

Review of Allowances for 2019/20 for Allerdale Borough Council

Report of the Independent Panel for Councillors Allowances

1.0 Introduction

The Local Government Act 2000 and The Local Authorities (Members Allowances) (England) Regulations 2003 require local authorities to set up an Independent Panel to review Members allowances and for the Council to have regard to the Panel's recommendations before amending its Scheme of Allowances.

The Independent Panel for Councillors Allowances carried out a full review of Members Allowances in January 2018, and made recommendations to Council on a Members Allowances Scheme for 2018/19.

At its meeting on 07 March 2018, the council endorsed the recommendation to increase the 2018/19 basic allowance from £3,166.65 to £3,266.65 but rejected the recommendation to increase the special responsibility allowances, payable to the Leader, the Deputy Leader and the Executive.

2.0 Membership of the Panel

The Independent Panel for Councillors Allowances is made up of the following persons:

Chris Natress
Keith Teasdale
Richard Askew
Phil Robinson

The full panel was present on 13 December 2018, when the review of the Council's Members Allowances Scheme for 2019/20 was carried out.

The Panel was supported by the following officers during its review:

Ian Frost	Chief Executive
Gayle Roach	Democratic and Support Services Manager
Lee Jardine	Democratic and Support Services Officer

3.0 Terms of Reference for the Review

The Panels terms of reference for the review were in accordance with The Local Authorities (Members Allowances) (England) Regulations 2003. Those requirements are to make recommendations to the Council as to:

- a) The amount of basic allowance payable to all Councillors
- b) The responsibilities, roles or duties where a special responsibility allowance should be payable and the amount of such allowances.
- c) Whether a co-optees allowance should be payable and the amount of such allowance

- d) Whether a dependants carers allowance should be payable and the amount of such allowance
- e) The amount of any travelling and subsistence allowance which should be payable to councillors and co-opted members
- f) Whether payment of allowances may be backdated in cases where a scheme is amended at a time which would affect allowances payable in that year
- g) Whether adjustments to the level of allowances may be determined according to an index, and which index and for how long before use is reviewed (subject to a maximum of 4 years).
- h) Which councillors are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972(a) and whether basic allowance or special responsibility allowance, or both, may be treated as amounts in respect of which such pensions are payable in accordance with such a scheme.

In addition to the above requirements, the Panel also set out to review the level of allowances payable to the Mayor and Deputy Mayor of Allerdale.

4.0 Members Allowance Scheme Review 2019/20

The Independent Panel for Councillors Allowances was convened on 13 December 2018 to carry out a review of Allerdale Borough Councils Members Allowances Scheme for 2019/20.

The panel was provided with the following information for its review:

- The Councils budget provision for Members Allowances 2018/19 (£271,310.00)
- Comparisons between the Members' Allowances Schemes of neighbouring councils
- Comparisons between the Members' Allowances Scheme of councils, using the Chartered Institute of Public Finance and Accountancy (CIPFA) Nearest Neighbours Model
- Members Allowance Scheme 2018/19
- The Roles and Responsibilities of the Executive Members
- A summary of the report from the Local Government Boundary Commission for England – The Final Recommendations on the new electoral arrangements for Allerdale Borough Council

4.1 Members Allowance Scheme Comparison (CIPFA)

The Chartered Institute of Public Finance and Accountancy (CIPFA) Nearest Neighbours Model measures the similarity between authorities through a number of variables. The English local authority model was updated in 2014.

Allerdale Borough Councils five nearest neighbours in terms of statistical distance were determined through benchmarking the following variables between the Council and other local authorities in England:

- Population
- Area
- Output Area Density
- Output Area Based sparsity
- Tax base per head of population
- % Unemployment
- Retail premises per 1000 population
- Housing benefit caseload (Percentage of Population in recipient)
- % of people born outside UK and Ireland
- % of households in social rented accommodation
- % of households with less than 4 rooms
- % of persons in lower NS-SEC (Social Groups)
- Standardised morbidity ratio for all persons
- Authorities with a coast
- Authorities prone to flooding
- Non-Domestic rateable value per head of population
- % of properties in Bands A to D
- % of properties in Bands E to H
- Area cost adjustment (other services block)
- Number of Households

The Councils five nearest neighbours were determined as follows (in order of statistical distance)

- North Devon Council
- North Norfolk District Council
- Waveney District Council
- Sedgemoor District Council
- Newark and Sherwood District Council

The Councils Members Allowances Scheme to its nearest neighbour's schemes. The following allowances were compared:

- Basic Allowance
- Leader of the Council
- Deputy of the Council
- Executive Members
- Chair of the Development Panel
- Chair of the Overview and Scrutiny Panel
- Chair of the Licencing Committee
- Chair of the Audit Committee
- Chair of the Standards Committee
- Leader of the Opposition
- Mayor
- Deputy Mayor

4.2 Members Allowance Scheme Comparisons (Neighbouring Councils)

The Councils Members Allowances Scheme was compared to the schemes of its following neighbouring councils in Cumbria:

- Barrow-in-Furness Borough Council
- Carlisle City Council
- Copeland Borough Council
- Eden District Council
- South Lakeland District Council

The same allowances for responsibilities were compared as those compared to the Councils from the Nearest Neighbours Model.

4.3 Dependants Carers Allowance

A dependant's carers allowance was introduced into the Councils Members Allowance Scheme in 2016/17. The allowance entitles Councillors to claim for the expenses of arranging for the care of their children or dependants incurred in carrying out their duties. The allowance is paid at the full receipted rate from a registered carer and is limited to 8 hours a week.

4.4 Travel/Subsistence Allowance

The level of travel allowance provided in the Councils Members Allowances Scheme is set at the HM Revenue and Customs approved rates for business mileage for employees own vehicles.

5.0 Re-review of 2019/20 Members Allowance Scheme

Due to the upcoming election in May 2019 and the uncertainty surrounding the potential structure of the council, the panel agreed to meet again in June 2019 to re-review the 2019/20 Members Allowance Scheme.

6.0 Recommendations to Council

6.1 Basic Allowance

When the Panel carried out its full review on the Members Allowances Scheme in January 2016, it recommended that the Basic Allowance be increased by £100 and that this be reviewed annually with a view to increase the allowance by a further £100 each year over a five year period.

The Council agreed this initial increase of £100 in its Scheme of Allowances for 2016/17. Keeping with this, the Panel recommended a further increase of £100 for the 2017/18 and 2018/19 Scheme of Allowances.

The panel did not consider there was any reason to deviate from what it has originally agreed and recommends a further increase of £100 to the Basic Allowance.

Recommended

That the Basic Allowance be increased from £3,266.65 to £3,366.65.

6.2 Basic Allowance Payable to Parish Councillors

The current Members Allowances Scheme does not make provision for a Basic Allowance payable to members of a parish or town council.

The panel did not consider any changes to this allowance.

Recommended

That the Basic Allowance payable to Parish Councillors remains set at nil percent of the sum of the Basic Allowance paid to Allerdale Borough Councillors.

6.3 Leader of the Council

The Panel noted there were no significant changes to the Leader of the Council portfolio.

The Panel also acknowledged that the Panel's recommendation last year to increase the allowances of the Leader and the Deputy Leader had been rejected by Council in March 2018.

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Leader of the Council remains set at £21,000.00

6.4 Deputy Leader of the Council

The panel noted there were no significant changes to the Deputy Leader of the Council Portfolio.

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Deputy Leader of the Council remains set at £9,972.87.

6.5 Executive Members of the Council

The panel noted there were no significant changes to the Deputy Leader of the Council Portfolio.

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Executive Members of the Council remains set at £5,441.42

6.6 Chair of the Development Panel

The allowance for the Chair of the Development panel was increased in 2016/17 and 2017/18 and the panel did not see a reason to further change the allowance payable.

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Chair of the Development Panel remains set at £4,500.00

6.7 Chairs of the Overview and Scrutiny Committee

The panel noted that there were no significant changes to the responsibilities and accountabilities of the chairs, during the review it was confirmed that each of the Overview and Scrutiny Chairs were receiving the full allowance, this along with the allowance will be reviewed in June 2019.

Recommended

That the allowance payable to the Chairs of the Overview and Scrutiny Committee remains set at £2,720.71.

6.8 Chair of the Licencing Committee

The panel noted there were no significant changes to the responsibilities and accountabilities of the Chair of the Licencing Committee

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Chair of the Licencing Committee remains set at £2,992.78

6.9 Chair of the Audit Committee

The panel noted there were no significant changes to the responsibilities and accountabilities of the Chair of the Audit Committee

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Chair of the Audit Committee, remains set at £2,720.71.

6.10 Chair of the Standards Committee

The panel noted there were no significant changes to the responsibilities and accountabilities of the Chair of the Standards Committee

This allowance will be re-reviewed in June 2019

Recommended

That the allowance payable to the Chair of the Standards Committee remains set at £2,720.71

6.11 Leader of the Opposition

The panel noted the allowance payable to the Leader of the Opposition varied significantly from other authorities and agreed to look at this in more details in the June 2019 re-review.

Recommended

That the allowance payable to the Leader of the Opposition remains set at £2,720.71.

5.12 Mayor and Deputy Mayor

The panel noted that the role of the Mayor was hands on and not just a ceremonial role and that the role of the Deputy Mayor was more ceremonial, covering the Mayor with attendance at events.

These allowances will be re-reviewed in June 2019

Recommended

That the allowance payable to the Mayor of Allerdale remains set at £7,071.00

That the allowance payable to the Deputy Mayor of Allerdale remains set at £507.00

5.13 Travel Allowance

The levels of travel allowance for councillors and co-opted members are in line with the HM Revenue and Customs approved rates for business travel mileage for employees own vehicles. The council is also proposing that these be the rates set for its own employees.

The panel were satisfied that the rates for travel mileage are in line with employees and HMRC.

Recommended

That the rates for Travel Allowance for councillors' remain set a follows:

- Cars and Vans
 - First 10,000 miles: 45p per mile
 - Above 10,000 miles: 25p per mile
- Motorcycles
 - First 10,000 miles: 24p per mile
 - Above 10,000 miles: 24p per mile
- Bicycles

First 10,000 miles: 20p per mile
Above 10,000 miles: 20p per mile

5.14 Subsistence Allowance

The levels of subsistence allowance were increased for the 2017/18 Members Allowance scheme, to bring them in line with the proposals being made for the levels of subsistence allowances for employees. The panel were satisfied with the rates for subsistence being in line with employees.

Recommended

That the levels of Subsistence Allowance for councillors remain set as follows:

- Breakfast – an absence of more than 4 hours before 11:00am
£6.95
- Lunch – an absence of more than 4 hours, including the period between 12 noon and 14:00pm
£9.50
- Tea – an absence of more than 4 hours, including the period between 15:00pm and 18:00pm
£0.00
- Evening Meal – an absence of more than 4 hours ending after 19:00pm
£13.15

5.15 Travel and Subsistence Allowances for Co-opted Members

Co-opted members benefit from the same levels of Travel and Subsistence Allowances as the Councils Members through the Scheme of Allowances. No changes are proposed to these allowances for councillors and therefore no changes are proposed to the allowances for co-optees.

5.16 Telephone and Broadband Allowance

The current basic allowance payable to all Members of the Council is inclusive of landline, mobile phone and broadband expenses.

Recommended

That the Telephone and Broadband Allowance remains included in the Basic Allowance payable to all Members of the Council.

5.17 Dependants Carers Allowance

The panel considered it important that this allowance remains included in the scheme of allowances

Recommended

That the Dependant Carers Allowance remains in the Members Allowances Scheme payable at the full receipted rate from a registered carer and limited to 8 hours per week.

5.18 Paternity/Maternity/Adoption Allowance

The Panel felt it important to create and promote an 'inclusive' Council therefore requested further information on what other authorities did to be considered under the review in June 2019.

Recommended

That any potential Paternity/Maternity/Adoption Allowance is to be reviewed in June 2019.

5.19 Local Government Pension Scheme

The current Members Allowances Scheme does not make provision for special responsibility allowances to be superannuated

Recommended

That no special responsibility allowance be superannuated

5.20 Co-Optees Allowance

The panel did not consider the need to provide a co-optees allowance

Recommended

That a Co-Optees allowance is not to be included in the Scheme of Allowances.