

COUNCIL – 24TH APRIL 2017

Report of the Chief Executive

ITEM 6.3 REPORT OF THE INDEPENDENT REMUNERATION PANEL IN RESPECT OF ALLOWANCES PAID TO MEMBERS OF CHARNWOOD BOROUGH COUNCIL 2017/18

Purpose of Report

To consider the findings and the recommendations of the Independent Remuneration Panel in respect of allowances paid to members of Charnwood Borough Council (attached as Appendix A) and the Scheme of Members' Allowances for 2017/18 (attached as Appendix B).

Recommendation

That Council considers the recommendations of the Independent Remuneration Panel, submitted in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 as set out in Appendix A, and agrees:

- (a) that amendments in allowances should be linked to an index based on officer pay awards as follows: amendments in basic allowances be linked to any pay awards for officer salary grade PO1 (Principal Officer) and any amendments to special responsibility allowances be linked to any pay awards for officer salary grade JNC E (Strategic Director);
- (b) that any agreed pay awards for those officer salary grades be applied to the corresponding basic and special responsibility allowances as from the same effective date;
- (c) that delegated authority be given to the Head of Strategic Support to implement any adjustments in basic and special responsibility allowances once the relevant officers' pay awards are finalised, including updating the Scheme of Members' Allowances as required and back-dating any such adjustments to the relevant effective dates, and that where the only change made to the Scheme during that period is that arising from an adjustment in accordance with this delegated authority that the Scheme shall be deemed not to have been amended;
- (d) that the link to the index of officer pay awards as set out above should apply for a period of four years (ie civic years 2017/18 to 2020/21) before it should be reviewed again;
- (e) that during the period referred to in (d) an annual report to Council to approve a Scheme of Members' Allowances will be submitted in advance of each civic year, as required by the Local Authorities (Members' Allowances) (England) Regulations 2003, together with a

report from the Independent Remuneration Panel making recommendations on any other elements of the Scheme, or if the relevant officer grades are awarded a non-consolidated (one-off) pay award, or anything other than a standard percentage pay award;

(f) to adopt the proposed Scheme of Members' Allowances for the 2017/18 civic year as set out at Appendix B.

Reason

To ensure compliance with the Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) and to introduce an index linking amendments in basic and special responsibility allowances to officer pay awards for a four year period, as allowed for within the Regulations.

Policy Justification and Previous Decisions

In setting the level of allowances to be paid for each civic year, the Council is obliged to have regard to recommendations made by the Independent Remuneration Panel.

Attached at Appendix A is the report of the Independent Remuneration Panel in respect of the allowances it recommends should be paid to members of Charnwood Borough Council for the civic year 2017/18.

Council resolved at its meeting on 7th November 2016 to set out a proposal to the Independent Remuneration Panel to link amendments to basic and special responsibility allowances to an index based on officer pay awards (minute reference 46.5).

The Independent Remuneration Panel has considered the proposal and is recommending that the Council should adopt it.

As a 1% pay award has already been agreed nationally for officers for 2017/18, the Scheme of Allowances for 2017/18 being recommended by the Independent Remuneration Panel includes a 1% increase in basic and special responsibility allowances.

Implementation Timetable including Future Decisions and Scrutiny

The revised Scheme of Allowances, if approved, would amend section 19 of the Council's Constitution and would come into effect at the start of the 2017/18 Council Year.

Report Implications

The following implications have been identified for this report.

Financial Implications

The proposed allowances can be met from within existing budgets.

Risk Management

No specific risks have been identified in relation to this decision.

Background Papers: None

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Appendices

- Appendix A: Report of the Independent Remuneration Panel in Respect of Allowances Paid to Members of Charnwood Borough Council
- Appendix B: Proposed Amended Members' Allowances Scheme

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
IN RESPECT OF ALLOWANCES PAID TO
MEMBERS OF CHARNWOOD BOROUGH COUNCIL
2017-18**

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:

P.Cleere
W.Dalby
G. Moss-Waghorn
P. Smith

REMIT

The Local Authorities (Members' Allowances) (England) Regulations 2003 require, amongst other things, that the Council has regard to the recommendations of an Independent Panel in agreeing allowance 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 paid, 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 paid, 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 2017/18. This report has been compiled and agreed by members of the Panel following a number of meetings held between October 2016 and February 2017. The Head of Strategic Support attended the meetings to assist the Panel in consideration of these matters.

Linking Changes in Allowances to a Standard Measure

The Panel considered the recommendation agreed at the full Council meeting on 20th November 2016, that:

That in making its recommendations for the Scheme of Members' Allowances (the Scheme) for the 2017/18 civic year, the Independent Remuneration Panel be requested to consider the following proposals:

- (a) that amendments in allowances should be linked to an index based on officer pay awards as follows; amendments in basic allowances be linked to any pay awards for officer salary grade PO1 (Principal Officer) and amendments to special responsibility allowances be linked to any pay awards for officer salary grade JNC E (Strategic Director);
- (b) that any agreed pay awards for those officer salary grades be applied to the corresponding basic and special responsibility allowances as from the same effective date;
- (c) that delegated authority be given to the Head of Strategic Support to implement any adjustments in basic and special responsibility allowances once the relevant officers' pay awards are finalised, including updating the Scheme of Members' Allowances as required and back-dating any such adjustments to the relevant effective dates, and that where the only change made to the Scheme during that period is that arising from an adjustment in accordance with these proposals that the Scheme shall be deemed not to have been amended;
- (d) that the link to the index of officer pay awards as set out above should apply for a period of four years (ie civic years 2017/18 to 2020/21) before it should be reviewed again;
- (e) that during that period an annual report to Council to approve a Scheme of Members' Allowances will still be required in advance of each civic year, together with a report from the Independent Remuneration Panel making recommendations on any other elements of the Scheme, or if the relevant officer grades are awarded a non-consolidated (one-off) pay award, or anything other than a standard percentage pay award.

Having carefully considered the recommendations from Council, the Panel decided that they supported them as being a reasonable means to implement changes in allowances for the period from 2017/18 to 2020/21, at which point the situation should be reviewed again.

Other Allowances

The Panel asked the Head of Strategic Support to contact all Councillors to see if there were any other issues that the Panel should consider, and nothing was raised.

Therefore the Panel do not consider that any other changes to the Scheme of Allowances are required at this point in time.

THE COUNCIL'S SCHEME OF MEMBERS' ALLOWANCES

The Panel has reviewed the Council's Scheme of Members' Allowances and have incorporated the proposals contained within this report. This will result in a 1% increase in the basic allowance and special responsibility allowances, as a pay rise of 1% has already been agreed nationally for local authority employees for 2017/18.

A copy is attached to this report for approval.

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 Parish Members of the Member Conduct 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 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 & Property 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.

9. PENSIONS

(1) Members of the Council are not entitled to be eligible for membership 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 22nd May 2017 to 20th May 2018.

SCHEDULE 1

BASIC ALLOWANCE

	Allowance
Councillor	£4,975
Parish Member of the Member Conduct Committee	£248

SCHEDULE 2

SPECIAL RESPONSIBILITY ALLOWANCE

	Allowance
Leader	£12,292
Deputy Leader *	£8,604
Cabinet Lead Members **	£4,917
Cabinet Deputy Lead Members **	£2,108
Scrutiny Commissioner (5)	£3,442
Independent Chair of Audit Committee	£3,442
Chair of Plans Committee	£3,687
Leader of the Opposition	£4,121
Chair of the Member Conduct Committee	£1,476
Chair of Licensing Committee	£2,458
Assistant Scrutiny Commissioner (3)	£1,476
Vice-chair of Plans Committee	£1,476
Vice-chair of Licensing Committee (2)	£737

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

** There shall be no more than 10 members of the Cabinet in total, including the Leader and Deputy Leader.

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 Head of Strategic Support 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 (JNC) on an annual basis.

Current rates per mile are:

	Up to 10,000 miles	Over 10,000 miles
Car	45p per mile	25p per mile
Motorcycle	24p per mile	24 per mile
Bicycle	20p per mile	20p per mile

For journeys out of the 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 an official passenger, the additional mileage allowance of 5p per mile per passenger set by HMRC applies.

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
- Member Conduct Committee and its Panels
- Audit Committee
- Personnel Committee and its Panels
- Appeals and Reviews Committee and its Panels
- Joint Consultative Committee
- Housing Management Advisory Board

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 Strategic Support.

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

On request, the Council provides all Councillors with a computer or a tablet device, a printer and appropriate software and support.

If a Councillor chooses to use their own device no payment is made for this.

No payments are made towards home broadband or other connectivity costs.