



Council – 15 December 2014

Report and Recommendations of the Independent Remuneration Panel for Members' Allowances

Purpose of report

To introduce the report and recommendations of the Independent Remuneration Panel for Members' Allowances.

Attachment(s)

- Appendix 1: Report of the Independent Remuneration Panel
- Appendix A: Terms of Reference
- Appendix B: Questionnaire for Councillors
- Appendix C: Existing and Proposed Allowances
- Appendix D: Travel Expenses, Subsistence Allowance, Carer's Allowances

1.0 Background

- 1.1 In April 2014, the Council approved the appointment of four members of the public to serve on the Independent Remuneration Panel to review Members' Allowances in East Northamptonshire. It also agreed to delegate authority to the Democratic and Electoral Services Manager to appoint an experienced panel member from Northamptonshire County Council's Independent Remuneration Panel.
- 1.2 The Panel has met on eight occasions since June 2014 to progress its review and has now concluded its report and recommendations. Whilst advice on technical and procedural issues has been provided by the Executive Director and Democratic Services, the conclusions and recommendations detailed within the report are exclusively those of the Independent Remuneration Panel, who will be in attendance at the meeting to present their report and to answer relevant questions from councillors.

2.0 Recommendation

- 2.1 That consideration be given to the report and recommendations of the Independent Remuneration Panel in determining a Members' Allowances Scheme for 2015/16.

(Reason – to comply with the statutory requirement to review Members' Allowances.)

Legal	Power: Local Authorities (Members' Allowances) (England) Regulations 2003				
	Other considerations:				
Background Papers:					
Person Originating Report: James McLaughlin, Democratic & Electoral Services Manager ☎ 01832 74(2113) ✉ jmclaughlin@east-northamptonshire.gov.uk					
Date: 4 December 2014					
CFO		DMO 5.12.2014		CX 5.12.2014	

Report and Recommendations of the Independent Remuneration Panel
15 December 2014

1 Background

- 1.1 East Northamptonshire Council is required under the Local Authority's (Members' Allowances) (England) Regulations 2003 (as amended) to establish and maintain an independent remuneration panel (Panel) to review and make recommendations to the Council on the type and level of remuneration for elected Members.
- 1.2 This report has been prepared in accordance with those regulations to enable the Council to discharge its statutory responsibilities when reviewing and amending its allowances.
- 1.3 The current Panel consists of:-
Edward Owen Chairman
Alan Haynes Vice-Chairman
Janet Wood
Michael Dodson
- 1.4 A further member of the Panel resigned due to work commitments during the period of review.
- 1.5 All Panel members are independent of East Northamptonshire Council, its Officers and any political party.

2. Terms of Reference

- 2.1 The Terms of Reference are set out at Appendix A.
- 2.2 In particular Panel is not able to make recommendations as to payment of a basic allowance based on attendance at Council meetings, nor allowances for the Chairman or Vice-Chairman of the Council.

3 Principles

- 3.1 In making its recommendations, Panel remained mindful of the following matters:
- 3.1.1 Any recommendations should take into account the time needed to properly fulfil the various roles which the Members are asked to fulfil.
- 3.1.2 In addition, the recommendations should also take into account elements of specialist knowledge and training required by Members to fulfil their roles on committees.
- 3.1.3 The recommendations should take into account any statutory responsibilities.

- 3.2 The recommended allowances should be of sufficient level as to enable Members of the public to consider becoming an elected Member without suffering undue financial hardship, whilst at the same time not being at such a level that allowances would become the main reason for standing for election.
- 3.3 The recommended allowances should be comparable, where practicable, with those paid by similar Local Authorities.
- 3.4 The recommendations should take into account the current economic climate and public opinion and consequential budget constraints.
- 3.5 The scheme should be transparent and easy to administer.

4 **Methodology**

- 4.1 In undertaking this review Panel considered:
 - 4.1.1 Changes to relevant legislation and working practices of various committees, where relevant.
 - 4.1.2 The current structure of the Council.
 - 4.1.3 Previous panel reports.
 - 4.1.4 Allowances and practices from other comparative Local Authorities.
 - 4.1.5 Statistics on Council and committee meetings.
 - 4.1.6 Committee terms of reference where relevant.
- 4.2 Panel considered comparative evidence from similar neighbouring Local Authorities.
- 4.3 Panel invited comments from each of the 40 Council Members in the form of the questionnaire at Appendix B and received 25 responses.
- 4.4 Panel met with 8 Members to seek their further views.
- 4.5 Panel met on 8 occasions during the period 18 June 2014 to 17 November 2014.
- 4.6 Panel would wish to express its thanks to those Members who gave of their time, both in writing and at interview, as well as to Paul Smith, Sharn Matthews and James McLaughlin for their administrative support.

5 **Training**

- 5.1 Whilst Members appreciated their initial induction training, Panel recognised Members' concerns on the lack of continuing refresher training for Members who had been in post for some time and suggest this be discussed with Officers on an individual basis.
- 5.2 Panel are aware that for some Committees Members were required to undertake training to fulfil the role of Committee Members. However, Panel noted that some Members are yet to undertake the necessary training.

6 Co-optees

- 6.1 Panel recognised that the Council had the authority, if the need arises, to co-opt non-Members on to committees in exceptional circumstances and felt in such circumstances co-opted contributions should be recognised pre-meeting rather than by a general allowance.

7 Pension

- 7.1 Reforms to Members' Allowances in 2014 abolish the provision enabling Members to join the Local Government Pension Scheme. Current Members may therefore only remain in the scheme to the end of their term of office in May 2015.

8 Conclusion

8.1 The Overall Scheme

- 8.1.1 After reviewing the existing scheme and its administration, Panel believes its continuation subject to the revised allowances as set out in Section 9 of this Report to be appropriate.
- 8.1.2 Panel's recommendations have not been arrived at by any mathematical or formulae calculations but rather by taking into account the large number of competing factors to include, but not limited to, frequency of meetings, statutory and other decision making responsibilities, budgetary and administrative considerations, and what is required of the position to be fulfilled completely.

8.2 Basic Allowance

- 8.2.1 Time commitments were identified as the biggest issue facing Members, but Panel was not able to come to a conclusion about the amount of actual time spent because it is apparent Members spend widely differing amounts of time on their Council activities.
- 8.2.2 Panel felt the current level of the basic allowance was low compared to similar neighbouring Authorities and there was a general view of Members that this ought to be increased. Panel believe that notwithstanding public opinion and budget constraints an increase to the Basic Allowance to be appropriate to take account of matters and so as not to be a disincentive to stand for Public Office so far as possible.
- 8.2.3 The current Member's Allowances Scheme provides for allowances to be automatically increased in line with the pay award made to officers each year.

8.3 Special Responsibility Allowances

- 8.3.1 Panel felt there needed to be significant changes to the Special Responsibilities Allowances to reflect the changes in responsibilities and workloads since the last review, whilst at the same time keeping within acceptable budget constraints. This has inevitably resulted in increases for some roles and reductions in others.
- 8.3.2 However, Panel were, following discussions with members, of the opinion the additional workload and responsibilities of most Vice Chairs, over and above normal committee Members, did not justify a Special Responsibility Allowance.

8.4 Expenses and Carers' Allowances

- 8.4.1 Members may claim the cost of travel and subsistence expenses, and Child and Carers' Allowances, incurred on prior approved duties and Panel felt these needed to be brought more up to date.
- 8.4.2 Panel believe it is appropriate to introduce a cap on Child and Carers' Allowances in line with many other Local Authorities.

8.5 IT

- 8.5.1 There was no clear consensus on provision for IT other than Members agreed the IT support provided by the Council was appreciated.
- 8.5.2 Members' views that were expressed to Panel were reasonably equal between provision of equipment (to include colour printers) and an allowance to upgrade and replace existing personal IT equipment for use on Council work.
- 8.5.3 Some Members did express the view that any IT allowance should not be incorporated into their basic allowance for tax reasons, although these may now be taxable since the last review and have to be disclosed to HMRC on Form P11D.
- 8.5.4 Since the Members' Allowances Scheme had been introduced developments in technology and communication had greatly advanced and would continue to do so in the future changing the way people communicate with one another. This has meant the use of telephone calls and the postal system has greatly reduced and replaced by Email and Broadband, the cost of which have reduced since their inception.
- 8.5.5 Panel felt it appropriate that ,as no expense is paid for either telephone or postal costs, the cost of Broadband should no longer be a claimable expense within IT provision.
- 8.5.6 Panel would urge all Members to embrace the use of modern technology wherever possible.

9 **Recommendations**

- 9.1 The existing remuneration scheme to continue subject to the following amendments with effect from the Council's annual meeting 2015.
- 9.2 Members' Basic Allowance be increased to a sum of £4600 per annum.
- 9.3 The Basic Allowance be index linked to the annual percentage cost of living award for Local Government staff at pay scale point 49.
- 9.4 The Special Responsibility Allowance be paid to Members holding special appointments at the level set out at Appendix C.
- 9.5 Only one Special Responsibility Allowance shall be payable in respect of Councillors holding more than one post.
- 9.6 There be no further increase in Special Responsibility Allowances pending the next review.
- 9.7 Payment of travel and subsistence expenses, and Child and Carers allowances' incurred on prior approved duties in accordance with Appendix D.
- 9.8 There be a cap on Child and Carers' allowance of £1,200.
- 9.9 As the Council has the authority to appoint co-optees Council shall have the right to set their remuneration up to a maximum of £300 per meeting attended.
- 9.10 The cost of Broadband to be removed from the provision of IT.
- 9.11 These recommendations, if accepted in full, would result in a potential overall budget increase of approximately £9,500, although this figure does include the cost of Broadband and it should be noted there has been an under spend in each of the previous 3 years.
- 9.12 There be a review of the new rates as soon as practical after 5 April 2017.

(Version 6 Dated 26 November 2014)

INDEPENDENT REMUNERATION PANEL

TERMS OF REFERENCE

To make recommendations to the District Council on Members' Allowances as set out in the 2003 Regulations

To consider the existing scheme of allowances for Members and to prepare a report for submission to the District Council recommending a scheme of allowances encompassing:

1. Basic allowance for Members
2. Special responsibility allowances for Members who have special responsibilities which may include one or more of the following categories
 - a) Leader and Deputy Leader of the Council and/or political group
 - b) Chairman/Vice-Chairman of Committees, Sub-Committees or other bodies
 - c) Representing the Council at meetings of, or arranged by, any other body;
 - d) Acting as a Member of a Committee, Sub-Committee or other body of the Council which meets with exceptional frequency or for exceptionally long periods;
 - e) Members of Committees, Sub-Committees or other bodies relating to licensing or the control of any activity (eg Licensing Panels)
- 3) Travel, subsistence and conference allowances
- 4) Dependent Carers and child care allowances
- 5) Co-optees allowances
- 6) Annual adjustment/increase of allowances
- 7) Any other issues that the Panel deem to be appropriate.

In addition the Panel have set additional criteria that they may take into account when reviewing the allowances-

- 1) Comparisons with allowances paid by statistical neighbours;
- 2) Issues surrounding recruitment and retention of Councillors;
- 3) Workload and level of responsibility;
- 4) Affordability;
- 5) Administrative convenience.

Independent Panel for Councillors' Allowances – Questionnaire

The Independent Panel for Councillors' Allowances is currently undertaking a review of allowances. It would be helpful if you would complete this questionnaire so that the Panel can take your views into account. A copy will also be e-mailed to you.

Please return your form to Paul Smith in Democratic Services. Printed forms can be posted or handed to Paul. Electronic versions can be emailed to psmith@east-northamptonshire.gov.uk

The Panel will be considering Members' feedback at its next meeting on 22 July 2014. Would you therefore please return your completed questionnaire by close of business on **Monday 21 July 2014** at the latest.

Name _____ [Please Print]

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Comments
1. The current scheme of allowances enables me to carry out my role effectively						
	Much too high	Too high	Just right	Too low	Much too low	
2. The Basic Allowance (currently £4,376) is:						
3. The Special Responsibility Allowances are:						
4. How many hours per week does being a Councillor involve? a) As a District Council Ward Member b) To carry out a role for which you receive an SRA (if applicable)						

4. Are there any roles for which a Special Responsibility Allowance is not currently paid but which you feel should be paid?	
5. Do you have any other comments about the allowances scheme?	
6. Would you be willing to be interviewed by the Independent Remuneration Panel, if requested, as part of the Panel's review?	

Thank you for taking the time to complete this form.

Appendix C

EAST NORTHANTS DISTRICT COUNCIL EXISTING and PROPOSED ALLOWANCES

	Existing Special Responsibility Allowance	Proposed Special Responsibility Allowance
	£	£
Leader of the Council	7,583	8,000
Deputy Leader of the Council	3,683	5,000
Policy and Resources Committee, - Chair	3,683	3600
Policy and Resources Committee,- Vice Chair	1228	600
Development Control Committee - Chair	3,683	3600
Development Control Committee - Vice Chair	1228	1200
Planning Policy Committee - Chair	3,683	1600
Planning Policy Committee - Vice Chair	1228	0
Scrutiny-Committee - Chair	3,250	800
Scrutiny-Committee - Vice Chair	1083	0
Governance and Audit Committee - Chair	3,250	1200
Governance and Audit Committee - Vice Chair	1083	400

Personnel Sub-Committee - Chair	1,228	1000
Personnel Sub-Committee - Vice Chair	0	0
Licensing Committee - Chair	1,228	2000
Licensing Committee, - Vice Chair	0	600
Finance Sub-Committee - Chair	0	1000
Finance Sub-Committee - Vice Chair	0	250
Leader of the Opposition	3,683	2500 + 250 per member*
Licensing Panel - Chair	0	0
Licensing Panel - Other Members	0	0

* Up to a maximum
of £5000

Basic Allowance	4376	4600
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Appendix D

TRAVEL EXPENSES, SUBSISTENCE ALLOWANCE, CARER'S ALLOWANCES

1. Travel expenses

- 1.1 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (another councillor) is carried.
- 1.2 Parking fees and public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed. First class fare will only be reimbursed where it is clearly in the East Northamptonshire District Council's interest for a councillor to travel first class and formal approval has been given in advance by the Chief Executive.
- 1.3 Taxi fares will only be reimbursed on production of a valid receipt and if use of public transport or the councillor's own car is impractical.
- 1.4 Travel expenses will be reimbursed for any journey undertaken where the councillor was undertaking approved duties (see section 8 below). Travel expenses will only be reimbursed if claimed within four months.

2. Subsistence expenses

- 2.1 Overnight hotel accommodation must be booked through the Chief Executive's Office, which will ensure that accommodation is booked at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the East Northamptonshire District Council's interest and formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.
- 2.2 Reasonable subsistence expenses will be paid on production of receipts up to the following maximum rates:

Breakfast (before 11.00am)	£8.00
Lunch (12 noon to 2.00pm)	£10.00
Tea (3.00pm to 6.00pm)	£5.00

Evening meal (ending after 7.00pm) £20.00

2.3 Subsistence expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 6 below).

3. Dependents' carers' expenses

3.1 Members with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the member's home, a maximum hourly rate of £6.50 will be payable.

3.2 Dependents' carers' expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 6 below). The Democratic and Electoral Services Manager will sign off claim forms once they have been completed and signed by the claimant and the carer.

4. Pensions

4.1 No further Members will be eligible for admission to the Local Government Pension Scheme.

5. Co-opted Members – Financial Loss Allowance

5.1 A financial loss allowance may only be paid to non-elected members of committees or sub-committees. The rate for the co-opted members will be up to £300 per meeting attended.

6. Approved duties

6.1 Travel, subsistence and dependents' carers' expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings of Full Council and any committees, working groups or other bodies of the Council of which the councillor is a member;
- b) Attendance at meetings of committees, working groups or other bodies of the Council of which the councillor is not a member but to which the councillor has received a specific, individual invitation by the Chair of that body;
- c) Attendance at Council premises for the purposes of taking part in formal briefings, training sessions or attending pre-arranged meetings with senior officers to discuss the business of the Council.

- d) representing the Council at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of the Council;
- e) attendance at events organised by the Council and/or where invitations have been issued by officers or councillors (including Chair's events and other corporate events);
- f) attendance at meetings/events where the Member is an official Council representative or requested by the Leader; and
- g) In respect of dependents' carers' expenses only, undertaking general councillor responsibilities including surgeries.

Expenses incurred as a result of attendance at political group meetings may not be claimed.