

COUNCIL – 25TH FEBRUARY 2008

Report of the Chief Executive

REPORT OF THE INDEPENDENT PANEL IN RESPECT OF ALLOWANCES PAID TO CHARNWOOD BOROUGH COUNCILLORS 2008-09

Purpose of Report

To consider the findings and the recommendations of the Independent Panel in Respect of Allowances Paid to Charnwood Borough Councillors (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.

Background to and summary of the report

Attached at Appendix 1 to this report is the report of the Independent Panel in Respect of Allowances Paid to Charnwood Borough Councillors.

The main points to highlight are:

- An across the board increase of 2% in Basic Allowance, Special Responsibility Allowances and Co-optee Allowances for the 2008-09 municipal year;
- The Leader and Deputy Leader's Special Responsibility Allowance be increased by the amount they would receive for being Cabinet members, their Cabinet SRA being deleted;
- It be noted that from May 2009, multiple SRAs are unlikely to be paid;
- The revised Members' Allowances Scheme (attached as Appendix 2) be approved;
- Consideration be given to the payment of an annual honorarium of £200 to each of the Panel's members from 12th May 2008; and
- Mr Robert Mellor and Mr Robert Gillespie be reappointed to the Independent Remuneration Panel for a further 2 years until 31st March 2010.

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REPORT OF THE INDEPENDENT REMUNERATION PANEL
IN RESPECT OF ALLOWANCES PAID TO
CHARNWOOD BOROUGH COUNCILLORS
2008-09

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

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 allowances for 2008-09. This report has been compiled and agreed by members of the Panel following a number of meetings held during the Autumn and Winter 2007. The Head of

Democratic Services attended the meetings to assist the Panel in the consideration of these matters.

Having devised a formula for the payment of allowances some time ago and adjusted this periodically since, the Panel is satisfied with the base-rates for members' allowances. It therefore wishes to apply a percentage increase on allowances for 2008-09.

Basic Allowance

The amount of Basic Allowance paid to councillors at Charnwood is the highest for any district council in Leicestershire. The Panel proposes that this be increased by 2% for the municipal year 2008-09, this being broadly in line with expected public sector pay increases next year. Co-optees should receive the same increase.

Special Responsibility Allowances (SRAs)

Compared to many other Leicestershire districts, the SRAs paid to councillors at Charnwood are generous and, in some cases they are the highest e.g. the amount paid to Scrutiny Chairs. The Panel therefore wishes to apply an across the board increase of 2% for all special responsibility allowances paid for the municipal year 2008-09. This is broadly in line with expected public sector pay increases next year. In terms of comparative figures with other Leicestershire authorities, the Panel wishes to keep this under close review.

The Panel does not wish to increase the number of Special Responsibility Allowances paid.

The Panel wishes to make a change to the way the Special Responsibility Allowances are shown in the Members' Allowances Scheme, especially in relation to those paid to the Leader and Deputy Leader of the Council. At the moment, the table below (which includes the suggested 2% increase) is confusing as it disguises the fact that the Leader and Deputy Leader receive multiple allowances (for being members of the Cabinet as well as their SRA for being Leader and Deputy).

	Allowance	Total
Leader	£7,158.67	£7,158.67
Deputy Leader	£3,579.34	£3,579.34
Members of the Cabinet (9)	£4,772.45	£42,952.05
Chair of Scrutiny Committee or Scrutiny Commission (4)	£3,340.71	£13,362.84
Chair of Plans Committee (2)	£3,579.34	£7,158.68
Leader of the Opposition	£2,386.22	£2,386.22
Chair of the Regulatory Committee	£1,431.73	£1,431.73
Chair of the Standards Committee	£1,431.73	£1,431.73
Chair of Licensing Committee	£2,386.22	£2,386.22
Vice-chair of Scrutiny Committee or Scrutiny Commission (5)	£1,431.73	£7,158.65
Vice-chair of Licensing Committee (2)	£715.87	£1,431.74
Total		£90,437.87

The Panel therefore wishes to change the table in order that the payments made are more transparent and easily understood. It is suggested therefore that, as being a member of the Cabinet is integral to their role as Leader and Deputy Leader, they not receive a separate payment for this. The new table will look like this:-

	Allowance	Total
Leader	£11,931.12	£11,931.12
Deputy Leader	£8,351.79	£8,351.79
Members of the Cabinet (7)	£4,772.45	£33,407.15
Chair of Scrutiny Committee or Scrutiny Commission (4)	£3,340.71	£13,362.84
Chair of Plans Committee (2)	£3,579.34	£7,158.68
Leader of the Opposition	£2,386.22	£2,386.22
Chair of the Regulatory Committee	£1,431.73	£1,431.73
Chair of the Standards Committee	£1,431.73	£1,431.73
Chair of Licensing Committee	£2,386.22	£2,386.22
Vice-chair of Scrutiny Committee or Scrutiny Commission (5)	£1,431.73	£1,431.73
Vice-chair of Licensing Committee (2)	£715.87	£715.87
Total		£90,437.87

It needs to be noted that the total amounts received by the Leader and Deputy Leader have not increased beyond the suggested 2% in the examples shown.

The Panel believes that best practice discourages the payment of multiple Special Responsibility Allowances and gives notice that, during its next review for 2009-10, it is likely to recommend that no multiple SRAs be paid. Should a councillor have more than one special responsibility that attract an allowance, the higher allowance of the two will be paid.

Changes to the Council's Scheme of Members' Allowances

The Panel has reviewed the Council's Scheme of Members' Allowances with a view to simplifying it and to making it more transparent. Probity is important and the Panel has consulted the Monitoring Officer and the Council's internal auditors on the revised scheme.

Honoraria Payments to Members of the Independent Remuneration Panel

The Local Authorities (Members' Allowances) (England) Regulations 2003 provides that a local authority may pay allowances to members of its Independent Remuneration Panel. The Charnwood Panel would ask that consideration be given to the payment of an annual honoraria of £200 be paid to each of its four members, commencing in the 2008-09 Municipal Year. This modest amount would be to defray any out of pocket expenses incurred.

Consultation

The Panel discussed its draft proposals with the political Group Leaders before finalising this report.

Appointments to the Independent Remuneration Panel

The 4 year terms of office of Mr Robert Mellar and Robert Gillespie expire on 31st March 2008. Both are willing to serve for a further period of 2 years.

Recommendations in Summary

1. A 2% increase in the Basic Allowance paid to each councillor and to co-optees from 12th May 2008 to May 2009;
2. A 2% increase in all Special Responsibility Allowances from 12th May 2008 to 11th May 2009;

3. The Leader and Deputy Leader's Special Responsibility Allowance be increased by the amount they would receive for being Cabinet members, their Cabinet SRA being deleted;
4. It be noted that from May 2009, multiple SRAs are unlikely to be paid;
5. The revised Members' Allowances Scheme be approved;
6. Consideration be given to the payment of an annual honorarium of £200 to each of the Panel's members from 12th May 2008; and
7. Mr Robert Mellor and Mr Robert Gillespie be reappointed to the Independent Remuneration Panel for a further 2 years until 31st March 2010.

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 with 31st March.

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.

(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

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.

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

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.

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

Payment of basic and special responsibility allowances shall be made in monthly instalments of one-twelfth of the amounts specified in this scheme.

Claims for carers' allowance shall be in accordance with the conditions as specified in Schedule 3 to this scheme.

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 13th May 2008 to 11th May 2009

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
Chair of Scrutiny Committee or Scrutiny Commission (4)	£3,341
Chair of Plans Committee (2)	£3,579
Leader of the Opposition	£2,386
Chair of the Regulatory Committee	£1,432
Chair of the Standards Committee	£1,432
Chair of Licensing Committee	£2,386
Vice-chair of Scrutiny Committee or Scrutiny Commission (5)	£1,432
Vice-chair of Licensing Committee (2)	£716

*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 Director of Change Management 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.
- (c) Deposit or portorage of luggage and sleeping car accommodation subject to reduction by one-third of the subsistence allowance for that night.
- (d) 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.
- (e) The cost of hiring a car which must not exceed the rate applicable to the members' own car.
- (f) 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 40.5p
1000-1199cc 44.2p
1200- 1450cc 55.8p

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.

- (g) 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 32p.

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 Commission
Scrutiny Committees and their panels
Plans Committee 1 and its site inspections
Plans Committee 2 and its site inspections
Regulatory Committee, its panels and its site inspections
Licensing Committee and its Sub-committees
Standards Committee and its Panels
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.

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, 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 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 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 laptop 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.