



COUNCIL - 7TH OCTOBER 2008

SUBJECT: MEMBERS ALLOWANCES

REPORT BY: CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To report on the recommendations of the Independent Remuneration Panel for Wales on the maximum rates of allowances payable to Members and to seek a decision on a scheme of Members Allowances for 2008/2009.

2. LINKS TO STRATEGY

- 2.1 Every Local Authority is required to adopt a scheme of Members Allowances. Following the publication of the initial report from the Independent Remuneration Panel for Wales ("the Panel") there are maximum rates of allowances permitted. The intention is to ensure that a fair remuneration is paid to those who perform public duties and to help to attract people to stand for public office in future years.

3. BACKGROUND

- 3.1 The Panel was established under The Local Authorities (Allowances For Members) (Wales) Regulations 2007 to undertake a comprehensive review of the range and levels of allowances available to Councillors. Following extensive consultation the Panel has produced its initial report which prescribes the maximum levels of allowances to be paid. All Council's in Wales are required to amend their schemes in accordance with the Panel's findings within four months of the receipt of its report (the report was received on 30th August 2008). The levels set by the Panel are statutory maximums which cannot be exceeded and a copy of an Executive Summary of the Panel's Determinations is attached as Appendix 1. Also attached as Appendix 2 are the Panel's Recommendations many of which are already operated by the Council.
- 3.2 Throughout this exercise the Welsh Assembly Government has made it clear that it would welcome proposals from the Panel for further reform of the remuneration process for Councillors in Wales, particularly any proposals which would be designed to encourage wider participation in Welsh local government and there will be further reports published in the future. This is the Panel's initial report and there are only minor alterations to the way in which the Council operates its current scheme.

4. BASIC ALLOWANCES

- 4.1 Each Authority is required to set a basic allowance payable to all Members which previously could not exceed the maximum level notified annually by the Welsh Assembly Government.

4.2 In 2007/2008 the maximum allowance was set at £12,718. The Remuneration Panel has decided that the increase in the Basic Allowance should be based upon the relevant percentage increase in local government pay and that the level should be increased in line with the 2.45% pay offer for local government staff in 2008/2009 which will result in a basic allowance payable of £13,030 p.a. The Panel encourages all Councils to pay the maximum basic allowances set out in its report.

5. SPECIAL RESPONSIBILITY ALLOWANCES

5.1 Every Authority is allowed to recognise the additional duties undertaken by Members with special responsibilities. Special Responsibility Allowances have been payable under the 2002 Regulations, in addition to the basic allowance, to Councillors who hold office which is specified in the Council's Constitution and is included in the descriptions of Councillors listed in the pay bands set out in the Welsh Assembly Government's Statutory Guidance.

5.2 The maximum rates of payment to Councillors vary according to the population size of the Council concerned and the grouping of Councils by population bands has been based on the most recent results of the census of population. The starting point for this payment is determined by the allowance payable to the Leader of Council. These payments were previously linked annually to the level of Assembly Members salaries but the Panel has now determined that the link between the remuneration level of Council Leaders and "backbench" Members of the National Assembly for Wales should be no longer relevant and that SRA's payable in 2008/2009 should be increased in line with the increase in the Basic Allowance, i.e. 2.45%.

5.3 The maximum SRA's stipulated by the Panel for 2008/2009 are described in its report and this Authority falls into Band 2 Group C i.e. £34,579 p.a. based on the style of administration (Leader in a Leader plus Cabinet style administration and a population band between 100,001 and 200,000) and the Panel encourages all Councils to pay the maximum SRA's set for their population grouping.

5.4 Beyond the Leader's allowance, this Authority has applied a "weighting" formula to other senior positions which is set out below. The "weighting" is intended to broadly reflect the amount of time involved and the level of responsibility held for each position.

5.5 No Council is permitted to pay more than one SRA to any individual Member and no more than 50% of all Councillors in each Authority can receive an SRA.

5.6 The existing arrangements are as follows:-

<u>Position</u>	<u>Weighting</u>
Leader	100%
Deputy Leader	55%
Cabinet Member	50%
Leader of Opposition	30%
* Mayor	30%
* Deputy Mayor	10%
Chair of Scrutiny	15%
Vice Chair of Scrutiny	10%
Chair of Planning	15%
Vice Chair of Planning	10%
Chair of Licensing and Appeals Committee	10%
Chair of Licensing and Appeals Sub Committees	10%
Chair of Appointments Committee	5%
Chair of Audit Committee	5%
Vice Chair of Audit Committee	2.5%
Chair of Grievance and Appeals Committee	5%
Vice Chair of Grievance and Appeals Committee	2.5%

* Whilst the allowances for the Mayor and Deputy Mayor are calculated as a percentage of the Leader's allowance they are not SRA's under the Allowances Regulations but are separate allowances made under the Local Government Act 1972.

6. CARE ALLOWANCES

- 6.1 These relate to dependent children below the age of 15 where costs are incurred in providing care while Members are engaged on Council business, and to a dependent over the age of 15 years who require care while Members are away from their home on Council business.
- 6.2 The maximum allowance payable for 2007/2008 was £375 per month. Only a relatively small number of Members have claimed this allowance and expenditure for 2007/2008 was £12,190.
- 6.3 In the interests of consistency, the Panel has increased the level of the Care Allowance payable in 2008/2009 by 2.45% in line with the basic allowance, to a maximum of £384 per month.
- 6.4 The Panel has also decided that the Care Allowance will remain as an allowance that contributes towards the caring costs rather than a reimbursement of actual costs. Councillors will continue to be required to satisfy the Council that it is reasonable and appropriate for them to receive this allowance. Following discussion with Cabinet Members it is suggested that, to assist Members in submitting their claims, the form attached as Appendix 3 should be used in the future.

7. TRAVELLING ALLOWANCES

- 7.1 The rates of travel allowances for 2007/2008 were set in line with those paid to Assembly Members, viz 40p per mile reducing to 25p per mile after 10,000 miles. The Panel has decided that, at this stage, travel allowances should continue to be claims based for undertaking approved duties rather than made as lump sum or some other form of payments and that they should be the rates set by HM Revenue and Customs for the use of motor cars, motor cycles and pedal cycles plus any passenger supplement. The same rates as in 2007/2008 will therefore apply for the current year (40p per mile with a passenger supplement of 5p per passenger per mile reducing to 25p per mile after 10,000 miles).
- 7.2 All other claims for travel such as bus/train/taxi fares (when authorised) must be accompanied by appropriate receipts showing the actual expense, subject to any requirement or limitation that a Council may determine. Members should always be mindful of choosing the most cost effective method of travel.

8. SUBSISTENCE ALLOWANCES

- 8.1 The 2002 Regulations entitled Councillors and co-opted members to reimbursement of expenses for travel and subsistence at rates determined by their individual Council whilst on approved duty.
- 8.2 Following consultation with all Councils in Wales, and in the interests of consistency, the Panel has determined that subsistence rates should be based on the current average maximum payable by Councils.
- 8.3 It has therefore set a subsistence rate of a maximum of £26 per day (including breakfast when not provided as part of overnight accommodation). This would be a reimbursement of actual costs for approved duties with receipts to be provided.

- 8.4 It has also set the allowance for an overnight stay at a maximum of £105 for London and £90 elsewhere with receipts to be provided, for approved duties.
- 8.5 A maximum of £25 is available for an overnight stay with friends or relatives whilst on approved duty.
- 8.6 It has also recommended that Councils should make arrangements so that it would be normal practice for its Members to arrange overnight accommodation via the Council's Members Services Department using a central booking service for accommodation - all reservations for Members of this Authority are already made by that section.

9 CO-OPTEE ALLOWANCE

- 9.1 This is a new allowance introduced by the 2007 Regulations and replaces the Financial Loss Allowance which had been available under the 2002 Regulations. This allowance is only available for co-optees with voting rights.
- 9.2 The Panel has decided that this should be set at two levels viz:-
- for those co-optees who chair Council Committees (so far as this Authority is concerned the Standards Committee) the maximum allowance is set at £1450 per year in total.
 - for other co-optees (four with voting rights on the Standards Committee and two with voting rights on the Education for Life Scrutiny Committee) the maximum allowance is set at £760 per year in total.

the figures above are based on the assumption of four meetings a year.

- 9.3 Currently the Chair of the Council's Standards Committee receives an annual allowance of £1391.24 p.a. and he and the other lay members of the Committee receive an allowance of £37.46 per meeting. No allowance is currently paid to the two co-opted Members with voting rights referred to on the Education for Life Scrutiny Committee. No payment has previously been made to the Community Council representative on the Standards Committee so it is assumed that the payment of £760 per year will also apply to him/her. Officers are suggesting that the Standards Committee should be consulted on this proposal and that a further report should then be submitted to a future meeting of the Council.
- 9.4 The Panel is also recommending that the Welsh Assembly Government seeks to make Audit Committees a statutory requirement with lay members accorded full voting rights and therefore entitled to relevant remuneration. The Council's Audit Committee has no lay members and officers are not clear what the Panel is intending by recommending this and will seek clarification.

10. PENSIONS

- 10.1 The 2003 Regulations allowed the National Assembly for Wales to enable Councils to determine which Councillors should be permitted to join the Local Government Pension Scheme and this has been implemented by this Authority since 2005 and advice on joining the scheme has again been issued to all Councillors following the elections in May of this year.
- 10.2 The Panel is recommending that the present arrangements should continue, that all current and future elected members of Council's should be entitled to join the Scheme and that their basic and, where appropriate, SRA should be pensionable.

11. PERSONNEL IMPLICATIONS

11.1 There are no personnel implications associated with this report.

12. FINANCIAL IMPLICATIONS

12.1 The budget for 2008/2009 has been set on the assumption that increases would be broadly in line with the 2.45% pay offer for local government staff in 2008/2009.

13. CONSULTATION

13.1 There are no consultation responses that have not been reflected in the recommendations of this report.

14. RECOMMENDATIONS

- 14.1 (i) The decisions of the Remuneration Panel as set out in its report be implemented retrospectively with effect from 15th May 2008 (date of Council A.G.M.) as follows:-
- (a) Basic Allowances increased from £12,718 to £13,030 p.a.
 - (b) Special Responsibility Allowances together with the schedule of "weighting" calculations set out in paragraph 5.6 of this report.
 - (c) Care/Dependents Allowance increased from a maximum of £375 per month to a maximum of £384 per month with the recommendation referred to in paragraph 6.4 that to assist Members in submitting their claims, the form attached as Appendix 3 should be used in the future.
 - (d) travelling and subsistence rates as set out in paragraphs 7 and 8 of this report.
- (ii) The Standards Committee be consulted on the level of allowances to be paid to its Members and a further report on this together with the level of allowances to be paid to other co-opted Members with voting rights be then submitted to a future meeting of Council.
- (iii) The present arrangements currently operated by this Authority enabling Councillors to join the Local Government Pension Scheme, be continued.
- (iv) The Panel's Recommendations set out in Appendix 2 to this report many of which are already operated by the Council be endorsed subject to the term "allowances" being retained as more appropriate to the term "remuneration" (recommendation 21 refers) and to clarification being requested with regard to recommendation 18 "that the Welsh Assembly Government seeks to make Audit Committees a statutory requirement with lay members accorded full voting rights and accordingly entitled to relevant remuneration". Currently this Council's Audit Committee has no lay members.

15. REASONS FOR THE RECOMMENDATIONS

15.1 Every Authority is required to approve a scheme of Members Allowances, the terms of which must not exceed the maximum levels as set out in Regulations prescribed by the Independent Remuneration Panel for Wales.

16. STATUTORY POWERS

16.1 Local Government and Housing Act 1989, the Local Government Act 2000 and regulations and guidance issued under these Acts. Powers also invested in the Authority by the Independent Remuneration Panel for Wales. This is a Council function.

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Background Papers: Report of the Independent Remuneration Panel for Wales