



**Members Allowances
Report of the Independent Remuneration Panel
January 2010**

Contents

- 1. Background**
- 2. Comments From Group Leaders**
- 3. Independent School Admission and Exclusion Appeal
Panel Members**
- 4. Annual Increase in Allowances**
- 5. Financial Information**

1. Background

At the Council Forum in November 2007 Members considered a report of the Independent Remuneration Panel following their three yearly review of the Members Allowances Scheme. The Council Forum resolved amongst other things that the Members Allowance Scheme be otherwise unaltered and that the annual increase in line with Local Government Employee pay increases be no longer continued.

At the Council Forum in August 2008 Members considered a report of the Independent Remuneration Panel following a review undertaken as a result of a number of changes to the Constitution. The Council Forum agreed further changes to the Allowances Scheme but reaffirmed its previous decision not to increase allowances in line with the Local Government Employee pay increase.

Following recent discussions with the Chair of the Panel it was decided that although there had been no changes since the last meeting that the Chief Executive would write to all Group Leaders and ask if there were any comments or submissions they would wish the panel to consider. On 4th August 2009 the Chief Executive contacted the Group Leaders inviting any responses or submissions for the Panel to consider by Friday 14th August.

2. Comments From Group Leaders

Councillor Kate Hollern Leader of the Labour Group asked the Panel to review its recommendation to award additional allowances last year and to consider recommending a reduction in allowances in the light of the current economic climate, the impact of job evaluation on staff and much needed funding for essential services.

The Panel reviewed its decision to award additional allowances last year and remained satisfied that its recommendations were reasonable. The recommendations covered several key areas of safeguarding children and the governance arrangements of the Council. The recommendations recognised the strategic importance of these roles and the additional responsibilities carried out by Members in ensuring that these key areas were effectively managed.

The Panel also considered the request recommending a reduction in allowances in the light of the current economic climate, the impact of job evaluation on staff and much needed funding for essential services. However the Panel remained satisfied that the Council should confirm its commitment to making local democracy more representative by having an Allowance Scheme that reflects the personal commitments made by elected Members. A reduction in allowances may result in existing Members facing financial hardship as and deter potential candidates from standing for election.

The Panel asked the Chief Executive to write to Councillor Kate Hollern on its behalf and a letter was sent early January 2010.

3. Independent School Admission and Exclusion Appeal Panel Members - Payment of Expenses for Panel Members

INTRODUCTION

Under the School Standards and Framework Act the Council has a duty to make arrangements to enable parents to appeal against school admission and exclusion decisions. The requirements include the arrangements for the Panels to hear the appeals, the appointment of Panel Members and the payment of allowances to any member of a Panel. Councillors cannot be Panel Members. Panel Members are volunteers recruited from the local community.

Panel Members are eligible to receive travel and subsistence allowances under regulation 7 of the Appeals Regulations and in line with sections 173 and 174 of the Local Government Act 1972. They can also be compensated for any loss of earnings or any individual expenses, including child minding costs that are necessarily incurred as a result of attending an Appeal Panel or associated training. The payment is set by the local authority which must have regard to the recommendations of its Independent Remuneration Panel, as provided for in the Local Authorities (Members' Allowances) Regulations 2003.

The membership of Admission or Exclusion Appeal Panels is drawn from a pool of independent and lay members. The Panels meet on about 50 occasions each academic year.

Involvement in the appeals process therefore involves a considerable personal commitment on the part of the individual panellists. Currently Blackburn with Darwen only pays travel and subsistence allowances. Several of the Panellists have asked that consideration be given to introducing a further allowance in recognition of their time and commitment in preparing for and attending Panel meetings. The only additional allowance that can be awarded is a claim for financial loss allowance. Two other neighbouring authorities pay a financial loss allowance and details are set out below.

The Council will be looking to recruit some new panel members in 2010 and it is anticipated that offering allowances will encourage applicants representing the wider community. It is clearly a factor for anyone to consider when deciding whether to give up their time to perform this function.

SUBSISTENCE AND MILEAGE ALLOWANCE

For subsistence and mileage allowances the rates that are currently applied for Appeal Panel Members are the same as that currently paid to Council Members under the Council's Allowances Scheme.

Payments are subject to the same conditions as apply to Council Members for the provision of receipts and/or other evidence of expenditure and the submission of claims.

FINANCIAL LOSS ALLOWANCE

Blackpool allows School Appeal Panel Members to claim for loss of earnings, currently £27.65 (up to 4 hours) and £55.31 (over 4 hours). Proof is required to support claims made.

Lancashire allows School Appeal Panel Members to claim for loss of earnings, currently £26.50 (up to 4 hours) and £55.00 (over 4 hours).

Having considered what other authorities pay their School Appeal Panel Members it is proposed that the payment of financial loss should be set at £27.00 for up to four hours and £54.00 for over four hours.

To ensure that claims for actual financial loss are accountable and audit trails are sufficiently established, a certificate supplied by the employer or supporting evidence from a self-employed Panel Member's accountant, or such other evidence as deemed appropriate, should support any claims for loss of earnings. Claims for any other type of eligible actual financial loss, such as childminding expenses, should also be supported by receipts or other evidence.

IMPLICATIONS

The appeals process is administered by Democratic Services with funding provided by Childrens Services who hold the budget for this purpose and who will provide an increase to meet any additional costs.

It is envisaged that payments for financial loss allowance will be minimal as the majority of Panel Members are retired or have part-time or voluntary positions. However, when new Panel Members are appointed in 2010 it is hoped to obtain interest from a wider background, and being able to offer a financial loss allowance may assist in this process.

It is anticipated that the overall costs of these proposals will be minimal.

Appeal Panel Members should be eligible for the payment of financial loss allowance to encourage applicants representing the wider community.

4. Annual Increase in Allowances

Over the last 10 years the Government has been clear that it wishes to encourage people with a wide range of backgrounds, experiences and skills to serve as councillors. This Council and its Independent Remuneration Panel support this aim and believe it makes local democracy more representative by having an Allowance Scheme that reflects the personal commitments made by elected Members.

The reasons for having members' allowances are now well established. Allowances seek to ensure that financial constraints are not a bar to holding office, and to recompense members for the work they do as councillors.

As a consequence of the decision by Council to reaffirm its previous decision not to increase allowances in line with the Local Government Employee pay award the level of allowances is diminishing in relation to the cost of living and as such Members may be experiencing personal and financial hardship as a result of this decision.

By not increasing allowances in line with the Local Government Employee pay award potential candidates maybe deterred from standing for election. This may discourage applicants from the wider community.

The Local Government Employee pay award for 2009/10 is 1%.

5. Financial Information

The Expenses Budget for 2009/10 (from which Allowances and other costs are paid) is being revised to take into account previous decisions of the Panel and changes to national insurance contributions etc.

The levels of Allowances payable under the current scheme for 2009/10 are

Basic Allowance	£383,500
Special Responsibility Allowances	£195,000
Total	£578,500
A 1% increase is	£5785

For the Panels information Pensions/National Insurance Contributions come to an additional £42,000.

6. Recommendations

The Panel recommends that Council:

1. Note the requests from Councillor Hollern and the views of the Panel.
2. Approves the introduction of a payment of financial loss set at £27.00 for up to four hours and £54.00 for over four hours in respect of School Admission and Exclusion Appeals.
3. Ensures that claims for actual financial loss are accountable and audit trails are sufficiently established, a certificate supplied by the employer or supporting evidence from a self-employed Panel Member's accountant, or such other evidence as deemed appropriate, should support any claims for loss of earnings. Claims for any other type of eligible actual financial loss, such as childminding expenses, should also be supported by receipts or other evidence.
4. That for 2009/10 the level of Allowances be increased by 1% in line with the pay award to Council employees

