

STANDARDS COMMITTEE - 27TH MARCH 2006

JOINT REPORT OF THE DIRECTOR OF FINANCE AND THE DIRECTOR OF LAW AND PROPERTY

MEMBERS' ALLOWANCES SCHEME

Purpose of Report

1. To consider a report from the Members' Allowances Independent Panel and to consider the Members' Allowances Scheme for 2006/7.

Background

2. The current Members' Allowances Scheme was approved by the Council at its meeting on the 18th July 2005 when additional allowances for members serving on the Licensing Committee and its Sub-Committees were approved as a result of increased responsibilities for the implementation of the Licensing Act 2003. These additional allowances were payable for the period February 2005 – November 2005.
3. When considering any amendments to the Scheme the Council must have regard to the recommendations made by the Members' Allowances Independent Panel appointed by Dudley MBC, Sandwell MBC and Wolverhampton MBC.
4. The Independent Panel has recently been asked to consider whether: -
 - additional special responsibility allowances should be paid post November 2005 for members serving on the Licensing Committee and Licensing Sub-Committees, and
 - allowances should be paid to co-opted members.
5. The report of the Independent Panel is attached at Appendix 1. In summary, their recommendations are that: -
 - there is no case for an on-going additional special responsibility allowance for Liquor Licensing work, and
 - whilst there is no compelling argument for payment to co-opted members, authorities may want to recognise the commitment of "statutory co-optees" to Scrutiny Committees dealing with Education matters, who serve on a voluntary basis, and pay them an allowance of up to £1,000 (including

travelling and other expenses) depending on actual workloads and time commitments.

6. The existing Scheme allows for an annual percentage increase in line with the agreed pay awards for NJC Local Government Services. This will mean an annual increase of 2.95% with effect from the 1st April 2006.

Finance

7. Provision has been made in the Revenue Budget for 2006/07 for the increase in Members' Allowances.

Law

8. The Local Authorities (Members' Allowances) (England) Regulations 2003 set out the arrangements for setting Members' Allowances or amending an existing scheme. In making an amendment to an existing scheme the Council must have regard to the recommendations of a local Independent Remuneration Panel and any amendments to the Scheme must be publicised in accordance with Regulation 16.

Equality Impact

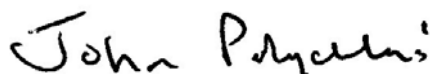
9. This report complies fully with the Council's policies on equality and diversity and there are no implications for services to children and young people.

Recommendation

10. It is recommended that the Standards Committee consider the recommendations of the Independent Panel and the annual percentage increase to the Members' Allowances Scheme and submit a recommendation to the Cabinet and Council.



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Director of Finance



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List of Background Papers - None

BLACK COUNTRY BOROUGHES

MEMBERS ALLOWANCES INDEPENDENT PANEL

REVIEW OF MEMBERS ALLOWANCES FOR LIQUOR LICENSING
RESPONSIBILITIES AND ALLOWANCES FOR CO-OPTED MEMBERS

1. Introduction

1.1 We were originally asked by the Leaders of the four Metropolitan District Councils in the Black Country to undertake a review of Members Allowances, although Walsall have subsequently decided to withdraw from the Black Country wide arrangements.

1.2 The Panel now consists of :-

For Dudley: Michael Beardsmore (Chairman)
Reverend Mike Mason

For Sandwell: Michael Holder

For Wolverhampton: Reverend John Hall-Matthews

1.3 When we made our recommendations for additional temporary responsibility allowances for liquor licensing responsibilities in February 2005, we suggested a further review might be necessary when the transitional phase was complete and the Authorities had a clearer view of ongoing responsibilities and workloads post November 2005. We have also been asked to consider the payment of allowances to Co-opted Members.

1.4 We have again been ably supported and advised by officers from the three Councils.

1.5 The recommendations in this report are unanimous.

2. Liquor Licensing

2.1 Under the terms of the Licensing Act 2003, responsibility for Liquor Licensing transferred from Magistrates Courts to Local Authorities and in the so called "transitional phase" between February and November 2005 Licensing Committees and Sub Committees were required to deal with Licensing applications where objections or representations were received.

2.2 Although it was difficult to accurately assess the likely workloads during the transitional phase, it was clear there would be increased workload and having regard to a range of factors, including likely Member attendance to Sub-Committees on at least 25 days and perhaps more (a potential total time commitment of approximately 150 – 170 hours), we recommended the following Special Responsibility Allowances be paid for the period February 2005 to November 2005:-

- For Licensing Sub-Committee Chairs up to £5,000.
- For other Members of the new Licensing Committee £2,000.

2.3 The following table summarises the payments which were subsequently approved by the individual Authorities and the additional time spent by Members on Liquor Licensing:-

	Sandwell	Wolverhampton	Dudley
<u>Additional Allowances paid for Transitional Period</u>			
Chairs of Panels	Nil	£5,053	£3,000
Other Members	Nil	£2,021	£2,000
<u>Time Spent</u>			
Licensing Committee Chair	400*	2	-
Licensing Committee Vice Chair	400*	-	-
Chair of Panels		50	60
Other Members	144	44	55

* Permanent Members of all Five Sub-Committees.

2.4 With the exception of the Chair and Vice-Chair of the Licensing Committee at Sandwell who were permanent Members of all five Sub Committees, the total additional time spend by most Members was well within our original estimates.

2.5 We have been asked to consider whether additional special responsibility allowances should be paid post November 2005. Following the initial surge during the transitional period, it is now clear that the level of Members activity on Liquor Licensing has become more stable and predictable and we are told that the Authorities are now planning to hold between two and four meetings per month, sometimes lasting for a full day.

2.6 That does not seem to us to create an unreasonably high ongoing workload, particularly compared to the workload of a Planning/Development Control Committee, or a Taxi Licensing Committee and we do not, therefore, believe there is a case for an ongoing additional special responsibility allowance for Liquor Licensing work.

3. Co-opted Members

3.1 There is a statutory requirement that:-

- a) The Church of England and Roman Catholic Church are represented (by co-opted voting Members) on any overview and Scrutiny Committee dealing with Education matters.

- b) at least two but no more than five parent governor representatives are appointed to Overview or Scrutiny Committees and Sub-Committees, whose functions relate wholly or partly to any education function.
- 3.2 It is also the practice, but not necessarily universally or consistently across the three Councils, to co-opt representatives from other religious organisations, teacher representatives and others to Scrutiny Committees dealing with Education matters and representatives from the Health Service, Voluntary Organisations and Community Groups to other Scrutiny Committees and some Area Committees.
- 3.3 Some of the Co-options are for the full Municipal Year and some are time limited to specific pieces of work or issues. Some of the co-optees are operating in an entirely voluntary capacity but some as part of paid employment. All co-optees are entitled to claim travel expenses and receive an appropriate allowance for subsistence. Co-optees in Wolverhampton are entitled to attend one conference each year at the Council's expense.
- 3.4 With the exception of the "Statutory Education" Co-optees (per paragraph 3.1) there are differences (in some cases significant differences) in the different Council's approach to co-option. It appears, however, that the maximum time commitment for a co-opted Member is about 100 hours per year.
- 3.5 In considering whether co-optees should be paid an allowance, we have returned to the key principles of public service which underpinned our original recommendations about Members allowances i.e. that there should be balance between:-
- a) the key principle of voluntary public service
 - b) that no one should be unreasonably precluded from accepting a particular offer on financial grounds
 - c) that there should be reasonable recognition of the time commitments and responsibilities involved.
- 3.6 School Governors serve in a voluntary capacity, as do representatives of faith, voluntary and community groups, and co-options to Council Committees seem to us to follow the same basis. The key principle of voluntary public service has, therefore, been the overriding factor in determining our approach to this issue. But, as with our thinking on Members Allowances, we would not want to see anyone unreasonably precluded from serving as a co-opted member on financial grounds.
- 3.7 On that basis, we do not see a compelling argument for payments to Co-opted Members. But we do recognise that Authorities may want to recognise the commitment of some Co-opted Members by way of an allowance. If that is the case, we do not think it would be unreasonable to pay an allowance of up to £1,000 per year (to include travel and other expenses) to the statutory Co-optees who operate in a voluntary capacity (i.e. not as part of their paid employment) depending on actual workloads and time commitment.

4. The Cost of our Recommendations

4.1 The maximum cost of our recommendations would be about £5,000 for each Authority.

5.0 Recommendations

5.1 That, post November 2005, the responsibilities and likely workload associated with Liquor Licensing responsibilities do not warrant a special responsibility allowance.

5.2 That, as a general principle, co-opted Members should not be paid an allowance, but if Authorities want to recognise, the commitment of the “statutory co-optees” to Scrutiny Committees dealing with Education matters, who serve on a voluntary basis, an allowance of up to £1,000 (to include travel and other expenses) be paid, depending on actual workloads and time commitments.

A handwritten signature in blue ink, reading "Michael Beadman". The signature is written in a cursive style and is followed by a horizontal line.

Chairman
On behalf of the Black Country Members Remuneration Panel

7th March 2006