

27 APRIL 2000

INDEPENDENT PANEL ON MEMBERS' ALLOWANCES

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1. Purpose

- 1.1 To consider a mechanism for identifying and appointing the Panel.
- 1.2 To consider whether the Council should agree in advance to be bound by the Panel's recommendations.

2. Summary

- 2.1 The Members' Services Sub-Committee has previously agreed to the establishment of an Independent Panel to consider the level of Members' Allowances.
- 2.2 This report offers alternatives for establishing the membership of the Panel. It is essential that the process is approached in a subjective fashion so as to maintain the credibility of the recommendations made by the Panel.
- 2.3 It is also important that the Council establishes its approach to accepting or rejecting the Panel's recommendations, so that the eventual decision can be seen to be free of political influence.

3. Recommendations

- 3.1 That the Terms of Reference for the Independent Panel be amended to refer to implementation in the financial year 2000/01.
- 3.2 That the Sub-Committee indicates which approach to establishing the membership of the Panel it would prefer.
- 3.3 That the Head of Democratic Services be authorised to complete the arrangements for establishing the Panel in accordance with the approved approach.
- 3.4 That the Assembly be recommended to agree that it will be bound by the recommendations of the Independent Panel, for implementation when resources permit.

4. **Background**

- 4.1 At the meeting of the Members Services Sub-Committee held on 9 September 1999, it was agreed to consider a process for reviewing, through an Independent Panel, remuneration and travelling expenses.
- 4.2 At the meeting of the Council held on 12 October 1999, the particular issues of the payment of travelling expenses to Members attending Committees either to present Ward/Members Items, or to represent other Committees, were referred to the Panel.
- 4.3 At the Joint Meeting of the Members Services Sub-Committee and the Democratic Structures Working Group held on 16 February, revised Terms of Reference from the Independent Panel were approved, as follows:
1. To consider and make recommendations on the structure and the level of Members Allowances paid by Milton Keynes Council, taking account of the time commitment and level of expertise which is now expected of Members, and that which will be expected when new political management structures are implemented.
 2. To consider and make recommendations on the payment of pensions to Executive Members.
 3. To consider and make recommendations on the range of duties for which travelling allowances and subsistence should be payable when new political management arrangements are in place, and the level of travelling and subsistence allowances paid by the Council.
 4. To report back to the Council in time for any revisions to be implemented from the Annual Council Meeting in May 2000, subject to resources permitting.
- 4.4 Clearly it will not be possible to achieve the stated deadline as it is still necessary to agree the process for establishing the Panel, and for responding to its recommendations.

5. **Issues and Choices**

- 5.1 There are a number of options available for the appointment of the Panel. The 1996 Panel was set up following nominations by Group Leaders and public advertisement, and the eventual Panel represented a combination of each aspect of the process. That process could be used again.
- 5.2 Alternatively, the Panel could be formed entirely from nominations submitted by political groups, or entirely from public notice.
- 5.3 With any of these alternatives, a selection and appointment process will be needed, which should be free from political influence and transparent. If this approach is adopted, it is suggested that the Head of Democratic Services should be authorised to select the final panel members, in consultation with the Group Leaders, as necessary.

- 5.4 An alternative approach would be to invite a particular person, or a small group of people with expertise in local government, to carry out the review. This is likely to increase the speed of the review, but may mean that it is less representative of the circumstances in Milton Keynes and, therefore, less supportable in the public arena.
- 5.5 A further alternative, therefore, would be to combine the expertise of a particular person with a small number of local laypeople.
- 5.6 In 1996, the Council agreed to accept the Panel's recommendations after the Panel had completed its work, but before the recommendations were available. This avoided the Panel having a 'blank cheque', but also took acceptance of the recommendations out of the political arena.
- 5.7 There are advantages and disadvantages to the Council committing itself to accept the Panel's findings in advance. The advantages are that the Council cannot make a decision based on political positions after the event; that the Panel knows that it is not wasting its time; and that implementation can proceed at the earliest possible moment. The disadvantages are that the Panel may not take account of the Council's 'ability to pay', and the Council effectively hands over decision-making to the Panel.
- 5.8 An alternative approach would be to agree the recommendations in advance, but at an appropriate moment in the process, as happened in 1996, or commit to implementing the recommendations 'when resources permit'

6. **Implications**

6.1 Environmental

None.

6.2 Equalities

It is fundamental that the level of Members' Allowances is such that nobody is prevented from being a Councillor for financial reasons.

6.3 Financial

The Council currently budgets to spend £270,000 on Members' Basic and Special Responsibility Allowances and £18,000 on other Members' Allowances including travel and subsistence. No budget exists to increase these amounts.

6.4 Legal

The Local Government and Housing Act 1989 and the Local Authorities (Members' Allowances) Regulations 1991, require local authorities to make a scheme for the payment of Members' Allowances.

6.5 Staff and Accommodation

None.

Background Papers: Report of Independent Panel on Members' Allowances
1996