

# **Council Meeting – 10 December 2013**

## **Recommendations to Council from Tony Brown, Chairman, Independent Members' Allowances Panel**

### **Members' Allowances 2014/2015**

#### **Recommendations from the Members' Allowances Panel**

- 1.1 It has been a requirement of the Council's Constitution since 2001 for Members' Allowances to be independently reviewed on an annual basis.
- 1.2 The Members' Allowances Panel, currently comprises three independent members appointed following public advertisement.
- 1.3 The Panel has recently completed its annual review and now submits its report for consideration by Full Council.
- 1.4 From the research we have undertaken and from the information provided to us we feel we have a good understanding of the roles and responsibilities of the modern day Councillor.
- 1.5 The comparative data received this year has confirmed that many Councils in the South West, particularly those in Somerset have, like Taunton Deane, been reluctant to increase allowances by any great margin due to the financial conditions that continue to exist on a national basis.
- 1.6 As well as the comparative information on the level of allowances paid, we also obtained information regarding payment of the Carer's Allowance, and levels of travel and subsistence allowances.
- 1.7 We reached the following conclusions:-

#### **Carers Allowance**

- 2.1 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 continues to reflect the National Minimum Wage.
- 2.2 Last year Full Council decided to increase the hourly rate to £6.19 which was the national rate payable from October 2012.
- 2.3 The rate has been increased again in recent months to the sum of £6.31 per hour. The Panel is therefore of the view that any claims made by Councillors for this allowance ought to again be paid at the current national rate.

## **Affordability**

3.1 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**

- 4.1 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.
- 4.2 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 five years ago resulted in a Basic Allowance that, in the main, continues to match that paid by other, similar sized Local Authorities. The average level of Basic Allowance paid to a Councillor in a local authority banded as a "District Council with Executive" is £4,474 compared to the £4,301 paid to the Taunton Deane Members.
- 4.3 We are very mindful of the requirement for Councillors to work in their communities and spend less time in formal meeting situations. However, as in previous years, we have also been mindful of the economic conditions that exist within the country. After five years of extremely pessimistic economic news, the news emerging from the Coalition Government since the turn of the year has become increasingly more positive.
- 4.4 In previous years any increase recommended by the Panel also took into account the current Retail Price Index (RPI) rate of inflation towards deciding the level of the Basic Allowance. In November, the RPI stood at 3.2%. It is interesting to note that since the last time Members' Allowances were increased (in 2009) the RPI has increased by well over 30%.
- 4.5 However, given the fact that the economy is beginning to show positive signs of recovery which resulted in a 1% pay award being made to Local Government employees from 1 April 2013, the Panel is of the view that a modest increase to the Basic Allowance for Councillors can be justified. The Panel has therefore decided to recommend a 1% increase for the forthcoming year to match the increase in salary provided to employees in the public services.

## **Special Responsibility Allowances**

- 5.1 The Corporate Scrutiny and Community Scrutiny Committees have an equal standing. The Chairman of each Committee has the same level of responsibility and therefore receives an equal Responsibility Allowance.
- 5.2 Five years ago the Panel set a level of allowance to recognise this level of

responsibility. However, from the comparative data available to the Panel it is apparent (as it was in previous years) that the allowance paid has been set at too low a level. The average paid to Scrutiny Chairmen at similar types of local authorities in the South West is in the region of £4,000. The Panel therefore repeats its previous view that the Responsibility Allowance paid to the Scrutiny Chairmen should be increased.

5.3 We 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. For the same reasons outlined in the previous section of the report concerning Basic Allowances, we feel that the level of Special Responsibility Allowances, other than the Scrutiny Chairmen, should also be increased by 1%.

5.4 We also looked again at the level of allowance for the Chairmen of the Regulatory Committees and feel these too should benefit by a 1% uplift.

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

6.1 Although it does not form part of the Members’ Allowances Scheme, the Council is 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.

6.2 The Panel noted the very busy nature of the role of Mayor. With more than three hundred engagements each year, the value of the Mayor representing the ‘public face’ of the Council should not be under-estimated.

6.3 We are satisfied that the overall level of allowance currently paid to the Borough’s First Citizen should fully reflect the duties of those roles. A 1% increase is therefore recommended.

### **Approved Duties**

7.1 We have taken a detailed look at the current list of Approved Duties. We are content that this list which is set out in Appendix A is satisfactory.

### **Parish Council Allowances**

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

8.2 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.

8.3 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.

- 8.4 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 Taunton 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.
- 8.5 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
- 8.6 We agreed with the deliberations of the Panel in previous years and have come 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 is 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**

- 9.1 The Regulations allow Local Authorities to determine their own travel and subsistence allowances after having regard to the recommendation of their independent Members' Allowances Panels.
- 9.2 As far as mileage rates are concerned, the Panel considers that car expenses should be limited to the tax free amount allowed by the Inland Revenue which currently stands at 45p per mile which is applicable whatever the size of car engine, because the size of car was a matter for the individual.
- 9.3 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 not recently been reviewed nationally and the Panel is of the view that the level of subsistence allowances payable to Councillors should remain the same.

### **Pensions for Councillors**

- 10.1 The Government has previously given Local Authorities the power to admit Councillors to the Local Government Pension Scheme (LGPS).

- 10.2 The Regulations require the Members' Allowances Panels to make binding recommendations on which Councillors may be eligible for access to the LGPS.
- 10.3 The independent 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.
- 10.4 Our view continues to remain 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 – at this stage – intend to make any change to our previous recommendation, although the situation relating to Pensions for Councillors could well change before the next review of Members' Allowances is undertaken for the reasons set out below.
- 10.5 The Panel was aware last year that the Coalition Government had announced its intention to scrap Pensions for Councillors. If this proposal is introduced, Councillors would not be able to join the scheme after April 2014 and Councillors who were already members would not be able to accrue any further benefits after that date.
- 10.6 The Government conducted a consultation exercise back in April in connection with the proposal to abolish Councillor Pensions. At the time of writing this report, the outcome of the consultation has not been made public and no further announcements from the Government have been received. This issue will therefore be kept under review by the Panel.

### **Renunciation**

- 11.1 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**

- 12.1 As previously, the Panel recommends that Councillors should submit their allowance claims regularly and we suggest a time limit of six months for backdated claims.

### **The New Standards Regime**

- 13.1 On 30 June 2012, following the coming into effect of the Localism Act, the Standards Committee in its former guise comprising Councillors, independent members and parish representatives was abolished.

- 13.2 The Panel noted that the one of the effects of this was that the allowance that had been paid to the independent members had now ceased.
- 13.3 The Panel also noted that since the abolition of the former Committee, the Council had put in place arrangements for a replacement Standards Committee to be formed in accordance with regulations issued by the Coalition Government. The Committee comprised five Councillors from whom the Chairman would be appointed, two non-voting Parish representatives and three independent non-voting co-optees.
- 13.4 It was also noted that an Independent Person had been appointed to advise the Committee on matters relating to any future complaints against Councillors and that at a Full Council meeting in July 2012, the decision had been taken to pay an annual allowance to the Independent Person equivalent to the sum that had been paid per annum (£500) to the former independent Chairman of the Committee.
- 13.5 At the time of last year's review of Members' Allowances the new Standards Committee had yet to meet. Therefore, in the absence of information as to the new Committee's operation and the extent of the responsibilities of the Councillor who would be appointed Chairman, the Panel felt unable to offer any guidance as to whether a Special Responsibility Allowance should be recommended.
- 13.6 However, it was reported to the Panel that the new Standards Committee was now fully operational and that the Chairman of this Committee was undertaking a similar range of responsibilities as the other Committee Chairmen.
- 13.7 The Panel is therefore of the view that a Special Responsibility Allowance is warranted but, due to the limited membership of the Committee and its relatively narrow terms of reference when compared with the other mainstream Committees, an allowance of £600 per annum is felt to be an appropriate sum for the duties involved.

### **Recommendations in full**

- 14.1 The Panel therefore submits the following recommendations for consideration by Full Council. A summary of the proposed changes is set out in bold print at paragraph 15.1.
1. The existing Members' Allowance Scheme be discontinued and replaced with the following scheme with effect from 1 April 2014 (The current scheme for 2013/2014 is in brackets).
- Basic Allowance (payable to all Members) (£4,301)      **£4,344**
  - Leader (£12,098)      **£12,219**
  - Executive Councillors (7) (£4,705)      **£4,752**
  - Chairman, Planning Committee (£4,705)      **£4,752**

• Chairman, Licensing Committee (£1,344)	£1,357
• Chairman, Corporate Governance Committee (£1,344)	£1,357
• Chairman, Corporate Scrutiny Committee (£2,700)	£3,000
• Chairman, Community Scrutiny Committee (£2,700)	£3,000
• Chairman, Standards Committee	£600
• Chairmen of Task and Finish Groups	£250
• Independent Person, Standards Committee	£500
• Mayor (£8,998)	£9,087
• Deputy Mayor (£1,644)	£1,660

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 Appendix A to this report.
- (ii) The mileage rate for cars to be 45p. The rate for motorcycles to be 24p per mile and bicycles to be 20p per mile.
- (iii) Subsistence rates as set out below:-

Breakfast	£6.72
Lunch	£9.24
Tea	£3.64
Evening Meal	£11.44

3. Payment for the care of Councillors’ dependents be increased to the rate of £6.31 per hour (the current National Minimum Wage) 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 be members 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.

### 15.1 Summary of Recommendations

- **A 1% increase to the Basic Allowance;**
- **A 1% increase to the Special Responsibility Allowances except that paid to the two Scrutiny Chairmen;**
- **A £300 increase in the Special Responsibility Allowance paid to the Chairmen of the Community Scrutiny and Corporate Scrutiny Committees;**
- **A 1% increase in the Mayor and Deputy Mayor Allowances;**
- **The introduction of a Special Responsibility Allowance of £600 per annum for the Chairman of the Standards Committee; and**



- **To increase the rate paid to carers of Councillor's dependents from £6.19 per hour to £6.31 per hour, to reflect the National Minimum Wage.**

Tony Brown  
Chairman  
on behalf of the Members' Allowances Panel

# Appendix A

## 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.