



Council

13 December 2011

Independent Remuneration Panel Report: Recommendations for Members' Allowances 2011/2012 and Future Years

1. Background

- 1.1 The Borough Council is required *'before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel'*.

2. Independent Remuneration Panel Report

- 2.1 Attached as Appendix A is a copy of the Panel's full report.
- 2.2 Attached for information as Appendix B is a copy of the Members' Allowances Scheme with effect from 3 January 2012 taking into consideration the recommendations made by the Panel.

3. Recommendations

- 3.1 Council is requested to consider the recommendations as contained within Section 8 of the Panel's report, Appendix A attached.

For further information please contact:-

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St Edmundsbury
BOROUGH COUNCIL

Independent Remuneration Panel

Recommendations for Members' Allowances: 2011/2012 and Future Years

1. Purpose of Report

- 1.1 The purpose of this report is to recommend to full Council the allowances to be paid to Members for the financial year 2011/2012 and subsequent years.

2. Background

- 2.1 In accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Borough Council had set up an Independent Remuneration Panel consisting of four members. The members of the current Panel were appointed by full Council on 19 May 2011 and are:-

Dr Alan Lower (Chairman);
Cyril Leach;
Daryn Reffell; and
Kevin Sturgeon.

- 2.2 The Terms of Reference given to the Panel included recommending on:-

- (a) the amount of basic allowance that should be payable to all of the elected Members;
- (b) the roles and responsibilities for which a Special Responsibility Allowance (SRA) should be payable and the amount of each such allowance; and
- (c) whether the scheme should include allowances in respect of the expenses of arranging for the care of children and dependents and the level of this allowance; and
- (d) pensions.

- 2.3 The Panel met on three occasions: 7 September, 21 and 29 November 2011.

- 2.4 The Borough Council is required '*before an authority makes or amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel*'.

3. Documentation and Evidence

3.1 The Panel took into account the following documentation and evidence in the course of its current review of the Allowance Scheme:-

- (a) the revised scrutiny committee structure approved by full Council on 14 December 2010, which disbanded the Policy Development Committee and relocated its workload to the Overview and Scrutiny and Performance and Audit Scrutiny Committee.
- (b) information on Members' Attendances at officially constituted meetings for the period 1 April 2010 to 31 March 2011;
- (c) a comparison of the Borough Council's allowances with those paid by other similar local authorities, namely:-
 - (1) other district councils within Suffolk;
 - (2) the Audit Commission's former 'Family Cluster'. These local authorities have been used as comparators since the inception of the Borough Council's Members Allowance Scheme;
 - (3) the current Audit Commission's recommended comparison with 'Near Neighbours'; and
 - (4) 'Rural 50' classification authorities used in previous comparisons. The definition of a 'Rural 50' authority is a district council with at least 50% but less than 80% of its population in settlements and larger market towns.
- (d) the current Borough Council's Decision Making Structure;
- (e) an overview of the responsibilities of the Cabinet and main Committees;
- (f) the number of occasions on which each body for which a Special Responsibility Allowance is or has been paid, has met or scheduled to meet in a 3 year period; and
- (g) a copy of Members' Job Descriptions.

3.2 On 24 July 2011, an item was placed in the Members' Bulletin informing Councillors that the Panel would be undertaking its latest review of the Members' Allowance Scheme and requesting that any comments be forwarded to the Committee Services Manager. The following representations were received from:-

- (a) Councillor John Hale, regarding the Special Responsibility Allowances for the Chairman and Vice-Chairman of the Performance and Audit Scrutiny Committee;

- (b) Councillor Frank Warby, regarding the Special Responsibility Allowance for the Chairman and Vice-Chairman of the Licensing and Regulatory Committee;
 - (c) Councillor Ian Houlder, regarding Travel Allowances;
 - (d) Councillor Tim Marks, also regarding Travel Allowances; and
 - (f) Councillor Nettleton, on a wide range of associated issues.
- 3.3 All Members had been requested to complete a diary of their Council activities for the month of October 2011. An analysis of the timesheets was considered, together with representations received from Councillors Farmer and Nettleton and a joint response from nine Councillors.
- 3.4 The Panel also noted that, in accordance with Government Guidance, *'It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated'*.

4. Basic Allowance

- 4.1 The Panel considered the responses to the request for diaries to be completed by Members for October 2011. The Panel wish to thank those Members who completed the diaries and submitted comments, but expressed disappointment at the overall response.
- 4.2 A total of 24 diaries were returned out of a possible 45, which represents 53%. Of the 16 Councillors who receive Special Responsibility Allowances, five (31%) did not respond.
- 4.3 An analysis of all 24 diaries shows that the average time spent on Council duties was 19.4 hours a week (travelling time has been excluded from all calculations). The time spent on Council duties ranged from 7.4 to 36.0 hours a week.
- 4.4 From an analysis of the diaries returned from the 14 Councillors not in receipt of a Special Responsibility Allowance, the average time spent on Council duties was 17.7 hours a week, and there was a range from 7.4 to 36 hours a week.
- 4.5 Those in receipt of a Special Responsibility Allowance spent an average of 22.1 hours a week on Council duties, and the range was from 16.6 to 29.6 hours a week.
- 4.6 An assumption of 14 hours of Council duties a week had originally been used in the calculation of the current basic allowance.
- 4.7 For the period under comparison, the Borough Council's basic allowance of £5,184 is the highest of the District Councils in Suffolk. For the 'Family Cluster' authorities the basic allowance ranges from £3,535 to £6,250. In respect of the six 'Near Neighbours', the basic allowance ranges from £3,451 to £5,583 and for the nine Rural 50 authorities, the allowance ranges from £3,600 to £7,200. Comparison with the 25 other local authorities was made and only four (16%) had a basic allowance above that paid by the Borough Council.

- 4.8 The Panel noted that the calculation of the Basic Allowance was equivalent to a spinal column point in the officers' Scale 8, and that Scale 8 was considered to remunerate 'junior management' or someone with technical expertise.
- 4.9 The Panel also noted that, in accordance with Government Guidance, *'It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated'*.
- 4.10 After taking into account all the relevant factors, the Panel concluded that as there had been no new significant evidence the calculation of the basic allowance reflected and recognised the workload of the majority of the Members and was paid at an appropriate 'rate per hour', therefore it was considered appropriate to maintain the allowance at the current level.

5. Special Responsibility Allowances

5.1 Scrutiny Committee Chairmen/Vice Chairmen

- (a) Taking into consideration representations received, the background information provided, and following detailed discussions, the Panel concluded that:-
- (i) the new Scrutiny Committee Structure whereby two Committees had replaced three, necessitated that the Special Responsibility Allowances for the Chairmen and Vice Chairmen of the Overview and Scrutiny and Performance and Audit Scrutiny Committees were examined. This recognised that the workload had been reallocated over two rather than three Committees. The Panel concluded that with the reallocation of duties and representations received, the Chairman and Vice Chairman of the Performance and Audit Scrutiny Committee should receive the same Special Responsibility Allowances as those of the Overview and Scrutiny Committee;
 - (ii) the Special Responsibility Allowances payable to the Chairman and Vice Chairman of the Performance and Audit Scrutiny Committee should commence from their appointment at the Annual Meeting of Council on 19 May 2011, the Chairman to receive £3,114 per annum and the Vice-Chairman £1,557 per annum;

5.2 Chairman of Licensing and Regulatory Committee

- (a) From the representations received and comparisons undertaken it was concluded that the Chairman of the Licensing and Regulatory Committee should receive a Special Responsibility Allowance based on a factor of 0.2 of the Basic Allowance, and equivalent to the allowance received by the Chairman of the Standards Committee, currently £1,035.

5.3 Cabinet

- (a) The Panel considered the workload of the Cabinet with the reduction in Membership from nine to the current seven. The Panel noted that at the Annual Meeting of the Council on 19 May 2011, the Leader stated that there were a number of significant issues that required clarification before he was able to finalise the Membership of Cabinet. Items such as the Localism Bill, the current

status of Suffolk County Council's New Strategic Direction and the shared services agenda with Forest Heath District Council required clarification.

- (b) The Panel also noted that there had recently been a reorganisation of the responsibilities amongst the current Cabinet Members.
- (c) The Panel concluded that it was unable to recommend any changes to the Special Responsibilities Allowances for Cabinet Members especially now that the Localism Bill has become an Act and the re-affirmation of the Shared Services agenda with Forest Heath District Council by full Council on 25 October 2011, which both may now lead to further appointments to the Cabinet.

5.4 Deputy Leaders' Allowance

- (a) The Borough Council's current scheme allows for a Special Responsibility Allowance to be paid in the eventuality that there is more than one Deputy Leader of the Council. However, the Local Government and Public Involvement in Health Act 2007 indicates that only one Member of the Council can act as a Deputy Leader and, therefore, the allowance for Deputy Leaders, currently £5,964, can be deleted from the Scheme.

6. Travel and Subsistence Allowances

- 6.1 The Panel received representations that there may be certain Councillors who had the use of a company vehicle or one not privately owned, and therefore ought not be re-imbursed at the full rate of 45 pence a mile payable to those Councillors with privately owned vehicles. A question was asked on the diary to try and identify any vehicles not privately owned. Two such 'company' vehicles were identified and one that was used under the Motability Scheme.
- 6.2 The Panel was made aware that there was likely to be considerable variations in company car schemes that made vehicles available to their employees. The Panel was also made aware that people in receipt of a Motability vehicle, run by the independent charity Motability, is available to those in receipt of the higher rate of the mobility component of the Disability Living Allowance. However, those that are provided with a vehicle under this scheme did not receive the 'cash' allowance and, therefore, made a contribution towards this vehicle.
- 6.3 Consideration was given as to whether to link the mileage rate for Councillors who use non-privately owned vehicles on Council business to the rates payable to officers using lease cars where the officer made a contribution towards the cost of the vehicle. However, the Panel concluded that given the varying financial arrangements in respect of company cars, the variations within the officers' lease car scheme and that Councillors who had used non-privately owned vehicles on Council business never or very rarely submitted travel claims that no action should be taken at this time. The Panel also recognised that the responsibility for claiming travel expenses rested with the Councillor, who knew the exact financial arrangements regarding the ownership of their vehicle.
- 6.4 If a Councillor who used a non-privately owned vehicle on Council business wished to claim re-imburement of travel expenses then it was considered appropriate that they should discuss the matter in detail with Democratic Services and that the

Head of Legal and Democratic Services would determine an appropriate rate for the reimbursement of expenses, subject to appropriate consultation.

- 6.5 Clarification had been sought in the interpretation of the payment of subsistence allowances and attached as Appendix 1 to this report is the proposed revision, with the amendments emboldened.

7. Childcare Allowance

- 7.1 The Panel endorsed previous recommendations that the Childcare Allowance be linked to the National Minimum Wage and re-imbursed at a rate of £6.08 an hour from 1 October 2011.

8. Scheme of Allowances: Recommendations

8.1 Basic Allowance

The Basic Allowance continue to be payable at £5,184 per annum and be index linked to the pay award received by officers for four years up until 30 November 2015.

8.2 Special Responsibility Allowances

8.2.1 Performance and Audit Scrutiny Committee

The Chairman and Vice Chairman receive an allowance equivalent to that of the Chairman and Vice Chairman of the Overview and Scrutiny Committee, currently £3,114 and £1,557 respectively, and payable from 19 May 2011.

8.2.2 Licensing and Regulatory Committee

The Chairman receive a Special Responsibility Allowance equivalent to that payable to the Chairman of the Standards Committee, currently £1,035, and payable from 13 June 2011.

8.2.3 Deputy Leaders' Allowance

The Deputy Leaders' Allowance of £5,964 be deleted from the Scheme.

8.2.4 Indexation

As the Special Responsibility Allowances are calculated as a factor of the Basic Allowance these continue to be index linked to the pay award received by officers for four years until 30 November 2015.

8.3 Travel and Subsistence Allowances

8.3.1 Use of non privately owned vehicles

Where a Member who uses a non privately owned vehicle wishes to claim re-imburement for travel expenses then the Head of Legal and Democratic Services will, in consultation with the Councillor and the Independent Remuneration Panel if considered appropriate, determine an appropriate rate.

8.3.2 Travel and Subsistence Allowances

Reimbursement of expenses with effect from 3 January 2012 be in accordance with Appendix 1 of this report.

8.3.3 Indexation

Travel and subsistence rates to be re-imbursed and index linked to the rates payable to officers until 30 November 2015.

8.4 Childcare Allowance

8.4.1 The Childcare Allowance continue to be linked to the National Minimum Wage, currently £6.08 an hour, until 30 November 2015.

9. Acknowledgements

9.1 The Panel is unanimous in commending this report, and the recommendations contained within it, to the Council for acceptance as an appropriate Scheme of Allowances for the Members of St Edmundsbury Borough Council.

9.2 Members of the Panel wish to place on record their appreciation to all those Members that completed the diaries and made representations and to the Committee Services Manager, who provided information and co-ordinated the work of the Panel.

.....
Dr Alan Lower (Chairman)

.....
Mr Cyril Leach

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Mr Daryn Reffell

.....
Mr Kevin Sturgeon

29 November 2011

SCHEDULE 4

TRAVEL AND SUBSISTENCE ALLOWANCES

1. Travel Allowance

- | | | |
|-----|---------------------------------|--|
| (a) | Private Owned Vehicle Allowance | : 45.0 pence a mile |
| (b) | Train or Bus | : actual Standard fare incurred |
| (c) | Taxi | : actual fare incurred plus gratuity |
| (d) | Motor Cycles | : 24.0 pence a mile |
| (e) | Bicycle Allowance | : 20.0 pence a mile |
| (f) | Car parking fees | : actual expenditure incurred. |

2. Day Subsistence Allowances

2.1 The subsistence rates listed below are with effect from 1 January 2010, **and the allowance will be the same as, and linked to, the rates payable to officers.**

2.2 **Day subsistence expenses will be payable to a Member who is prevented by official duties from taking a meal at home or the place where they normally take their meals and thereby incurs additional expenditure.**

2.3 **The payment of subsistence allowances is subject to the principle that expenditure on meals has actually been incurred. Members will be reimbursed the actual expenditure incurred up to the maximum rates set out in the scheme. All claims must be supported by receipts or third party documentation.**

2.4 Day Subsistence – payable if absent for more than four hours

- | | | |
|-----|--|--------|
| (a) | Breakfast Allowance
<i>(More than 4 hours away from normal place of residence before 11.00 am)</i> | £6.88 |
| (b) | Lunch Allowance
<i>(More than 4 hours away from normal place of residence including lunchtime between 12.00 noon and 2.00 pm)</i> | £9.50 |
| (c) | Tea Allowance
<i>(More than 4 hours away from normal place of residence ending after 6.30 pm)</i> | £3.76 |
| (d) | Evening Meal Allowance
<i>(More than 4 hours away from normal place of residence ending after 8.30 pm)</i> | £11.77 |

2.5 **Either a tea or evening meal can be claimed but not both.**

2.6 **Overnight Accommodation and Subsistence (deemed to cover a 24 hour period)**

Outside London £80.00

For such an absence in London, or for attending one of the conferences approved by the Secretary of State £100.00

2.7 **Meals provided free of charge**

The rate shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal for the period to which the allowance relates.

2.8 **Meals on Trains**

If Members are away for a period of over four hours and take a meal on a train they can claim the cost of the meal. If they do so the subsistence band is reduced by three hours for each meal taken.

If absent for 4-8 hours, Members may claim 1 main train meal.

If absent for 8-12 hours, Members may claim 2 main train meals.

If absent for over 12 hours, Members may claim 3 main train meals.

SCHEDULE 1

Set out below are details of the amounts of Members' Allowances payable under the Scheme with effect from the 3 January 2012.

Allowance	Amount £
(1) Basic Allowance	
All Councillors	5,184
(2) Special Responsibility Allowances: Additional to the Basic Allowance	
Leader of the Council	10,368
Deputy Leader	6,222
Other Cabinet Members	5,706
Chairman of Overview and Scrutiny Committee	3,114
Vice-Chairman of Overview and Scrutiny Committee	1,557
Chairman of Performance and Audit Scrutiny Committee	3,114
Vice-Chairman of Performance and Audit Scrutiny Committee	1,557
Chairman of Development Control Committee	4,149
Vice-Chairmen of Development Control Committee	1,557
Chairman of Licensing and Regulatory Committee	1,035
Chairman of Standards Committee	1,035
Chairman of Sustainable Development Panel	2,073
Group Leaders	
(a) Groups with 10 or more Members	3,114
(b) Groups of between 5 to 9 Members	1,557

The Allowances listed above relate to a *full year*

(3) Co-optees Allowance

Member of Standards Committee £204

(4) Exceptional Responsibility Allowance

A special meeting of the Independent Remuneration Panel be convened by the Head of Legal and Democratic Services to consider the payment of an exceptional responsibility allowance if considered necessary.

Allowance	Amount £
(5) Childcare and Dependant Carers' Allowance	
(a) Childcare Allowance	up to £6.08 an hour
(b) Dependant Carers' Allowance	up to £12.10 an hour