

## **Council Meeting – 8 December 2009**

### **Recommendations to Council from John Dewdney, Chairman, Independent Members' Allowances Panel**

#### **Members' Allowances**

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

- 1.1 It has been a requirement of the Council's Constitution for several years now for Members' Allowances to be independently reviewed on an annual basis.
- 1.2 The Members' Allowances Panel, which comprises five independent members appointed following public advertisement, has recently completed its annual review and submitted its report and recommendations to Corporate Scrutiny Committee for comment on 26 November 2009.
- 1.3 The full details of the Panel's terms of reference, the methodology used and the research undertaken are contained in our report.
- 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. We looked in detail at the new Scrutiny requirement that the Council introduced back in May 2009.
- 1.5 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.
- 1.6 As well as the comparative data from other Local Authorities in the South West 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 have also given Councillors the opportunity to come and speak to the Members' Allowances Panel with any suggestions they might have or representations they might want to make.
- 1.8 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 continues 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 continues to match that paid by 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. However, like last year, we are also mindful of the very serious economic conditions that continue to exist within the country and how a recommended increase might be viewed by the public.

In previous years the increase recommended by the Panel has taken into account the current Retail Price Index rate of inflation towards deciding the level of the Basic Allowance.

Last year this rate was 5% - well ahead of any public sector pay increases agreed. With the full economic situation still to unfold, the Panel considered that an increase of 3% was justified for 2009/2010 which was accepted by Full Council in December 2008.

The current Retail Price Index rate of inflation stands at -1.4%. Whilst the Panel is not advocating a reduction in the Basic Allowance in line with this figure, the fact that the country's public finances are in such turmoil with very low cost of living increases being agreed during the current round and a possible freeze on public sector pay looming, the Panel is minded not to recommend any increase for the forthcoming year. This approach was also advocated by a Councillor.

### **Special Responsibility Allowances**

This was an area we spent some time on, particularly bearing in mind that the Council had introduced two new Scrutiny Committees to replace the former Overview and Scrutiny Board and the Strategy and Performance Panel with effect from 14 May 2009.

The new Corporate Scrutiny and Community Scrutiny Committees have an equal standing. The Chairman of each Committee have equal responsibility and therefore receive an equal Responsibility Allowance.

Last year 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 that the allowance payable has been set at too low a level. The Panel therefore wishes to see an increase in the Responsibility Allowance paid to the Scrutiny Chairmen.

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. However, 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 not be increased.

We also looked again at the level of allowance for the Chairmen of the Regulatory Committees and feel these too should remain the same.

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

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. We are satisfied that the overall level of allowance currently paid to the Borough’s First Citizen and the deputy accurately reflects the duties of those roles. No increase is therefore recommended.

### **Approved Duties**

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

### **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 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.

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 Members' Allowances Panels.

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.

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 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 Members' Allowances Panels will make binding recommendations on which Councillors may be eligible for access to the LGPS.

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.

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, the Panel recommends that 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.

Last year, the Panel recommended that a Basic Allowance should be paid to the seven independent Members who serve on the Standards Committee with an additional Special Responsibility Allowance being payable to the Chairman.

During the last 12 months it has become apparent that the level of allowance recommended is far too low when the level of responsibility the independent Members now have is taken into account and, particularly, when the allowance currently paid is compared with that paid by other Local Authorities in the South-West to the independent Members of their Standards Committees.

The Chairman and Vice-Chairman of the Council's Standards Committee took the opportunity to meet the Panel to provide detailed information as to the role of an independent Member of the Standards Committee.

Their primary roles are to promote and maintain high standards of conduct for Members of Taunton Deane, helping Members follow the Code of Conduct and dealing with complaints received against Borough or Parish Councillors.

With regard to the latter, the responsibility for operating what is known as the Local

Assessment Framework was passed to the Council by Standards for England in May 2008.

Whereas previously complaints received about Councillors within the Taunton Deane district were submitted to Standards for England for determination, the Government decided that complaints would be better handled by local Standards Committees.

Therefore, new Regulations were introduced which required complaints to be assessed, investigated (where appropriate), with the findings then considered to establish if the Code of Conduct has been breached and whether a formal hearing into the complaint should be held. The Standards Committee was also given a range of sanctions which it could impose on a Councillor who was found to have breached the Code.

The bulk of the work involved in investigating complaints does fall on the independent Members of the Committee and this was recognised by the Government who recommended that all Councils should make an appropriate allowance payable to these Members based on the level of responsibility the independent Members would have.

Last year when the Members' Allowances Panel considered this issue, it was too soon after the introduction of the Local Assessment Framework to fully understand the requirements of the scheme and a level of allowance was set which, with hindsight, clearly does not recognise the level of responsibility required to effectively operate the scheme.

Taking into account the comparative data before the Panel and the very helpful information received from the representatives of the Council's Standards Committee, the Panel is convinced that the level of allowance paid should be increased.

## **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 2010 (The current scheme for 2009/2010 is in brackets).

Basic Allowance (payable to all members (£4,301)	£4,301
Leader (£12,098)	£12,098
Executive Councillors (8) (£4,705)	£4,705
Chairman, Planning Committee (£4,705)	£4,705
Chairman, Licensing Committee (£1,344)	£1,344
Chairman, Corporate Governance Committee (£1,344)	£1,344
Chairman, Corporate Scrutiny Committee (£2,700)	£3,000
Chairman, Community Scrutiny Committee (£2,700)	£3,000

Chairmen of Task and Finish Groups	£250
Chairman, Standards Committee (£500)	£1,000
Independent Members, Standards Committee (£300)	£600
Mayor (£8,998)	£8,998
Deputy Mayor (£1,644)	£1,644

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 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    | £6.72  |
| Lunch        | £9.24  |
| Tea          | £3.64  |
| Evening Meal | £11.44 |
3. Payment for the care of Councillors’ dependents be maintained at the rate of £5.73 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 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.

John Dewdney  
Chairman  
on behalf of the Members' Allowances Panel

### **Views of the Corporate Scrutiny Committee**

At its meeting on 26 November 2009, the Corporate Scrutiny Committee was given the opportunity to consider and comment upon the annual review of Members' Allowances undertaken by the independent Members' Allowances Panel.

Although the report and recommendations of the Independent Members' Allowances Panel were noted, the Committee was of the view that **no increases at all** should be made to any of the allowances for the 2010/2011 financial year.

Councillor John Williams  
Chairman, Corporate Scrutiny Committee



## 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.