

COUNCIL – 11TH APRIL 2011

Report of the Chief Executive

ITEM 6.5 REPORT OF THE INDEPENDENT PANEL IN RESPECT OF
ALLOWANCES PAID TO MEMBERS OF CHARNWOOD
BOROUGH COUNCIL 2011-12

Purpose of Report

To consider the findings and the recommendations of the Independent Panel in Respect of Allowances Paid to Members of Charnwood Borough Council (attached at Appendix 1) and the revised Scheme of Members' Allowances (attached at Appendix 2).

Recommendation

That Council considers the recommendations of the Independent Remuneration Panel, submitted in accordance with The Local Authorities (Members' Allowances) (England) Regulations 2003, and adopts the revised Scheme of Members' Allowances [part 6 of the Council's Constitution] accordingly.

Reason

To comply with The Local Authorities (Members' Allowances) (England) Regulations 2003.

Background to and summary of the report

Attached at Appendix 1 is the report of the Independent Panel in respect of allowances it recommends should be paid to members of Charnwood Borough Council for the Municipal Year 2011-12.

The main points to highlight are:

- That the level of basic allowance and special responsibility allowances not be increased and remain at the current level;
- That a Special Responsibility Allowance of £500 be paid to Cabinet Support Members; and
- That carer's allowance be able to be claimed for the same duties as travel and subsistence can be claimed for.

Financial Implications

If the recommendations of the Panel are approved, the additional costs would be:-

Cabinet Support Members – SRA £1,500

Carer's Allowance changes to scheme £200

In addition, Council on 28th February 2011 (Minute 73.1) approved savings of £18,600 in the budget for members' allowances for 2011-12, this being a 5% reduction in line with the budget guidelines previously agreed. It was noted in the budget papers that this was subject to agreement by members and the Independent Remuneration Panel.

Therefore, if the Council decides to accept the recommendations of the Independent Remuneration Panel, there will be a total budget shortfall of £20,300 in this area if the current arrangements remain in place after the new Executive arrangements are implemented in May. Any shortfall would need to be met in 2011/12 through virement from underspending elsewhere in the Councils budget.

Risk Management

No risks have been identified with the recommendations of the Independent Panel.

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REPORT OF THE INDEPENDENT REMUNERATION PANEL
IN RESPECT OF ALLOWANCES PAID TO
CHARNWOOD BOROUGH COUNCILLORS
2011-12

THE PANEL

The Panel, which is appointed to make recommendations to the Council in respect of the allowances paid to councillors, comprises the following members:

Mr R. Gillespie (Chair)
Mr R Kinton
Ms C McLaughlin
Mr R. Mellar

The term of office of the 4 members comes to an end shortly and they wish to thank the Council for the help and support given by officers and members.

REMIT

The Local Authorities (Members' Allowances) (England) Regulations 2003 require, among other things, the Council to have regard to the recommendations of an Independent Panel in agreeing allowances paid to councillors.

Those regulations require the Panel to produce a report making recommendations as to:

- the amount of basic allowance;
- whether special responsibility allowances should be received and, if so, the duties to which they should apply and the amounts of those allowances;
- whether an allowance relating to the expense of arranging for the care of children or dependents should be available (carers' allowance) and, if so, the amount of that allowance;
- whether travelling and subsistence allowances should be available and, if so, the duties for which they should be payable and the amounts of those allowances;
- whether a basic allowance should be paid to co-opted members and, if so, the amount of that allowance.

REPORT

This is the Independent Panel's report of its review of members' allowances for 2011-12. This report has been compiled and agreed by members of the Panel following a number of meetings held during the Autumn and Winter 2010-11. The Head of Democratic Services attended the meetings to assist the Panel in the consideration of these matters.

Allowances Generally

Some time ago, the Panel devised a formula for the payment of allowances and had regard to comparison data from peer authorities. Since then, the Panel has adjusted allowances appropriately and is satisfied with the current level of members' allowances for Charnwood Borough Council. Last year the Panel recommended that the majority of members' allowances not be increased. This was accepted by the Council at its meeting in March 2010.

The Panel is of the view that the members' allowances Charnwood Borough Council for 2011-12 be the same as those in 2010-11. This recommendation has been arrived at through the application of processes used to determine previous rates of allowance. The processes indicate that the level of allowances currently paid are reasonable.

Travel and Subsistence Allowances

Some time ago, the Panel aligned the travel and subsistence rates paid to members to that that of staff. The revised rates are specified in the attached scheme and are recommended for approval.

Cabinet Support Members

In Spring 2010, the Cabinet asked the Independent Remuneration Panel to consider applying a special responsibility allowance to Cabinet Support Members. The Panel noted that a formal role description had been approved for the Cabinet Support Members. The Panel was impressed with the work undertaken by the Cabinet Support Members since the role was established in assisting Cabinet members. It also recognised the initiative in developing Cabinet Support Members from a succession planning perspective noting that one had gone on to be the Cabinet lead member for Finance and Resources.

The Panel therefore recommends that a special responsibility allowance of £500 be paid to each Cabinet Support Member.

Carers' Allowance

A councillor spotted an anomaly in the carers' allowance paid under the Council's Scheme. Travel and subsistence allowances could be claimed for some meetings, but carers allowance could. Unless corrected, this would

discriminate against those with caring responsibilities and the Panel was keen to correct this.

The Panel therefore recommends that the Scheme be amended so that Carers' Allowance can be claimed for all meetings that travel and subsistence allowances could be claimed for.

Term of Office of Members of the Panel

The term of office of each of the 4 members of the Independent Remuneration Panel is due to expire on 16th May 2011. Advertisements will be placed during the summer and new members of the Panel will be interviewed and appointed soon afterwards. The new Panel will undergo training before considering the level of members' allowances for the following year.

Changes to the Council's Scheme of Members' Allowances

The Panel has again reviewed the Council's Scheme of Members' Allowances and incorporates the proposals in this report. A revised copy of this is attached to this report for approval.

Recommendations in Summary

1. That the basic and special responsibility allowances for 2011-12 not be increased;
2. That a special responsibility allowance of £500 be paid to each Cabinet Support Member and financial provision be made in the Council's budget for this;
3. That the Members' Allowance Scheme be amended so that Carers' Allowance can be claimed for all meetings that travel and subsistence allowances can be claimed for;
4. That the travel and subsistence rates be revised as per the corresponding officer rates; and
5. That the revised Scheme of Members' Allowances be approved.

PART 6

MEMBERS' ALLOWANCES SCHEME

CHARNWOOD BOROUGH COUNCIL

SCHEME OF MEMBERS' ALLOWANCES

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, Charnwood Borough Council has agreed the following scheme for members' allowances. In the scheme the term year means the period of 12 months ending on the day of the Annual Council Meeting.

1. BASIC ALLOWANCE

Subject to paragraph 8, for each year a basic allowance as specified in schedule 1 to this scheme shall be payable to each councillor.

2. SPECIAL RESPONSIBILITY ALLOWANCE

(1) Subject to paragraph 8, for each year a special responsibility allowance shall be payable to those councillors and co-opted members who have the special responsibilities that are specified in schedule 2 to this scheme. For those councillors who have more than one special responsibility allowance, the highest will be paid at 100% and the second or subsequent allowances will be paid at 50%.

(2) Where a majority of councillors belong to the same political group (the controlling group), a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group and has special responsibilities specified in schedule 2 to this scheme.

3. BASIC ALLOWANCE – CO-OPTED MEMBERS

Subject to paragraph 8, for each year, a basic allowance as specified in schedule 1 to this scheme shall be payable to co-opted members and Independent and Parish Members of the Standards Committee.

4. CARERS' ALLOWANCE

Expenditure incurred by councillors in providing childcare or in providing care for an elderly, sick or disabled dependent relative to facilitate their

attendance at duties specified in the Regulations and approved by the Council shall be reimbursed in accordance with schedule 3 to this scheme.

5. TRAVEL AND SUBSISTENCE ALLOWANCES

Expenditure incurred by councillors in respect of travel and subsistence to facilitate their attendance at duties specified in the Regulations and approved by the Council shall be payable in accordance with schedule 4 to this scheme.

The travel and subsistence allowances set out in this scheme are available to the Co-opted, Independent and Parish Members of Council committees described in paragraph 3.

6. APPROVED DUTIES

Duties specified in the Regulations, together with specific duties approved by the Charnwood Borough Council in respect of which travel, subsistence and carers' allowances are payable are listed in schedule 5 to this scheme.

7. RENUNCIATION

A councillor may by notice in writing given to the Head of Financial Services elect to forego any part of his or her entitlement to an allowance under this scheme.

8. PART-YEAR ENTITLEMENTS AND CEASING OF PAYMENTS

- (1) Councillors who are elected, or cease to be elected, part way through the Municipal Year shall receive their basic allowance pro-rata. The same provisions exist for those councillors who are appointed to a position attracting a Special Responsibility Allowance or who cease to hold a position attracting a Special Responsibility Allowance.
- (2) Where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Council, the part of the basic allowance payable to the councillor in respect of the period for which he/she is suspended or partially suspended may be withheld by

the Standards Committee. The same shall apply in respect of special responsibility allowances.

9. PENSIONS

- (1) All members of the Borough Council who satisfy the requirements of the principles and Regulations of the Local Government Pension Scheme shall be eligible for membership of the Scheme.
- (2) Both a basic allowance and a special responsibility allowance can be treated as eligible payments for the purpose of the Local Government Pension Scheme.

10. CLAIMS AND PAYMENTS

- (1) Payment of basic and special responsibility allowances shall be made in monthly instalments of one-twelfth of the amounts specified in this scheme.
- (2) Claims for carers' allowance shall be in accordance with the conditions as specified in Schedule 3 to this scheme.
- (3) Claims for travel and subsistence allowances shall be in accordance with the conditions as specified in Schedule 4 to this scheme.

11. IT FOR COUNCILLORS

In addition to the allowances specified in the Local Authorities (Members Allowances)(England) Regulations 2003, Charnwood Borough Council has authorised the IT support to councillors set out in Schedule 6.

SCHEDULES

All amounts in the following schedules are paid from 16th May 2011 to 7th May 2012

SCHEDULE 1

BASIC ALLOWANCE

| | Allowance |
|---|-----------|
| Councillor | £4,772 |
| Independent Member of the Standards Committee | £239 |
| Parish Member of the Standards Committee | £239 |

SCHEDULE 2

SPECIAL RESPONSIBILITY ALLOWANCE

| | Allowance |
|---------------------------------------|-------------|
| Leader | £11,931 |
| Deputy Leader* | £8,352 |
| Other Members of the Cabinet (7) | £4,772 |
| Scrutiny Commissioner (5) | £3,341 |
| Independent Chair of Audit Committee | £3,341 |
| Chair of Plans Committee | £3,579 |
| Leader of the Opposition | £4,000 |
| Chair of the Standards Committee | £1,432 |
| Chair of Licensing Committee | £2,386 |
| Assistant Scrutiny Commissioner (3) | £1,432 |
| Vice-chair of Plans Committee | £1,432 |
| Vice-chair of Licensing Committee (2) | £716 |
| Cabinet Support Member (3) | £500 |

*The difference between this amount and the Cabinet member allowance would be divided as considered appropriate if more than one Deputy Leader is appointed.

SCHEDULE 3

CARERS' ALLOWANCE

A Carers' Allowance shall be payable for duties specified in the Local Authorities (Members' Allowances) (England) Regulations 2003 and approved by the Council subject to the following conditions:

- (i) The maximum hourly rate reimbursed for independent care of a child under the age of 14 shall be equal to the minimum wage.
- (ii) The maximum hourly rate reimbursed for the professional care of a dependent relative shall be equal to the Leicestershire County Council's hourly rate for a Home Care Assistant.
- (iii) Councillors must certify that the costs have been actually and necessarily incurred and the allowance shall be paid as a reimbursement of incurred expenditure against receipts.
- (iv) The allowance shall not be payable to a member of the claimant's own household.
- (v) The Strategic Director or Head of Democratic Services shall be able to exercise discretion in respect of the above conditions in exceptional and justified circumstances.
- (vi) Claims shall be made within four months of the duty to which it relates.

SCHEDULE 4

TRAVEL AND SUBSISTENCE ALLOWANCES

Travel and Subsistence Allowance shall be payable in respect of duties specified in the Regulations and approved by the Council (see Schedule 5). Claims shall be made within four months of the approved duties to which they relate.

In respect of travel the following may be claimed:

- (a) The actual cost of travel by public service must not exceed the ordinary or any available cheap fare. Standard class rail fare may be claimed. In the case of travel by ship, first class fare is applicable.

- (b) Deposit or portorage of luggage and sleeping car accommodation subject to reduction by one-third of the subsistence allowance for that night.
- (c) Taxi-cab fares in cases of urgency or where no public service is reasonably available. The amount claimed shall not exceed the actual fare and any reasonable gratuity.
- (d) The cost of hiring a car which must not exceed the rate applicable to the members' own car.
- (e) Where a councillor uses his or her own motor car or motor cycle, the mileage rate claimed shall be as the rates available to staff (casual users) and agreed by the National Joint Council for Local Government Services (NJC) on an annual basis.

Current rates are:

| | |
|-------------|-------|
| 451-999cc | 46.9p |
| 1000-1199cc | 52.5p |
| 1200-1450cc | 65.0p |

For journeys out of county, councillors are encouraged to use rail travel. However, if they use their car, the cost claimed shall be the mileage rate above or the cost of standard return rail fare, whichever is the lower.

- (f) Where a councillor carries a passenger, the additional mileage allowance of 2p per mile set by the Inland Revenue shall apply.

Where a councillor uses a pedal cycle, the mileage rate locally agreed for staff shall apply, currently 36.9p.

In respect of subsistence:

Subsistence allowance for councillors shall be the same as for staff and in accordance with guidance from the Inland Revenue such that the Council will refund actual amounts spent in respect of subsistence where supported by receipts and provided that the amounts are reasonable. The following rates are considered by the Inland Revenue to be acceptable as a guideline as to whether actual expenditure is reasonable and also for payment as "flat rates" where receipts are not available:

In the case of absence not involving overnight stay, but not at the normal place of residence:

- (i) for more than four hours before 11am – Breakfast allowance - £4
- (ii) for more than five hours after this time, ending before 8.30pm – Lunch/Tea allowance - £5
- (iii) for more than five hours ending after 8.30pm – Dinner allowance - £8

Use will not be made of a “flat rate” in respect of overnight absence as all expenditure in that respect should be claimed based on actual expenditure only, supported by receipts. However, a flat rate (without the need for receipts) of up to £5 for incidental expenses resulting from overnight absence is claimable. Where possible, overnight accommodation should be booked by the Council so that the VAT element can be reclaimed.

Subsistence allowances may not be claimed where adequate refreshments are provided.

SCHEDULE 5

APPROVED DUTIES OF THE COUNCIL

The Council has agreed that an approved duty, for the purpose of the payment of travel, subsistence and carers’ allowances, is attendance at meetings of:

- Council
- Cabinet
- Scrutiny Bodies
- Plans Committee and its site inspections
- Licensing Committee and its Sub-committees
- Standards Committee and its Panels
- Audit Committee
- Personnel Committee and its Panels
- Joint Consultative Committee

Meetings of all outside bodies to which the Council makes appointments and upon which the councillor serves as a representative of the Council or substitute representative.

Conferences authorised by committees or in accordance with the scheme of delegation.

Interviews for the appointment of staff.

The opening of tenders in accordance with the requirements of the Council's Constitution.

Attendance by Cabinet Members at meetings within the Borough that relate directly to their lead member role.

Such other meetings at which individual members have been appointed to represent the Borough Council other than as members of outside bodies, either by virtue of a specific resolution or in the capacity of Leader or Deputy Leader or as Chair or Vice-chair of a Committee.

Training sessions, briefings and other meetings certified by the Head of Democratic Services.

Further to the above, the Council has agreed the following:

- (i) That travel allowance and carers' allowance, but not subsistence allowance be payable to a borough councillor in respect of attendance by invitation at a Parish Council or Parish Meeting to participate in the discussion of a Borough Council function.
- (ii) That travel and subsistence allowance and carers' allowance be payable to a borough councillor in respect of attendance at Borough Council premises or other establishments within the Borough on such occasions as they consider necessary in connection with the discharge of the Council's functions up to a limit of 15 occasions in each Council year. These are known as "duty days". This provision is an authorisation to carry out an approved duty of a councillor's own choice on 15 occasions of whatever duration and not 15 duty days which might be interpreted, for example, as 30 half days.
- (iii) That travel and subsistence allowance and carers' allowance be payable to a borough councillor in respect of full meetings of political groups held at Borough Council premises and specifically related to the business of the Borough Council on not more than 15 occasions in the period commencing with the day of the Annual Meeting of the Council in any year and terminating on the day preceding the Annual Meeting in the following year."

SCHEDULE 6

IT FOR COUNCILLORS

The Council provides all councillors with a computer, printer and appropriate software and support. In relation to Broadband, where the councillor has their own Broadband connection, a contribution of £17.99 will be made per month via the Council's payroll system. As most Broadband agreements are for a minimum of 12 months, the councillor is liable to pay the remaining contributions under the agreement should he/she leave office before the end of the contract.

