

COUNCIL MEETING – 14 DECEMBER 2004

RECOMMENDATIONS TO COUNCIL FROM DAVID BAKER OBE, CHAIR, MEMBERS' ALLOWANCES REVIEW PANEL AND COUNCILLOR MRS WHITMARSH, CHAIR, RESOURCES REVIEW PANEL

Members' Allowances

(a) Recommendations of Members' Allowances Review Panel

The Independent Members' Allowances Review Panel completed its review of members' allowances in November.

The report and recommendations were circulated with the papers for the Resources Review Panel which considered the matter at its meeting on 11 November 2004. Our recommendations were arrived at following consideration of much background information and comparisons with other local authorities in Taunton Deane's "family" group.

The full details of the Panels' terms of reference, the methodology used and research undertaken to carry out the review are contained in our report.

We reached the following conclusions:-

Carers Allowance

There is still little evidence that this is an issue with the current membership of the Council. However, we remain of the view that every opportunity should be given to any individual who might want to stand as a candidate. We are therefore recommending that the carer's allowance be increased by 3.1% to bring the allowance more in line with similar authorities and that the RPI rate of 3.1% should be followed.

Affordability

We did not see it as part of our remit to consider the affordability of our recommendations. We have deliberately not received any advice on the financial implications of our recommendations, as it was felt that this was a consideration to be made solely by the Council itself.

Basic Allowances

Once more we would like to emphasise that the basic allowance is not a full and proper recompense for the duties performed and that it does not reflect a similar level of responsibility in the private sector. It also reflects the fact that a proportion of any councillor's work continues to be voluntary.

Our comparisons with other authorities, including those in our “Family Group”, indicate that the level of basic allowance and special responsibility allowances at Taunton Deane are below the average.

We believe that the basic allowance should be increased by 3.1% to bring the allowance more in line with similar authorities and that the RPI rate of 3.1% should be followed.

Special Responsibility Allowances

We now have a good understanding of the responsibilities of those offices that attract special responsibility allowances. The “Cabinet” system has meant greater responsibility and time commitment for those given Executive roles. It is also evident from the figures of the other “family” authorities that there is now a general recognition of the extra responsibilities that such Councillors have. We feel that the level of special responsibility allowances we have recommended accurately compensates Councillors for these important and time consuming duties, which now form such an integral part of administering a modern local authority. We have been made aware of the requirements of the new licensing legislation and feel that the Chair of the Council's Licensing Committee should be entitled to be in receipt of a special responsibility allowance. This has therefore been included in our recommendations.

We believe that the Special Responsibility Allowance should also be increased by 3.1% to bring the allowance more in line with similar authorities and that the RPI rate of 3.1% should be followed.

Approved Duties

Since the Council extended its list of approved duties three years ago, we are happy that this list is satisfactory. Concern has been raised in the past regarding the non-payment of expenses for attending political group meetings.

In order to gain a better understanding of the work of the political group we offered to send a representative to attend Group meetings. Anne Elder attended a Conservative Group meeting and reported her findings to the Panel as to whether attendance at such a meeting, should qualify as an approved duty. As a result, the Panel could see no evidence which would make it ask for a change in the Members Allowances Regulations which clearly state that the basic allowance is intended to cover time spent at political meetings and that approved duty payments should not be made in respect of single party meetings. .

Our suggested list of Approved Duties is set out in the attached Appendix.

Parish Council Allowances

Existing powers to pay Parish Councillors allowances were repealed at the end of 2003 and replaced with a new system which involves this Panel.

Under the new system, although a Parish Council would determine the level of

allowances payable itself, it has to have regard to the advice received from the Panel.

Allowances payable include a basic 'participation allowance' which could be paid to the Chairman only or to all members and 'travelling and subsistence allowance' which can be claimed for duties within the parish as well as those outside.

As far as the participation allowance was concerned, the general view from Parish Councils nationally was that they wished to retain the existing practice whereby Parish Councillors were 'unpaid'. We feel therefore, that there is no need to consider the matter until a formal request for advice as to the level of allowance that should be paid is received.

As well as seeking the Panel's views on the level of travelling and subsistence that should be payable to Parish Councillors, we were also previously asked to comment in relation to proposals for Parish Councils to meet the cost of minor expenses incurred by its members, such as the replacement of computer consumables used in respect of parish business.

We have come to the conclusion that:-
no advice on a level of participation allowance for Parish Councils be offered by the Panel until a formal request was received from a Parish Council;
allowances for travelling and subsistence should be identical to those payable to Borough Councillors and that the same level of such allowances should apply for all Parishes throughout Taunton Deane; and
it would be in order for Parish Councillors to seek the reimbursement of the actual cost of items used for Parish Council business, such as computer consumables, or a nominal sum, provided such payments were approved by the Parish Council.

Travel and Subsistence Allowances

The new Regulations now allow local authorities to determine their own travel and subsistence allowances after having regard to the recommendation of their independent remuneration panels.

As far as mileage rates are concerned, the Panel consider that car expenses should be limited to the tax free amount allowed by the Inland Revenue.

It was therefore felt that the basic mileage allowance should remain at the limit which the Inland Revenue would not treat as a taxable benefit – 40p per mile. The rate would apply whatever the size of car engine, because the size of car was a matter for the individual.

With regard to subsistence allowances, the Panel felt that the subsistence rates should remain the same.

Pensions for Councillors

The Government agreed to give local authorities the power to admit councillors to the Local Government Pension Scheme (LGPS).

The Regulations require that a Council's independent remuneration panel will make binding recommendations on which councillors may be eligible for access to the LGPS.

We have previously taken advice from the Pensions Fund Advisor from Somerset County Council on this matter.

The original rationale behind the Governments' decision to admit councillors to the LGPS was to compensate those members who spent so much time on Council duties that it affected the amount they were able to contribute to a work based pension.

This was the position taken by the Government when the legislation was in its draft form.

Following representations, the Government decided not to restrict membership of the LGPS just to members of a local authority's Executive and Chairs of Overview and Scrutiny Committees. The independent remuneration panel can now make recommendations as to which members (under 70 years of age) should be entitled to membership of the Scheme and whether the basic allowance or the special responsibility allowance or both should be made pensionable.

This was a matter that we considered very carefully last year. Despite the fact that the Council chose not to accept our recommendation our view remains unchanged. We acknowledge that the current level of basic allowance might not make membership of the Scheme worthwhile for some councillors. However, we agree with the principle that all councillors should be treated equally on this issue. Every opportunity should be taken to encourage individuals to stand as candidates and an enhancement of the overall remuneration package for councillors will help this aim. We continue to feel, therefore, that the Scheme should be made available to all councillors who want to take advantage of its benefits.

Renunciation

The Panel noted that a Member may, by notice in writing, elect to forgo any part of his/her entitlement to an allowance and associated benefits.

Time Limit

As previously recommended, councillors should submit their allowance claims regularly and we suggest a time limit of 6 months for backdated claims.

Recommendations

The Panel therefore submits the following recommendations for consideration by the Council:-

1. The existing Members' Allowance Scheme be discontinued and replaced with the following scheme with effect from 1 April 2005:-

	£
Basic Allowance (payable to all members)	3521
Leader	9901
Executive Councillors (8)	3851
Chair, Planning Committee	3301
Chair, Review Board	3301
Chairs, Review Panels	1100
Chair, Licensing Board	2000

2.
 - (i) Travelling and subsistence allowances shall be payable to councillors incurred by them in the necessary carrying out of those official activities as a councillor as appear on the list of "Approved Duties" set out in the Appendix to this report.
 - (ii) The mileage rate remain at 40p per mile. The rate for motorcycles to be 24p per mile and bicycles to be 20p per mile.
 - (iii) Subsistence rates as set out below:

Breakfast	£4.48
Lunch	£6.17
Tea	£2.43
Evening Meal	£7.64
3. Payment for the care of Councillors' Dependents be increased to £4.78 per hour and to be in accordance with the following conditions:-
 - (a) Councillors shall be reimbursed, up to a specified maximum limit, for costs actually incurred in providing care for any of the following who are at the time part of the claimant's household living with him/her and who would normally be looked after by him/her, whilst the claimant is undertaking an "approved duty":-
 - i. children under the age of 14
 - ii. elderly person (aged 60 and over)
 - iii. people with disabilities
 - iv. people with learning difficulties
 - (b) In addition to living as part of the claimant's household the dependent must be unable to be left unsupervised by the carer.
 - (c) The carer must not be someone who ordinarily lives with the claimant as part of the household.

- (d) For the purposes of (a) above:-
 - (i) “approved duty” would be a duty under the Council’s scheme
 - (ii) the maximum hourly rate repayable should be consistent with the statutory minimum wage
 - (e) The claimant must produce a receipt for payments he/she has made to the carer and must sign a certificate which, amongst other things, will state that the costs were properly and necessarily incurred in the course of, or to permit, him/her undertaking his/her duties as a Councillor.
- 4.
- (a) no advice on a level of participation allowance for Parish Councillors be offered by the Panel until a formal request be received from a Parish Council;
 - (b) allowances for travelling and subsistence be identical to those payable to Borough Councillors and the same level of such allowances should apply for all Parishes throughout Taunton Deane;
 - (c) Parish Councillors be permitted to seek reimbursement of the actual cost of items used for Parish Council business, such as computer consumables, or a nominal sum, provided such payments were approved by the Parish Council.
- 5.
- (a) that all members of the Council be entitled to membership of the Local Government Pension Scheme;
 - (b) both the basic and special responsibility allowance be treated as amounts in respect of which such pensions are payable.

(b) Recommendations of Resources Review Panel

The Resources Review Panel, at its meeting on 11 November 2004 considered the report on the annual review of members’ allowances undertaken by the Members’ Allowances Review Panel.

The Resources Review Panel RECOMMEND that the recommendations of the independent Members’ Allowances Panel be agreed.

Councillor Mrs M Whitmarsh
Chair, Resources Review Panel

APPENDIX

RECOMMENDED LIST OF APPROVED DUTIES

Approved duties for the payment of travelling and subsistence allowances:-

- (a) meetings of the Council, the Executive, its Executive Boards, Panels, Committees, Working Parties and sub groups;
- (b) meetings of County Council's committees where the Councillor has been appointed by Taunton Deane as a member or representative;
- (c) any national conference authorised by the Council and involving an overnight stay;
- (d) meetings of other bodies to which the Council make appointments (representatives of the Council on outside bodies);
- (e) the following types of meetings:-
 - briefing meetings convened in The Deane House for members by an officer
 - Council organised induction/training seminars
 - agenda setting meetings
 - meetings on Council business with officers, MPs, VIPs and others holding official positions
 - Informal Council
 - civic functions (twinning ceremonies, Britain in Bloom awards, Design Awards, etc)

- meetings of Parish Councils or Community Associations where the Councillor attends as a representative of the Council (not as a member of the Parish Council or Community Association)
- meetings within a ward, generated by business with a constituent (any such claims be supported by completion of a form indicating the area of the journey and the nature of the business)
- site visits by members of the Planning Committee

(f) such other duties approved by the Council.