

**REPORT OF THE JOINT INDEPENDENT REMUNERATION PANEL ON THE
REVIEW OF ALLOWANCES FOR MEMBERS OF SWALE AND MAIDSTONE
BOROUGH COUNCILS**

HELD ON 12 JANUARY 2011

INTRODUCTION

The Council's Independent Remuneration Panel met on 12 January to consider and review suggestions made by Maidstone Borough Council regarding their current Members' Allowance Scheme.

SUMMARY OF RECOMMENDATIONS

The Panel has made the following recommendations, that:

- A. In light of the fact that there was no further evidence regarding a change in the level of the SRA to be paid to the Chairman of the Audit Committee that no action be taken this year. It was noted that as a review of the Committees were being undertaken this was a matter that should be considered at the next meeting of the Independent Remuneration Panel.
- B. The Members' Allowances Scheme should be revised so that subsistence is only paid upon the production of a receipt for the purchase of a required meal. The amount paid should be the lesser of a) the applicable subsistence rate, or b) the amount on the receipt.
- C. The request from Councillor Robertson to review the allocation of Group Leaders Allowance be noted and no action taken but that the matter be considered further at the next meeting of the Independent Remuneration Panel where it will receive responses from the Councillors on whether they wish to consider a change to the scheme on the basis of the following:
 - a) retaining the status quo,
 - b) providing an option whereby a set amount is paid to each Group Leader together with an additional amount paid for each Member within their group,
 - c) where a fixed amount is paid to the Leader of the Opposition only,
 - d) a fixed amount is paid to the Leader of the Opposition and to Group Leaders with groups of specific sizes.
- D. That no change be made to the level of allowance paid for mileage of 40p per mile which is the existing HMRC non-taxable level.

TERMS OF REFERENCE

In accordance with the requirements of the Local Authorities (Members Allowances) (England) (Amended) regulations 2003, the terms of reference of the Independent Remuneration Panel at this meeting were to make recommendations to the Swale and Maidstone Borough Councils in relation to:

- Special responsibility allowance – Audit Committee.
- Subsistence allowance.
- Group Leaders allowance.
- Travel allowance.

INDEPENDENT REMUNERATION PANEL

The membership of the Independent Remuneration Panel (IRP) is as follows:

Victoria Wallace (Acting Chair) - Chief Executive of Leeds Castle and member of the Invicta Chamber of Commerce.

Valerie Page - Independent Member, Maidstone Borough

Richard Mallaby - Independent Member, Swale Borough.

Susie Bonfield – Policy Officer, Democracy and Governance, South East Employers was absent due to illness.

CONSIDERATION OF THE KEY ISSUES

Audit Committee

The Panel noted that at this meeting in the previous year, it had been agreed to review its decision not to make any change to the level of the Special Responsibility Allowance paid to the Chairman of the Audit Committee. No information was submitted to the Panel which would reflect a need to change its previous decision and was of the view that no change should be made at this point in time. However, the Head of Democratic Services reported that he was currently reviewing Committees within Maidstone Borough Council and it was felt that, at this stage, it would be inappropriate to consider the matter further but to consider the matter again at the next Independent Remuneration Panel when a full review of the whole Members Allowances Scheme at Maidstone would be undertaken.

The Panel recommended that:

In light of the fact that there was no further evidence regarding a change in the level of the SRA to be paid to the Chairman of the Audit Committee that no action be taken this year. It was noted that as a review of the Committees were being undertaken this was a matter that should be considered at the next meeting of the Independent Remuneration Panel.

Subsistence Allowance

The Panel were informed that following an Audit on Members allowances the following action was proposed by the Borough Councils' Internal Audit section:-

“As a potential cost saving and transparency measure, the Members' Allowances Scheme should be revised so that subsistence is only paid upon the production

of a receipt for the purchase of a required meal. The amount paid should be the lesser of a) the applicable subsistence rate, or b) the amount on the receipt.”

The Panel considered that this was a practical and sensible arrangement and felt that this recommendation from the Councils’ Internal Audit section should be adopted.

The Panel recommended that:

The Members’ Allowances Scheme should be revised so that subsistence is only paid upon the production of a receipt for the purchase of a required meal. The amount paid should be the lesser of a) the applicable subsistence rate, or b) the amount on the receipt.

Group Leaders’ Allowance

The Panel received a copy of an email from Councillor M. Robertson requesting that the Panel review the current allowance for Group Leaders. He had suggested that the current formula structure for calculating the remuneration given to each of the Group Leaders done on a basis of the number of Members within each political group should be retained but that the percentage of the Group Leaders’ allowance should be increased from 50% to 80% of the Leader’s allowance, the greater sum for individual Members whose role he felt had increased over the years.

The Panel received information that there were a number of different types of schemes adopted throughout Kent and throughout the country for the allocation of a Group Leaders allowance. These varied from schemes similar to that adopted by the Council to fixed amounts for the Leader of the Opposition or fixed amounts for Group Leaders based on the number of people present within their group or a combination of each of these measures.

The Panel felt that the suggestion from Councillor M. Robertson should not be adopted this year particularly as he was seeking an increase in the overall budget but there was some merit to reviewing this particular allowance in light of the many options available in Kent and beyond. It was felt that this matter should be taken up as part of the review of the whole scheme being undertaken at the next Panel meeting but felt that before that meeting took place the Members of the Maidstone Borough Council should be consulted with a suggested number of options such as:-

- a) retaining the status quo
- b) providing an option whereby a set amount is paid to each Group Leader together with an additional amount paid for each Member within their group,
- c) where a fixed amount is paid to the Leader of the Opposition only,
- d) a fixed amount is paid to the Leader of the Opposition and to Group Leaders with groups of specific sizes.

The Panel recommended that:

The request from Councillor Robertson to review the allocation of Group Leaders Allowance be noted and no action taken but that the matter be considered further at the next meeting of the Independent Remuneration Panel where it will receive responses from the Councillors on whether they wish to consider a change to the scheme on the basis of the following:

- a) retaining the status quo,
- b) providing an option whereby a set amount is paid to each Group Leader together with an additional amount paid for each Member within their group,
- c) where a fixed amount is paid to the Leader of the Opposition only,
- d) a fixed amount is paid to the Leader of the Opposition and to Group Leaders with groups of specific sizes.

Travel Allowance

The Panel were informed that Councillor Fitzgerald had requested that the Panel review the level of allowances for travel by cars. It was noted that the current level was 40p per mile which was the HMRC non taxable level but Councillor Fitzgerald stated that the cost of petrol had risen dramatically since 2003 when this was introduced and therefore felt that the allowance should be reviewed. The Panel felt that whilst they agreed that the price of petrol had risen dramatically, the 40p per mile allowance still covered the cost of fuel and whilst accepting that the allowance was not just for that purpose, but also for use of a private vehicle. However, it was reported that many other Local Authorities were paying at the same rate and that to pay more than the HMRC level of 40p per mile would make the amount taxable and it was felt that it would be an additional burden to those Councillors who pay tax and might receive less remuneration by going over the HMRC level of 40p per mile.

The Panel recommended that:

No change be made to the level of allowance paid for mileage of 40p per mile which is the existing HMRC non-taxable level.