WARWICK DISTRICT COUNCIL	**Executive** **1st June 2017**	**Agenda Item No.** **4**

Title	Review of Warwick District Council Members' Allowances Scheme
For further information about this report please contact	Graham Leach Democratic Services Manager & Deputy Monitoring Officer 01926 456114 graham.leach@warwickdc.ov.uk
Wards of the District directly affected	None
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	27/7/2016 Executive
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	No

Officer/Councillor Approval	**Date**	**Name**
Chief Executive	25/4/2017	Chris Elliott
CMT	30/5/2017	Chris Elliott Andrew Jones Bill Hunt
Section 151 Officer	25/4/2017	Mike Snow
Monitoring Officer	7/3/2017	Andrew Jones
Finance	25/4/2017	Jenny Clayton
Portfolio Holder(s)	30/5/2017	Andrew Mobbs

Consultation & Community Engagement

All Warwick District Councillors were consulted as part of the review and provided with the opportunity to meet the Independent Remuneration Panel.

Final Decision?	No

Suggested next steps (if not final decision please set out below)

The decision on the proposed revisions needs to be taken by Council. Therefore the decisions of the Executive will be a recommendation to Council on 29 June 2017.

1. Summary

1.1 The report brings forward the recommendations of the Independent Remuneration Panel following a review of Warwick District Members' Allowances Scheme undertaken in 2017.

2. Recommendations

2.1 The Executive consider the recommendations of the Independent Remuneration Panel (IRP) following a review of Warwick District Members' Allowances Scheme undertaken in 2017, as set out at Appendix A, make recommendations as they feel appropriate to Council for consideration.

2.2 The Executive asks the Councillor IT Working Party to bring a report to the Executive concluding its work after Council has reached a decision in relation to the IRP's Members' Allowances Scheme recommendations.

2.3 The Executive recommend to Council that the IRP be thanked for their work and detailed report which clearly sets out the challenges faced and reasoning for their recommendations.

3. Reasons for the Recommendations

3.1 The Executive meeting on 27 July 2016 approved the terms of reference for undertaking a review of the Warwick District Council Members' Allowances Scheme.

3.2 The Panel was convened under The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021) ("the 2003 Regulations"). These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an advisory IRP to review and provide advice on Members' allowances on a periodic basis.

3.3 All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their Members' Allowances Scheme. They must 'pay regard' to their Panel's recommendations before setting a new or amended Members' Allowances Scheme. On this particular occasion, the Panel has been reconvened under the 2003 Regulations as it has not reviewed the allowances scheme since 2012 and there have been no changes to the allowances since 2009.

3.4 The review was undertaken in January 2017 by the Council's IRP. The IRP comprised of:

Dr Declan Hall	An independent consultant specialising in members' allowances and support and a former academic at the Institute of Local Government, The University of Birmingham.
Maxine Howe	Chair of the Leamington Chamber of Trade and a local business owner.
Christopher Purser	Former Chairman of Warwick District Council Standards Committee and former Governor of Warwickshire College. Previously the Group Treasurer of a multinational corporation. A Chartered Accountant and Chartered Secretary.

Alan Wilkinson	Former Warwick District Councillor (for Leamington Brunswick Ward) and Leamington Town Councillor; and Town Mayor. Previously a Sales Manager in a local electronic business.

3.5 The IRP met at Riverside House, Royal Leamington Spa on 24 and 25 January 2017. The IRP meetings were in closed session to enable the IRP to meet with Members and Officers and conduct its deliberations in confidence.

3.6 All Members were given the opportunity to meet with the IRP and 11 Councillors took this opportunity. Members were also sent a questionnaire addressing the issues that the IRP were required to consider. The questionnaire also had the methodological advantage of ensuring all Members were being asked a common set of questions, the main point being that all Members had at least one opportunity to exercise their voice during the review. Twenty Councillors responded to the questionnaire and two further Councillors responded to say they had no comments.

3.7 The IRP met with the Chief Executive and the Democratic Services Manager for factual briefings on political structures and constitutional changes since the last review and to obtain an overview on the challenges facing the Council.

3.8 The IRP took account of the range and levels of allowances paid in comparable local authorities, namely the four other district/borough councils in Warwickshire and Warwick District Council's eight Nearest Neighbours as defined by the Chartered Institute of Public Finance and Accountancy or CIPFA (2014 model), which are used by councils for benchmarking purposes.

3.9 After considering this information the IRP produced the report and recommendations, as set out at Appendix A to the report.

3.10 The IT working party, with representatives from each political group, had been established to look at the IT provision to Councillors. A number of the initial issues had been resolved but some were dependent on the outcome of the review of allowances i.e. provision of printers, printing sundries, broadband, and sim cards. Now these recommendations have been provided, the work of the Group can be concluded and reported back to the Executive.

4. Policy Framework

4.1 **Policy Framework** – The report does not impact on the Policy Framework for the Council.

4.2 **Fit for the Future** – The report does not directly contribute to the vision of making Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy with specific reference to the five key policy priority areas.

4.3 The report's recommendations contribute towards the People strands of Fit for the Future. This is because the independent review was undertaken with a view to ensuring that Members' Allowances were set at a value which recognised their role and responsibility.

4.3 **Impact Assessments** – The IRP considered of the revised scheme and were responsible for considering any impacts as part of their decision. The report is

considered not to impact on any of the protected characteristics, of; Race; Gender; Disability; Age; Sexual Orientation; Religion/Belief; Pregnancy and maternity explicitly; or Gender re-assignment.

5. Budgetary Framework

5.1 The report in itself does not impact on the budgetary framework of the Council. However, should the recommendations of the Panel be agreed (or a variance thereto), there will be budgetary requirements which will need to be financed, as discussed in paragraph 5.4.

5.2 A comparison of the current and the proposed is set out at Appendix B to the report and the budgetary impact is summarised below:

	Budget 2017/18	**Cost of new proposal**	**Budget effect**
Basic allowance	£211,600	£242,328	-£30,728
Special Responsibility Allowances	£54,300	£74,344	-£20,044
Co-Optees Allowance	£3,100	£3,100	0
Mileage	£4,400	*Estimate £100	£4,300
Subsistence	£800	*Estimate £100	£700
Computer costs	£1,900	£0	£1,900
Broadband	£3,800	£0	£3,800
Committee teas	£14,200	£4,000	£10,200
Other fees	£4,000	£0	£4,000
Total	£298,100	£323,972	-£25,872

* The estimates are based on current level of claims made by Members.

5.3 If the Executive recommended to Council, and Council agreed the proposal as laid out, there would be an adverse effect on the budget of circa £50,700 per year from the increase in the basic allowance and special responsibility allowances. However, there would be savings within the proposals as shown in the table above, totaling circa £25,000. Therefore the overall adverse effect would be circa £25,900 in a full year.

5.4 The Executive will need to consider how any increases will be funded from within the General Fund as at present there is no allocation for this. Potentially this could be funded, as a one off for 2017/18, from the Contingency Budget with it being built in as part of Medium Term Financial Strategy so as to be included budgeting process for 2018/19. The Contingency Budget currently stand at £180,500 before taking into account any other Contingency requests on this agenda. With the full year cost of the proposals being £25,900, if changes are implemented part way through 2017/18, the cost will be proportionately reduced.

6. Risks

6.1 There are two primary risks associated with consideration of this report. These are the public perception and reaction to the proposed revisions to but also recognising the impact of retaining allowances at their current level. The first risk is difficult to mitigate against but Members need to be mindful of and have confidence in the review being undertaken by an Independent Panel, that said the final decision rests with all Councillors. The second risk relates more to ensuring Members are recognised for their work and that this proposal does not differ significantly with neighbouring local authorities.

7. Alternative Option(s) considered

7.1 The Executive could make a number of recommendations to Council about the Independent report. This is because within law they only have to 'pay regard' to their Panel's recommendations before setting a new or amended Members' Allowances Scheme. For this reason the Executive could recommend to Council, as an example, increasing the allowances to the value as proposed, but phasing these in over the next four years (the life of the scheme), or recommending that no changes are made and the current scheme be readopted.

7.2 The Executive may also wish to consider not proposing alterations to the broadband allowance budget, at this stage, in case the Councillor IT Working Party bring forward further proposals for the use of mobile data with iPads.

8. Background

8.1 In order to ensure a robust discussion to take place on this matter, including appropriate scrutiny, Members should be aware that the Council has granted the following dispensation to all members and co-opted members of the Council in respect of both disclosable pecuniary interests and prejudicial interests: "Provided you disclose the interest at the meeting you may attend a meeting and vote on a matter where you have a prejudicial or disclosable pecuniary interest that relates to the functions of the District Council in respect of an allowance, payment or indemnity given to members." This means that all Councillors will be able to discuss the report openly and transparently.