

## **COUNCIL MEETING – 12 DECEMBER 2006**

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

#### **Members' Allowances**

Recommendations from Members' Allowances Panel

The independent Members' Allowances Panel completed its annual review and submitted its report and recommendations to the Resources Review Panel. The Review Panel considered our recommendations at its meeting on 9 November 2006.

The full details of the Panel's terms of reference, the methodology used and the research undertaken are contained in our report.

When carrying out the previous reviews we undertook in depth research and gained an understanding of the roles and responsibilities for Councillors envisaged as part of the Government's modernisation agenda. The work we have undertaken this year has further improved the knowledge and understanding.

The comparative data received this year has allowed us to identify the trends that are continuing to develop in respect of the payment of allowances.

As well as the comparative data from other local authorities on the level of allowances, we obtained information, again from members of the Council's "family group" and other local authorities, regarding payment of the Carer's Allowance, and levels of travel and subsistence allowances.

To strengthen our understanding of the role of councillors, members of the Panel have at various times, once again attended meetings of Councils Panels, Boards and Committees. This has added to our knowledge of how the Council functions and the part councillors play within it.

We have also given councillors the opportunity to come and speak to the Panel with any suggestions they might have or representations they might want to make.

As a direct result of representations from certain councillors our attention has been drawn to the level of attendance at meetings and the scheme for payment of travelling expenses. As our investigations have informed our final conclusions we feel it is necessary to go into some detail at this point regarding these two issues.

Firstly, levels of attendance at meetings. One councillor expressed concern that some colleagues did not attend council meetings on a regular basis but nevertheless were entitled to claim the same level of basic allowance as everyone else. We carried out an analysis of attendance at meetings and submitted details to the Resources Review Panel. However, we feel it must be pointed out that these bare

facts must not be looked at in isolation. We are mindful that attendance allowances were specifically abolished by the Local Government Act 2000 in order to move away from the meetings culture and to more properly reflect the wider role that a councillor plays in the community. Having said that, we firmly believe that in the context of the basic allowance there should be an expectation that an ordinary front line councillor will attend a certain number of meetings of any body to which he/she is appointed. We believe that there are certain responsibilities on front line councillors to make a contribution to the day to day running of the Council. For this reason we feel there is merit in publishing details of attendance at Council, Committee, Board and Panel meetings alongside a “health warning” that this is only a small part of a councillor’s role and therefore the information should be viewed with some caution.

Our attention was also drawn to the current practice of travelling expenses being paid for attendance at approved meetings from outside the Borough boundary. We had been told, by a councillor during our deliberations, that if, for instance a councillor travelled from outside the Borough boundary to attend a meeting, travelling expenses could be claimed from the point of departure to the Deane House and return regardless of where the journey started. We think this needs regularising.

We feel that as a Panel we have a duty to comment not only on levels of allowances but also on the framework within which that allowance should operate. We are therefore recommending that travelling expenses in these circumstances be paid only from the Borough boundary to the Deane House (or wherever the meeting takes place) and back again. The cost of travelling from a point outside of the Borough boundary (whether it be from home or the workplace) should be borne by the councillor.

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 continue to reflect the standard rate payable by Social Services.

### **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. The recommendations reflect the fact that a proportion of any councillor's work continues to be voluntary.

We believe that the basic allowance should continue to reflect the commitment in time necessary to be an effective local councillor. The level of increase made last year resulted in a basic allowance that gave parity with other, similar sized local authorities. Therefore we consider that the rate of inflation increase of 3.6% is justified for 2007/08

### **Special Responsibility Allowances**

We saw no reason to make any alteration to the posts previously identified as having special responsibilities. 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 should also be increased by 3.6%. The amount 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 also looked again at the level of allowance for the Chairs of Regulatory Committees. We are very mindful of the role that the Chair of Planning has to play both in the running of the Council's high profile Planning Committee and in the activities that the Chair has to become involved with outside of the meeting itself. The level of time, commitment and expertise necessary to carry out this vital role is, in our opinion, commensurate with that of a portfolio holder. For these reasons we are recommending that the allowance paid to the Chair of the Planning Committee be increased to the same level as that of an Executive Councillor

### **Mayor and Deputy Mayor Allowance**

After looking at allowances for the Mayor and Deputy Mayor for the first time last year we have again included these allowances in our considerations. Although it does not form part of the Members' Allowances Scheme the Council are entitled, by virtue of Sections 3 and 5 of the Local Government Act 1972 to pay an allowance which enables the Mayor to meet the expenses of his/her office. We are satisfied that the overall level of allowance paid to the Borough's First Citizen and the deputy accurately reflects the duties of those roles and we will recommend an increase of 3.6% in line with the current rate of inflation.

### **Approved Duties**

Since the Council extended its list of approved duties, we are happy that this list is satisfactory.

Once again, representations were made on behalf of one political group regarding the non-payment of expenses for attending political group meetings The Panel have listened carefully to these representations but are unanimous in the view that there is

no evidence which would make it recommend a change in the Members' Allowances Regulations. These 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. This is a Government Regulation which means that we are unable to recommend any change even we were convinced of the need to do so.

Our suggested list of Approved Duties is set out in the 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 this 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'. The advice we have received from the Parish Liaison Officer is that Parish Councils within the Deane are currently not seeking any kind of allowance. 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 came to the conclusion that:

- (a) 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;
- (b) 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
- (c) 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 Regulations 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. This tax free limit of 40p per mile has not increased for some years and councillors may well wish to make representations to the Inland Revenue advocating a change.

With regard to subsistence allowances, the Panel feel that the subsistence rates should be the same as those paid to the Council's officers.

## **Pensions for Councillors**

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

The Regulations require that 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 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 have considered very carefully in the past. Our view remains unchanged. We acknowledge that the current level of basic allowance might not make membership of the Scheme worthwhile for many 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. We do not intend to make any change to our previous recommendation.

### **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.

### **Co-optees**

The Regulations also make allowance for the payment by the Council of allowances for persons co-opted onto the Council. The only category of person this would affect currently would be the Council's Standards Committee. However, for obvious reasons, the Panel do not want to make any recommendation in this respect. A number of Councils have already set allowances for Standards Committees.

### **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 2007 (The current scheme for 2006/07 is in brackets).

	£
Basic Allowance (payable to all members)	4,012 (3,873)
Leader	11,283 (10,891)
Executive Councillors (8)	4,388 (4,236)
Chair, Planning Committee	4,388 (3,631)
Chair, Licensing Committee	2,279 (2,200)
Chair, Review Board	3,762 (3,631)
Chairs, Review Panels	1,254 (1,210)
Mayor	8,392 (8,100)
Deputy Mayor	1,533 (1,480)

2. (i) Travelling and subsistence allowances shall be payable to councillors when 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. Attention is also drawn to our recommendation regarding the payment of travelling expenses from within the Borough boundary
- (ii) The mileage rate remains 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 £5.35 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".
- children under the age of 14
  - elderly person (aged 60 and over)
  - people with disabilities
  - 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:
- "approved duty" would be a duty under the Council's scheme
  - 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.

David Baker O.B.E., D.L.

Chair

on behalf of the Members' Allowances Review Panel

(a) Recommendations of Resources Review Panel

The Resources Review Panel at its meeting on 10 November 2006 considered the report on the annual review of Members' Allowances undertaken by the independent Members' Allowances Panel.

The Resources Review Panel made the following comments:-

- there would be a genuine difficulty for some Councillors to attend meetings if the restrictions were imposed that travelling expenses could only be claimed from within the Taunton Deane Boundary. It was felt that some Councillors would be unable to attend some meetings, due to the expense. It was suggested that the Democratic Services Manager could be given the discretion to make such a decision on an individual basis;
- The meal allowances were outdated and did not reflect the way people lived today. It was thought that the tea and evening meal allowances should now be combined;
- The proposed publication of Councillors' attendance at meetings gave cause for concern. It was felt that this represented a small part of a Councillor's responsibilities. It did not encompass the work done within the Councillor's ward, or any meetings attended that were not held at The Deane House; and
- Councillors should make representations to the Inland Revenue, advocating a change in the basic mileage allowance.



The report and recommendations of the Independent Members' Allowances Review Panel were noted.

Councillor Mrs Mary 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.