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| <b>MEETING:</b>         | <b>COUNCIL</b>   |
| <b>DATE:</b>            | <b>27 MAY 2011</b>                                       |
| <b>TITLE OF REPORT:</b> | <b>COUNCILLORS' ALLOWANCES SCHEME</b>                    |
| <b>REPORT BY:</b>       | <b>ASSISTANT DIRECTOR LAW, GOVERNANCE AND RESILIENCE</b> |

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To consider the recommendations of the Council's Independent Remuneration Panel on the Councillors Allowances Scheme.

### **Recommendation(s)**

**THAT:**

- (a) the Independent Remuneration Panel be thanked for its report ;
- (b) the Council consider and have regard to the following recommendations of the Independent Remuneration Panel as set out in the Panel's appended report:
  - 1 allowances be updated annually in line with the National Joint Council for Local Government Services pay award for a further 4 years;
  - 2 a one off allowance of up to £1,000 be made available to all Councillors in the year of election on the condition that this is to allow them to equip themselves sufficiently with ICT to carry out their Council duties, payment to be made on the basis of actual expenditure evidenced by receipts.
  - 3 Members be entitled to claim expenses for consumables including Broadband subscription up to a maximum of £200 per year on the basis of claims for actual expenditure evidenced by receipts, which are as a general rule expected to be submitted quarterly, with any payments exceeding that amount requiring approval by the Assistant Director Law, Governance and Resilience;
  - 4 a Special Responsibility Allowance be paid to Advisers/Assistants to Cabinet Members, if appointed, which should not exceed more than

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Further information on the subject of this report is available from  
John Jones, Electoral Services Manager, on (01432) 260110

**50% of the Band 2 Allowance in the Allowances Scheme currently paid to individual Cabinet Members, subject to the total budget currently allocated for individual Cabinet Members not being exceeded;**

- 5 a Special Responsibility Allowance be payable in principle to Chairmen of Scrutiny Task and Finish Groups, subject to the total amount currently payable to the 5 Chairmen of Scrutiny Committees not being exceeded, the level of such Allowances to be determined in accordance with a Scheme to be prepared by the Assistant Director Law, Resilience and Governance and submitted to Council for approval;**
- 6 a Special Responsibility Allowance is only paid to Political Group Leaders on the Council where the Membership of the relevant Political Group exceeds 10% of the total Membership of the Council (ie 6 Councillors);**
- 7 mileage allowances should continue to be paid on the single rate used by Her Majesty's Revenue and Customs Service for all business mileage, as is the case for staff;**
- 8 Members be entitled to choose between claiming mileage allowance for bicycle travel, or claiming for an annual service for their bicycle instead; and**
- 9 the current system of paying Members car parking expenses for official business by provision of a car parking pass should continue.**

**(c) and the new Allowances Scheme take effect from 28 May 2011.**

## **Alternative Options**

- 1 The Council can decide to accept the Panel's recommendations in full, or in part, or determine such allowances scheme as it sees fit, subject to possible referral back to the Panel in relation to any matters on which the Panel has not made a recommendation.

## **Reasons for Recommendations**

- 2 To comply with the requirement that before amending its Councillors' Allowances Scheme the Council must have regard to the recommendations made in relation to it by an independent remuneration panel. In addition the Council relies on an index for the annual adjustment of allowances based on the National Joint Council (NJC) for Local Government Services pay award. There is a legal requirement it must not rely on that index for more than 4 years before seeking a further recommendation from the Independent Remuneration Panel (IRP) on the application of the Scheme. The last review of the Allowances Scheme took effect in May 2007

## **Introduction and Background**

- 3 The Council is required to establish and maintain an Independent Remuneration Panel to advise on a Scheme of Allowances for Members and any proposed amendments. The Council is required to publish details of the Panel's recommendations and the main features of any Scheme that the Council adopts.

4. The report of the Independent Remuneration Panel is attached at appendix 1. The report to the Panel on which it based its recommendations is attached at appendix 2.

## **Key Considerations**

- The Council relies on an index for the annual adjustment of allowances based on the National Joint Council (NJC) for Local Government Services pay award. There is a legal requirement it must not rely on that index for more than 4 years before seeking a further recommendation from the Independent Remuneration Panel (IRP) on the application of the Scheme. The last review of the Allowances Scheme took effect in May 2007.
- The Panel was advised that there was no general intention to increase allowances in light of the current financial climate. The Panel was, however, asked to consider whether to provide Members with allowances to purchase their own computer equipment and meet the costs of consumables. The Council has to date supplied ICT equipment centrally to Members who require it.
- The Panel was asked to consider the possibility that a small number of advisers/assistants to Cabinet Members may be appointed. Consideration needs to be given to whether an allowance should be paid to advisers/assistants to Cabinet Members, if appointed, and whether there should be any conditions placed upon the award of such an allowance.
- The Panel was asked to consider the implications of possible changes to the Council's Overview and Scrutiny arrangements and whether, in consequence, an allowance should be paid to Chairmen of Task and Finish Groups.
- The Council's Scheme provides for a flat rate payment to all Group Leaders irrespective of the number of Members in the Group. The Panel was asked to consider whether for a Political Group Leader to qualify for a Special Responsibility Allowance there should be a minimum number of Members in the relevant Group.
- The Panel was asked to consider whether to make any change to the basis on which Members are paid for mileage allowances. The Panel also considered a request that Members be entitled to choose between claiming mileage allowance for cycle travel, or claiming for an annual service for their cycle instead.
- The Panel was asked to consider whether Members should continue to be entitled to reimbursement of car parking expenses for official business in Council owned car parks through provision of a car parking pass for use when on Council business.

## **Community Impact**

- 5 Consideration of Members Allowances needs to take account of the current financial climate. The IRP Members are independent of the Council and represent the wider interests of the county..

## **Financial Implications**

- 6 The budget for Members' Allowances for 2011/12 is £712,380 made up of £449,030 for the basic allowance and £218,580 for Special Responsibility Allowances. There is an additional budget of £44,770 for National Insurance payments.
- 7 The recommendations are that expenditure on any additional Special Responsibility

Allowances will be contained within existing budgets. Proposals for an ICT allowance and payment of expenses for consumables up to £200 per Councillor may require some additional provision. However, this is dependent on the level of claims. There is provision within the ICT Replacement budget for the central provision of ICT equipment which would offset the amount which might be expended on the ICT allowance. Expenditure on consumables would amount to a maximum of £11,600 offset in part by the level of current expenditure (approximately £3,000 per annum).

## **Legal Implications**

- 8 In order to comply with the Local Authorities (Members' Allowances) (England) Regulations 2003, it is necessary for Council the Panel's review of the Allowances Scheme at its Annual meeting in May 2011.

## **Risk Management**

- 9 Not complying with appropriate legal requirements could have a detrimental impact on the Council's reputation

## **Consultees**

- 10 Political Group Leaders as at April 2011.

## **Appendices**

Appendix 1 – Report of the Independent Remuneration Panel

Appendix 2 – Report to the Independent Remuneration Panel on 10 May 2011 on which it based its recommendations

## **Background Papers**

- None identified.