



## STANDARDS COMMITTEE - 7TH OCTOBER 2010

**SUBJECT: MANAGEMENT OF THE CARE ALLOWANCE**

**REPORT BY: DEPUTY CHIEF EXECUTIVE**

---

### **1. PURPOSE OF REPORT**

- 1.1 To respond to a request from the Standards Committee to provide an explanation of the management of the Care Allowance.

### **2. LINKS TO STRATEGY**

- 2.1 Every county or county borough council is required to adopt an annual scheme of Members Allowances. The Care Allowance is included in the statutory framework for Members Allowances and Expenses.

### **3. BACKGROUND**

- 3.1 The National Assembly for Wales introduced legislation in 2002 to establish a new national framework for Members' allowances and expenses. In 2008 the Welsh Assembly Government established the Independent Remuneration Panel for Wales. The Panel has statutory responsibility for setting the annual maximum rates of Members allowances and expenses.
- 3.2 The national scheme of members' allowances is made up of payments for prescribed duties and expenses including; a basic allowance, special responsibility allowances, care allowance, travelling allowances, subsistence allowances and co-opted members allowances.
- 3.3 Councillors can claim the Care Allowance for costs for children under the age of 15 and dependants over the age of 15 years who require care. To be able to claim the care allowance for a dependant older than 15 years a member must be able to demonstrate to the Council that the dependant requires supervision. There is no such pre-qualification restriction for children under the age of 15.
- 3.4 To date only a relatively small number of Members have claimed the care allowance for childcare costs and no claims have been received for dependants older than 15 years.

### **4. CARE ALLOWANCE**

- 4.1 Following the introduction of the new allowance scheme in 2002, members asked for a review of the management of the Care Allowance. In particular, Members expressed concern that the regulations and guidance issued by the Assembly were inconsistent and conflicted. On the one hand the regulations stated the Care Allowance was payable *'in respect of such expenses of arranging for the care of children or dependants as are necessarily incurred...'*. However, the accompanying statutory guidance made it clear that Care Allowance claims should not reflect actual costs incurred. *'The Assembly recommends that local authorities*

*adopt the straightforward approach of paying a flat rate sum to any councillor who is eligible for the allowance and wishes to claim it..... It is not intended that this allowance will reflect the actual costs incurred by councillors but is considered to be a reasonable amount which lends itself to administrative simplicity. To require councillors to make claims against actual costs would be administratively complex, would raise questions of equity and would be more likely to lead to compliance problems.*

- 4.2 To provide clarity for Members making claims and to ensure proper accountability the following controls were introduced:
- Care Allowance claimants were required to provide a copy of a birth certificate as evidence of a dependents age.
  - A clause was included in the standard claim form confirming that 'costs have been incurred' and that claims are subject to the Council's Code of Conduct.
  - Members were required to submit claims on a monthly basis supported by a description of duties undertaken.
  - Claims stating that a Member attended meetings of full council and committees are checked for accuracy before being authorised by the Head of Performance and Policy.
  - Members were advised to keep a record of their activities when claiming the Care Allowance to support any future internal or external audit or investigation.
  - A requirement for receipts to support any claim for dependants over the age of 15 years.
- 4.3 All Members wishing to claim the care allowance were informed of the additional safeguards outlined above.
- 4.4 Until the publication of its latest annual report (dated December 2009), the Independent Remuneration Panel was of the opinion that the Care Allowance contributed towards caring costs rather than be a reimbursement of actual costs. However, the Panel now consider the Care Allowance shall only be payable for actual and receipted costs. The Panel's determination helpfully clarifies the legal framework and will ensure that receipts support future claims for the Care Allowance. Members were informed of the change when the last annual scheme of allowances report was considered at full Council.
- 4.5 For 2010/11 the Independent Remuneration Panel for Wales has set the Care Allowance at a maximum of £403 per month. The Council has not increased its allowances and expenses scheme for the last 2 years and allows claims up to a maximum of £384 per month. At the time of writing this report, for the financial year 2010/11 only 1 member has claimed the care allowance and submitted receipts totalling £112.50.

## **5. PERSONNEL IMPLICATIONS**

- 5.1 There are no personnel implications associated with this report.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Members' allowances are funded from the Scrutiny and Members Services budget.

## **7. CONSULTATION**

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

## **8. RECOMMENDATION**

8.1 That the Standards Committee note the contents of this report.

## **9. REASONS FOR THE RECOMMENDATIONS**

9.1 To respond to a request by the Standards Committee for this report.

## **10. STATUTORY POWERS**

10.1 Local Government and Housing Act 1989, the Local Government Act 2000 and regulations and guidance issued under these Acts.

Author: Jonathan Jones, Scrutiny and Members' Services Manager, Tel 01443 864242  
Consultees: Cllr Allan Pritchard, Deputy Leader and Cabinet Member for Human Resources and Constitutional Affairs  
Nigel Barnet, Deputy Chief Executive  
Colin Jones, Head of Performance and Policy  
Dan Perkins, Head of Legal Services and Monitoring Officer  
Gail Williams, Deputy Monitoring Officer  
Richard Harris, Head of Internal Audit