

The Welland Partnership Remuneration Panel

Report to Melton Council Meeting

Review of Non-Administration Group Leader(s)' Allowance

1. Introduction

- 1.1 The Local Government (Members' Allowances) 2003 Regulations put in place a consolidated and simplified framework for allowances that covers Principal Councils and Parish and Town Councils.
- 1.2 Part 4 of the Regulations makes provision for the establishment of an Independent Panel to make recommendations concerning Allowances. The Welland Remuneration Panel – comprising John Cade (Chairman), Collette Eames, John Greenwood and Gordon Wells – is compliant with the necessary arrangements.
- 1.3 Unfortunately Collette Eames was indisposed on the day of taking evidence, but the Panel was quorate with John Cade, John Greenwood and Gordon Wells present.

2. Background

- 2.1 Consequent upon the outcome of the May Local Elections which saw one Party take twenty-six of the available twenty-eight seats and with the other two Members forming a Political Group, the Chief Executive asked us to take a view as to whether the allowance provision for the non-Administration Group Leader was still apposite.
- 2.2 The relevant part of your allowance scheme is:

“When the Members of the Council are divided into at least two Groups constituted in accordance with Regulation 8 of the Local Government (Committees and Political Groups) Regulation 1990 a special responsibility allowance shall be paid to the Leader(s) of the Political Group(s) other than the Group containing the Leader of the Council.

The amount of such allowance for each Leader other than the Leader of the Council shall be calculated by sharing the sum of £3,589 pro-rata to the number of Members in each Group excluding the Group containing the Leader of the Council. The main Opposition Group Leader's allowance be augmented by £670.94 per annum."

- 2.3 It is clear from this wording that the allowance was based on an assumption that there would be more than one Group other than the one which formed the Administration.
- 2.4 We advised that if there was to be any change in the level of allowance, then the view of the Remuneration Panel needed to be obtained.
- 2.5 Our meeting for this purpose was held at Parkside on Wednesday 26th August 2015. We asked to hear from the Leader of the Council, the Leader of the Opposition and the Chief Executive.
- 2.6 In addition we invited all Councillors to submit written considerations. Councillors Cumbers and Higgins provided us with thoughtful and helpful emails.
- 2.7 We are very grateful to the four Councillors and Chief Executive for their comments to us. We would also like to express our appreciation again for the excellent support received from Sarah Evans.

3. Context

- 3.1 Originally, the payment of Members' allowances was constrained by central prescription. Remuneration Panels and Councils now have much more discretion, but there are still three legal requirements:
 1. Attendance allowances are prohibited.
 2. The basic allowance has to be paid equally to all Members.

and of relevance to this review:

3. where one of more Groups on a Council form an Administration, a special responsibility allowance must be paid to a Member of the Opposition – usually paid either to the Leader of the Opposition (when such a post exists) or to a chair of a scrutiny committee
- 3.2 It is also important to make clear that a payment can only be made to a constituted Group which comprises at least two Members. If a Group does not exist it is not possible to share an allowance with an individual.
- 3.3 Your current scheme for the payment of an allowance to non-Administration Group Leader(s) is an amalgam of decisions taken at your 2003 and 2012 Council meetings.
- 3.4 At your 2003 Council meeting you agreed an allowance which provided for its sharing, according to the number of Members in each Group, other than the one forming the Administration.
- 3.5 At your 2012 Council meeting, consequent upon the dissolving of your Scrutiny Committee, you agreed an augmentation to the allowance to the Leader of the largest non-Administration Group recognising his/her de-facto role in undertaking specified duties previously carried out by the Chair of the Scrutiny Committee.
4. Findings
 - 4.1 A member of the current Remuneration Panel, who was also a Panel Member in 2003, advised that when the Group Leader(s) Allowance was determined then there were four political parties on the Council. An assumption was made at the time that there would invariably be more than two Political Groups on the Council.
 - 4.2 Whilst a view was presented that the number of Councillors in a Group was irrelevant to the need to provide effective challenge and scrutiny, the weight of the evidence we received was that the size of a Group was a relevant factor in terms of remuneration and would be seen as such by the public.

- 4.3 We took the view that whilst there was a case for looking at how effective challenge and scrutiny is being provided that this is more appropriate to be done as part of your quadrennial review next year (2016).
- 4.4 Meantime, we looked at how it would be appropriate to modify the current scheme.
- 4.5 We agreed with the view put to us that the responsibilities, demands and expectations placed on Committee Chairs are higher than those on the non-Administration Group Leader.
- 4.6 We looked at various alternative ways of determining the allowance for a situation when there is just one non-Administration Group Leader and settled pro tem on halving the current “Group Leader” allowance and then adding to this the “Leader of Opposition’s augmentation”. This would provide for an annual allowance of £2,465.
- 4.7 To be consistent with our views we also believe that in a situation returning to more than one non-Administration Group on the Council then no allowance should exceed the allowance paid to a Committee Chair. It is very unlikely that such an allowance would be determined but we feel it is important to establish the principle.

5. Recommendations

- 5.1 It is recommended that your scheme is modified as follows. The changes are shown in red.

“Where the Members of the Council are divided into at least two groups constituted in accordance with regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990 a special responsibility allowance shall be paid to the leader(s) of the political group(s) other than the group containing the Leader of the Council **to a maximum of the special responsibility allowance paid to the Policy Committee Chair.**”

The amount of such allowance for each Leader other than the Leader of the Council shall be calculated by sharing the sum of £3,589 pro rata to the number of Members in each Group

excluding the Group containing the Leader of the Council. The main Opposition Group Leader's allowance be augmented by £670.94 per annum.

Where there is just one other Group Leader, besides the Leader of the Council, 50% of the sum of £3,589 be paid, together with the sum of £670.94 per annum to recognise the additional responsibilities undertaken by the Leader of the Opposition since the dissolving of the Scrutiny Committee.

- 5.2 That this allowance be revisited in the light of the actual experience of the role when the quadrennial review is undertaken next year (2016).

John Cade Chairman

Welland Independent Remuneration Panel

September 2015