Panel noted that these proposals may increase the responsibility of CAFs and also the number of meetings and recognised that there may be potential for reviewing the level of SRAs payable to the chairs and introducing an SRA payable to the vice-chairs. However, they felt that it was probably premature to consider changing the level of allowances until the changes had been implemented and an assessment could be made of the actual effect.
14. The Panel would be willing to look at the allowance again when it carried out a wider review of the allowances and noted that it had the power to recommend that any changes be backdated to the beginning of the financial year.
15. **The Panel recommends no change to the SRA payable to the Chair and Vice-Chair of Community Area Forums.**

Indexation

16. The Panel noted the indexation proposals for 2008/09. In accordance with its previous recommendations, it was for the Council to decide whether to increase the allowances in accordance with the agreed indices. The Panel noted no reason to recommend anything different.

Future Indexation

17. The Panel noted that this would be the last year in which the Council could increase the allowances through indexation without the Panel considering the matter again.
18. The Panel intends to meet again in October 2008 when it will consider whether to just look at the question of indexation for 2009/10 or whether it wishes to carry out a wider review of the scheme, in view of the fact that it will then be several years since the Panel carried out an overall review of the scheme.
19. For that purpose, it has asked officers to collate the Panel's previous work, look at comparisons with neighbouring authorities and to examine best practice and guidance published by local government organisations (such as the LGA), the Audit Commission and external auditors and other published research.