

## **COUNCIL MEETING – 11 DECEMBER 2007**

### **RECOMMENDATIONS TO COUNCIL FROM JOHN DEWDNEY, CHAIRMAN, INDEPENDENT MEMBERS' ALLOWANCES PANEL AND COUNCILLOR KEN HAYWARD, CHAIRMAN STRATEGY AND PERFORMANCE PANEL**

#### **Members' Allowances**

Recommendations from Members' Allowances Panel.

For the past few years the annual review had been carried out by those independent individuals appointed to the Council's Standards Committee. Although this arrangement had worked well for a number of years, the Panel felt that the functions of the independent remuneration panel and the Standards Committee should be kept separate and that in future years the membership should be clearly seen to be so. This requirement for an independent review of members' allowances was incorporated into the Council's Constitution.

Following public advertisement, five members were appointed and these were reported to the Strategy and Performance Panel.

The independent Members' Allowances Panel completed its annual review and submitted its report and recommendations to the Strategy and Performance Panel. The Panel considered our recommendations at its meeting on 13 November 2007.

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

From the research we have undertaken and from the information provided to us we feel we have gained an understanding of the roles and responsibilities of the modern day councillor. We have requested information and looked in detail at the overview and scrutiny requirements of the Council, particularly the pilot scheme which is currently operating.

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.

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.

We reached the following conclusions:-

## **Carers Allowance**

There is little evidence that this is an issue with many of the current members of the Council. However, we are firmly 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 national minimum wage.

## **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**

We would like to emphasise that in our opinion the basic allowance is not a full and proper recompense for the duties performed by a councillor. 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. We feel that the level of increase made last year resulted in a basic allowance that gave parity with other, similar sized local authorities.

We are very mindful of the requirement for councillors to work in their communities and spend less time in formal meeting situations. The basic allowance we are recommending we feel acknowledges the demands placed on front line councillors. Therefore we consider that an increase of 4.1% is justified for 2008/09. This reflects the current Retail Price Index rate of inflation.

## **Special Responsibility Allowances**

This was an area we spent some time on, particularly bearing in mind the pilot overview and scrutiny arrangements that the Council were just about to embark on. We were also mindful of the need to reflect in our recommendations the situation that would prevail if the pilot did not become permanent and there was a return to the Review Panel system.

We have been supplied with copious information relating to the overview and scrutiny pilot and are grateful to the Council's Scrutiny Officer for attending one of our meetings and providing details of the finer points of these new arrangements.

In our opinion the Chair of the Overview and Scrutiny Board will have the same level of responsibility as that of the Review Board Chair. The Chair of the Strategy and

Performance Panel will have responsibilities broadly similar to those of the Review Panel Chairs.

We recognise the important role that the Task and Finish Groups will play in enabling councillors to make a difference within their communities. We therefore feel that there is a special responsibility on the Chairs of these Groups to ensure that the Task and Finish Reviews are meaningful. In the circumstances we will recommend that a small special responsibility allowance be paid to Chairs of the Task and Finish Groups for the duration of their reviews. We hope that this will go some way to reflect the added value that the Groups should provide.

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 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 4.1%. We feel 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 have looked, in particular, at the level of allowance currently payable to the Chair of Licensing Committee. When this allowance was originally set it was anticipated that the Licensing Committee would be meeting on a regular basis. However, experience has shown that the anticipated workload has not materialised. For that reason, we have recommended that this allowance be reduced. On the other hand, the workload and responsibilities of the Corporate Governance Committee have increased and looks likely to increase even further. For that reason we have recommended that an allowance now be paid to the Chair of this Committee.

Last year the Panel took the view that the high profile, workload and special responsibilities that the Chair of Planning Committee has should be reflected in an allowance that was equal to that of an Executive Councillor. The Council chose not to agree with our recommendation. We have therefore taken another look at this and remain of the view that this particular allowance should be at the same level as an Executive Councillor.

It is the opinion of the panel that Special Responsibility Allowances are a payment for a task, and it is therefore inappropriate for us to set a cap on individual member's emoluments, while reminding the Panel a Member may, "by notice in writing, elect to forgo any part of his/her entitlement to an allowance and associated benefits".

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

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 4.1% in line with the current rate of inflation.

### **Approved Duties**

We have taken a detailed look at the current list of approved duties and we are happy that this list is satisfactory.

We were made aware of the representations previously made regarding the non payment of expenses for attending political group meetings. This is something that also featured in the responses to the questionnaire we circulated to all councillors. We are of the view that there is no evidence which would make the Panel 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 agreed with the deliberations of the Panel last year and 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, unless the Inland Revenue makes any increases. In this case, we recommend that the increase should be incorporated into this scheme. The rate would apply whatever the size of car engine, because the size of car was a matter for the individual. These have recently been reviewed nationally and the level of subsistence allowances payable to councillors should be revised accordingly.

With regard to subsistence allowances, the Panel feel that the subsistence rates should be the same as those paid to the Council's officers. These have recently been reviewed nationally and the level of subsistence allowances payable to councillors should be revised accordingly.

### **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.

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.

Our view remains unchanged from that of the previous Panel. 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. A number of Councils have already set allowances for Standards Committees. The position at Taunton Deane has always been that members of the Standards Committee are voluntary – although they are, of course, entitled to claim appropriate expenses. We see no reason to depart from this view.

## **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 2008 (The current scheme for 2007/08 is in brackets).
2. The existing Members' Allowance Scheme be discontinued and replaced with the following scheme with effect from 1 April 2008 (The current scheme for 2007/2008 is in brackets).

Basic Allowance (payable to all members (£4,012)	£4,176
Leader (£11,283)	£11,746
Executive Councillors (8) (£4,388)	£4,568
Chair, Planning Committee (£3,762)	£4,568
Chair, Licensing Committee (£2,279)	£1,305
Chair, Corporate Governance Committee	£1,305
Chair, Review Board (£3,762)	£3,916
Chair, Overview and Scrutiny Board	£3,916
Chair, Strategy and Performance Panel	£1,305
Chairs of Task and Finish Groups	£500

Chairs, Review Panels (in the event of this system being returned to after the overview and scrutiny pilot scheme) (£1,254)	£1,305
Mayor (£8,392)	£8,736
Deputy Mayor (£1,533)	£1,596

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.
  - (ii) The mileage rate for cars, motorcycles and bicycles be set at the upper limit at which the Inland Revenue would not impose taxation. At present, the rate for cars is 40p per mile, motorcycles is 24p per mile and bicycles is 20p per mile.
  - (iii) Subsistence rates as set out below:
 

Breakfast	£6.25
Lunch	£8.60
Tea	£3.39
Evening Meal	£10.65
  
3. Payment for the care of Councillors' Dependents be increased to £5.52 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.

John Dewdney  
Chair  
on behalf of the Members' Allowances Review Panel

(a) Recommendations of the Strategy and Performance Panel

The Strategy and Performance Panel at its meeting on 13 November 2007 considered the report on the annual review of Members' Allowances undertaken by the independent Members' Allowances Panel.

The Strategy and Performance Panel made the following comments:-

- Members were concerned that the mileage rate did not reflect the costs involved of using transport and although they appreciated that it was set at the upper level of the Inland Revenue's 'non-taxable limit', felt that the wording of the recommendation should enable any increases that the Inland Revenue made to be incorporated into the scheme;
- Some Members felt that the Members' Allowances Review Panel should consider imposing a capping for Councillors who received two or more Special Responsibility Allowances at the level of an Executive Councillor.



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

Councillor Kenneth Hayward  
Chair, Strategy and Performance 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 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.

