

Review of the Members' Allowances Scheme for Allerdale Borough Council 2018/19

A report by 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 between October 2015 and January 2016 and made recommendations to Council on a Members' Allowances Scheme for 2016/17.

At its meeting on 20 January 2016 the Council fully endorsed the recommendations of the Independent Panel and agreed the Scheme of Allowances for 2016/17.

The Independent Panel since carried out a review in December 2016, making recommendations to the Council on a Members' Allowances Scheme for 2017/18.

At the Council meeting on 18 January 2017 the Council again fully endorsed the Independent Panel's recommendations, agreeing its Scheme of Allowances for 2017/18.

2.0 Membership of the Panel

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

Richard Askew
Chris Nattress
Phil Robinson
Keith Teasdale

The full Panel was present on 29 January 2018, when the review of the Council's Members' Allowances Scheme for 2018/19 was carried out.

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

Dean Devine – Acting Democratic and Support Services Manager
Kathryn Magnay – Acting Democratic and Support Services Officer
Ian Frost – Chief Executive
Brendan Carlin – Acting Head of Governance and Monitoring Officer

3.0 Terms of Reference for the Review

The Panel's 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 its 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' Allowances Scheme Review 2017/18

The Independent Panel for Councillors Allowances was convened on 29 January 2018 to carry out a review of Allerdale Borough Council's Members' Allowances Scheme for 2018/19.

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

- The Council's budget provision for Members' allowances 2017/18 (£272,250.00)
- Comparisons of the Council's Basic, Special Responsibility and Mayor/Deputy Mayor Allowances against the allowances paid by other councils selected through the Chartered Institute of Public Finance and Accountancy (CIPFA) Nearest Neighbours Model
- Comparisons of the Council's Basic, Special Responsibility and Mayor/Deputy Allowances against the allowances paid by other councils within Cumbria
- Information on the Dependants' Carers' Allowance which was introduced to the Members' Allowances Scheme in 2016/17

- Information on the Travel and Subsistence Allowances
- Information on changes in roles and responsibilities of the Council's Members, including its Portfolio Holders, committees and chairmen

4.1 **Members' Allowances Scheme Comparisons (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 Council's 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 1,000 population
- Housing benefit caseload (Percentage of population in recipient)
- % of people born outside UK and Ireland
- % of households with less than 4 rooms
- % of households in social rented accommodation
- % 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 Council's 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 Council's Members' Allowances Scheme to its nearest neighbours' schemes. The following allowances were compared:

- Basic Allowance
- Leader of the Council
- Deputy Leader of the Council
- Executive Member
- Chairman of the Development Panel
- Chairman of the Overview and Scrutiny Committee
- Chairman of the Licensing Committee
- Chairman of the Audit Committee
- Chairman of the Standards Committee
- Leader of the Opposition
- Mayor
- Deputy Mayor

4.2 Members' Allowances Scheme Comparisons (Neighbouring Councils)

The Council's 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
- Cumbria County Council
- Eden District Council
- South Lakeland District Council

The same allowances for responsibilities were compared as those compared to the Council's nearest statistical neighbours.

4.3 Dependants' Carers' Allowance

A dependants' carers' allowance was introduced into the Council's Members' Allowances 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 per week.

This allowance has not yet been claimed for since its introduction on 1 April 2016.

4.4 Travel / Subsistence Allowances

The level of Travel Allowance provided in the Council's Members' Allowances Scheme is set at the HM Revenue and Customs approved rates for business mileage for employees' own vehicles.

The Members' Allowances Scheme sets out the list of approved duties where travel and subsistence allowances may be claimed.

The current rates for Subsistence Allowance are set out in the Members' Allowances Scheme 2017/18. These are in line with the subsistence rates for the Council's members of staff.

4.5 Changes in Roles and Responsibilities

The Independent Panel was provided with information on changes in roles and responsibilities of the Council's Members. This included information on Portfolio Holders, Chairmen and information on committees, namely the Executive, Development Panel, Overview and Scrutiny Committee and Licensing Committee.

5.0 Recommendations to Council

5.1 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 Scheme of Allowances. Council also agreed this recommendation.

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

Recommended:

That the Basic Allowance be increased from £3,166.65 to £3,266.65.

5.2 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 remain set at nil percent of the sum of the Basic Allowance paid to Allerdale Borough Councillors.

5.3 **Leader of the Council**

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

There has not been an increase to this allowance in some years and it is considered that the allowance should be increased to recognise inflation.

The Panel deliberated as to what to increase the allowance by. It was noted that the pay offer for council employees was currently 2%, but that this was being balloted by the unions. The Panel did not see the allowance in the same light as a salary and hence would not directly connect the two in equal amounts. After some consideration, the Panel proposes that the allowance payable to the Leader of the Council be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

This will be reviewed again next year.

Recommended:

That the allowance payable to the Leader of the Council be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

5.4 **Deputy Leader of the Council**

The allowance payable to the Deputy Leader of the Council has also not been increased in some time.

As there is a clear link between the Leader of the Council and Deputy Leader of the Council roles, the Panel also proposes that the allowance payable to the Deputy Leader of the Council be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

This allowance will also be reviewed again next year.

Recommended:

That the allowance payable to the Deputy Leader of the Council be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

5.5 **Members of the Executive**

The Leader of the Council, Deputy Leader of the Council and member of the Executive roles each have high levels of responsibility and the Panel regarded the roles in the same light. The Executive roles are the delegation of the Leader.

The Panel has proposed an increase to the Leader and Deputy Leader allowances and proposes the same for the member of the Executive allowance due to the clear link between these roles. It proposes that the allowance payable to members of the Executive be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

Recommended:

That the allowance payable to members of the Executive be increased by an amount equal to 1% less than the final negotiated pay settlement for council employees, not to go lower than 0%.

5.6 **Chairman of the Development Panel**

The Panel extensively looked at the Chairman of the Development Panel role during its last two reviews of the Members' Allowances Scheme. The allowance was increased significantly in 2016/17 and then again in 2017/18.

The level of allowance is now comparable to other authorities.

Further information was provided on the role, as was requested when the Panel last reviewed allowances.

In light of the allowance being significantly increased over the last two years and upon consideration of the information received the Panel does not believe a further increase is warranted and proposes that the level of allowance payable to the Chairman of the Development Panel remain at £4,500.00.

Recommended:

That the allowance payable to the Chairman of the Development Panel remain set at £4,500.00.

5.7 **Chairmen of Overview and Scrutiny Committee**

The Panel noted that the Overview and Scrutiny Committee structure had been reviewed and that it now consisted of one committee, down from two.

Information was provided on the new structure. There was not enough evidence to show that the levels of responsibility or accountability of the two chairmen had significantly changed and upon that the Panel propose that the level of allowance payable to Chairmen of the Overview and Scrutiny Committee remain set at £2,720.71.

Recommended:

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

5.8 Chairman of the Licensing Committee

The level of allowance payable to the Chairman of the Licensing Committee was slightly increased in 2016/17.

At the last review it was noted that the Licensing Committee structure was under review. In light of this the Panel asked for information on any changes to the structure for this review.

It was noted that since the last review there have been no changes to the Licensing Committee structure and so the Panel does not propose any changes to the allowance payable to the Chairman of the Licensing Committee.

Recommended:

That the allowance payable to the Chairman of the Licensing Committee remain set at £2,992.78.

5.9 Chairman of the Audit Committee

Since the last review there have been no changes to the role or workload of the Chairman of the Audit Committee. The Panel is not proposing any changes to this allowance.

Recommended:

That the allowance payable to the Chairman of the Audit Committee remain set at £2,720.71.

5.10 Chairman of the Standards Committee

Since the last review there have been no changes to the role of the Chairman of the Standards Committee and no evidence was provided to suggest that the workload is any different. The Panel proposes that this allowance remain set at its current level.

Recommended:

That the allowance payable to the Chairman of the Standards Committee remain set at £2,720.71.

5.11 Leader of the Opposition

The Panel considered this allowance in detail at its review for 2016 and the Council agreed the Panel's recommendation to set the level of allowance at £2,720.71 and that this be paid only to the leader of the main opposition group.

Since this was agreed the Panel has not received any information to suggest that this allowance needs to be changed and therefore proposes it remain set at its current level.

Recommended:

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

5.12 Mayor and Deputy Mayor

The Panel recognises that the role of the Mayor is hands-on and is not just a ceremonial role. The role of the Deputy Mayor is more ceremonial, covering for the Mayor with attendance at events; however, this might also result in the Deputy Mayor needing to cover other duties of the Mayor such as chairing Council meetings.

The Panel proposes that these allowances remain set at their current levels.

Recommended:

That:

The allowance payable to the Mayor of Allerdale remain set at £7,071.00.

The allowance payable to the Deputy Mayor of Allerdale remain 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 (HMRC) approved rates for business travel mileage for employees' own vehicles. The council is also proposing that these be the rates set for its employees.

The Panel is satisfied with the current levels of travel allowance and proposes they remain set at these levels.

Recommended:

That the rates for Travel Allowance for councillors remain set as follows:

- Cars and vans:

First 10,000 miles: 45p

Above 10,000 miles: 25p

- Motorcycles:
First 10,000 miles: 24p
Above 10,000 miles: 24p
- Bikes:
First 10,000 miles: 20p
Above 10,000 miles: 20p

5.14 **Subsistence Allowance**

The levels of subsistence allowance were increased when the Council last amended its Members' Allowances Scheme, to bring them in line with the proposals being made at the time to the levels of subsistence allowance for employees.

As the allowance was recently increased to satisfactory levels the Panel is not proposing any changes to it.

Recommended:

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

- Breakfast - an absence of more than 4 hours before 11.00 am:
£6.95
- Lunch - an absence of more than 4 hours, including the period between 12 noon and 2:00 pm:
£9.50
- Tea - an absence of more than 4 hours, including the period between 3 pm and 6 pm:
£0.00
- Evening Meal - an absence of more than 4 hours ending after 7 pm:
£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 Council's 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.

Recommended:

That the rates for Travel Allowance payable to co-opted members of the Council remain set as follows:

- Cars and vans:
First 10,000 miles: 45p
Above 10,000 miles: 25p
- Motorcycles:
First 10,000 miles: 24p
Above 10,000 miles: 24p
- Bikes:
First 10,000 miles: 20p
Above 10,000 miles: 20p

That the levels of Subsistence Allowance payable to co-opted members of the Council remain set as follows:

- Breakfast - an absence of more than 4 hours before 11.00 am:
£6.95
- Lunch - an absence of more than 4 hours, including the period between 12 noon and 2:00 pm:
£9.50
- Tea - an absence of more than 4 hours, including the period between 3 pm and 6 pm:
£0.00
- Evening Meal - an absence of more than 4 hours ending after 7 pm:
£13.15

5.16 Telephone Allowance

The current Basic Allowance payable to all Members of the Council is inclusive of landline and mobile phone expenses.

Recommended:

That the Telephone Allowance remain included in the Basic Allowance payable to all Members of the Council.

5.17 Broadband Allowance

The current Basic Allowance payable to all Members of the Council is inclusive of broadband expenses.

Recommended:

That the Broadband Allowance remain included in the Basic Allowance payable to all Members of the Council.

5.18 Dependants' Carers' Allowance

Since the introduction of the Dependants' Carers' Allowance there has been no uptake. However, the Panel considers it important that this allowance remains included in the Scheme of Allowances, should there be a need for it.

Recommended:

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

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 Allowances be superannuated.

5.20 Co-optees' Allowance

The current scheme does not provide for a co-optees' allowance. The Panel did not consider any changes to this.

Recommended:

That a Co-Optees' Allowance not be included in the Scheme of Allowances.