

THE EXECUTIVE

10 MAY 2005

REPORT OF THE DIRECTOR OF FINANCE

MEMBERS ALLOWANCES 2005 / 2006	FOR DECISION
<p><i>This report details the review of members' allowances and recommendations of the Independent Remuneration Panel.</i></p> <p>Summary</p> <p>This year's review proposes that all members' allowances be increased by 3.5%. Details of the revised scheme are as shown in the attached schedule (Appendix A) which is effective from 19 May 2005. In addition the Panel have reiterated that each member complete a mandatory annual report. Members are reminded of the need to keep records as an aid to completing these at the end of the calendar year.</p> <p>Members Allowances will be reviewed again next year and any proposals will be reported to the Executive.</p> <p>Recommendation</p> <p>The Executive is asked to recommend the Assembly to agree allowances and the scheme for 2005 / 2006, as set out in Appendix A, with effect from 19 May 2005.</p> <p>Reason</p> <p>There is a requirement for the Council to have members' allowances regularly reviewed by an Independent Panel.</p>	
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1. Background

- 1.1 In 2000 an Independent Review panel was appointed to review Members allowances. The panel undertook a comprehensive review, which took into account many factors including the legal framework, the Council's existing scheme of payments, other London Boroughs schemes, time inputs and special responsibilities as well as interviewing a number of members to seek their views on how they perceived their "job". The panel produced Job profiles as a result before publishing their recommendations, which were then adopted by the Assembly.

1.2 Subsequently, 2001 saw the mandatory introduction of independent panels through legislation and the existing panel reappointed here. Members Allowances have been reviewed annually and changes have been made to the scheme as a result over the years.

2. 2005 Review

2.1 Once again Members were requested to complete an annual report of their activities for the year ended 31 December 2004 and asked for any comments and suggestions regarding the operation of the scheme.

2.2 In order to help the panel in their deliberations, the panel invited various members in the different bandings, including the Mayor, to meetings to go through their reports, ask questions and generally seek their views on the scheme. The panel also felt that by interviewing members that this would establish their position to account for the decisions they make. In particular to the community and to feedback to the members themselves as part of the review.

2.3 The interviews were helpful and informative. The panel discussed the various roles with individuals, raised issues and questions relating to the special responsibility allowances.

3. Conclusions

3.1 Having reviewed the returned reports and spoken to members as mentioned, the feedback was that there had not been any major changes from last year. However, from those discussions the panel are aware that there are two new Chair roles in respect of Licensing as a result of the Licensing Act 2003, and also in respect of the Personnel Board.

3.2 The panel's view regarding these roles is that it is too early to assess workloads in these areas and agreed to consider retrospectively as part of next year's review.

3.3 As a result of their review the panel consider that this year's increase should be in respect of cost of living increases only and based on the Bank of England Retail Price Indices as December 2004.

4. Recommendation

4.1 That all allowances increased by 3.5 % rounded.

Special Responsibility Allowances

Band 1	(a) Leader of the Council	from £27,100 to £28,050
	(b) Deputy Leader of the Council	from £18,050 to £18,700
Band 2	Members of the Executive	}
	Chair of the Scrutiny Management Board	} from £13,550 to £14,050
Band 3	Chair of Assembly	}
	Chair of the Development Control Board	} from £9,050 to £9,400

Band 4 Deputy Chair of Assembly }
Deputy Chair of the Scrutiny Management Board } from £3,000
Deputy Chair of the Development Control Board } to £3,200

Leaders of minority parties (minimum of) from £1,025 to £1,050
(£310 to £320 per seat)

Band 5 Basic Allowance from £9,050 to £9,375

- 4.2 The Mayor and Deputy's Mayor's Purse are included and also subject to the same increase as other allowances.

Mayoral Purse

Mayor from £13,000 to £13,450

Deputy Mayor from £2,700 to £2,800

The above to apply with effect from 19 May 2005 (the day following Annual Assembly).

5. Child Care and Dependent Carers Allowance

- 5.1 The panel reiterated their previous recommendation that the minimum national hourly rate continue to apply and that members be able to evidence the need for payment of the allowance.
- 5.2 Provision has been made in this year's estimates to meet the increases for 2005 / 2006.

Background papers used in the preparation of this Report

The Local Authority (Members Allowances) (England) (Amendment) Regulations 2003
Minutes of the Independent Panel's Meetings

MEMBERS' ALLOWANCES SCHEME**1. Title and Term**

The scheme is known as the London Borough of Barking and Dagenham Members' Allowances Scheme. The allowances are reviewed annually and take effect the day after Annual Assembly each year.

2. Meanings

"Councillor" A Councillor is a Member of Barking and Dagenham, elected to represent constituents of a Ward area".

3. Basic Allowance

A basic allowance is paid to each Councillor as specified in the Schedule attached.

4. Special Responsibility Allowances

A special responsibility allowance is additionally paid to Councillors who hold certain responsibilities as specified in the Schedule.

5. Childcare and Dependant Carers Allowance

An allowance paid to those Councillors who incur expenditure for the care of dependant relatives or children whilst undertaking 'Approved Duties'.

6. Travel and Subsistence Allowances

Reimbursement of actual and necessarily incurred expenditure whilst undertaking 'Approved Duties'.

7. Renunciation

A Councillor may give notice in writing to the Chief Executive, to elect to forego any part of his/her entitlement to an allowance under this Scheme.

8. Part-Year Entitlements

If the scheme is amended during the year or a Councillor holds office part way through the year, entitlements to basic and special responsibility allowances will be dealt with on a pro-rata basis.

9. Payments

Payments are made in equal instalments every month.

10. Pensions

All Councillors are eligible to join the Local Government Pension Scheme.

SCHEDULE OF ALLOWANCES 2005 / 2006

1. Basic Allowance

The basic allowance for the year is £9,375

2. Special Responsibility Allowances

The following special responsibility allowances are payable, as appropriate, in addition to the basic allowance:-

Leader of the Council	£28,050
Deputy Leader of the Council	£18,700
Members of the Executive Chair of the Scrutiny Management Board	£14,050
Chairs of the: Assembly Development Control Board	£9,400
Deputy Chairs of the: Assembly Scrutiny Management Board Development Control Board	£3,200
Leaders of the Minority Parties * (£320 per seat with a minimum of £1,050 per Leader)	£1,050*

Note - Only one special responsibility allowance will be payable to any Councillor (the highest allowance applies).

3. Childcare and Dependant Carers Allowance

This allowance is payable to those Councillors who incur expenditure for the care of dependant relatives or children whilst undertaking "approved duties". The rate payable will be £4.78 per hour.

4. Travel and Subsistence Expenses

Reimbursement of travel expenses via public transport will be the actual fair paid. Councillors using their own motor vehicle will be reimbursed at the appropriate rate as shown on the Councillors claim forms for travelling expenses and subsistence costs. Similarly, for reimbursement for subsistence costs in respect of meals. Subsistence costs involving an overnight stay are also as shown on the Councillors claim form.