

RIBBLE VALLEY BOROUGH COUNCIL DECISION
REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 7

meeting date: 16 JUNE 2015
title: INDEPENDENT PANEL REPORT ON REVIEW OF MEMBERS'
ALLOWANCE SCHEME
submitted by: DIRECTOR OF RESOURCES
principal author: JANE PEARSON

1 PURPOSE

- 1.1 To consider the report of the independent remuneration panel on members' allowances following their review of the current scheme.
- 1.2 To make recommendations regarding the new scheme to Full Council on 14 July 2015.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations.
- 2.2 The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. You will recall a panel was established in November with a view to completing their review for the 2015/16 municipal year.
- 2.3 You agreed at Policy and Finance Committee on 24 March 2015 that the current scheme of Members' Allowances for 2014/15 would be extended until the outcome of the review of the independent panel was considered. In the past the new scheme of members allowances has been backdated to the beginning of the new municipal year.
- 2.4 You also agreed that a small working group be formed to consider the panel's report. This working group comprised Councillors Hirst, Hill, Smith and A Knox.
- 2.5 The Council, in revising the existing scheme, must have regard to the recommendations made by the panel. Final recommendations on the future scheme will be approved by Full Council in July.

3 OUTCOME OF REVIEW OF MEMBERS' ALLOWANCES SCHEME

- 3.1 The independent panel have met a number of times also interviewed a number of members as part of their review.
- 3.2 The full report of the panel is attached at Annex 1 and sets out their findings and recommendations.
- 3.3 This Committee needs to consider the independent panel's report and also that of the working group (see below) and decide whether to accept the recommendations of the panel and/or make any further recommendations for Full Council to consider at the meeting on 14 July 2015.

4 MEMBERS' ALLOWANCES WORKING GROUP

- 4.1 The Working Group met on 8 June 2015 to consider the Independent Remuneration Panel's report. The group discussed the report and its findings in detail.
- 4.2 They agreed with the general thrust of the Panel's findings which were to increase the Basic Allowance significantly and substantially reduce Special Responsibility Allowances.
- 4.3 They however felt that the recommendations had perhaps gone a little too far in the balance between basic and Special Responsibility Allowances. The Working Group therefore recommends increasing the Basic Allowance by 18½% (Panel 26%) and reducing Special Responsibility Allowance by 24% (Panel 41%).
- 4.4 They also felt that with the exception of Planning Committee all Committee Chairman should receive the same Special Responsibility Allowance.
- 4.5 Their suggested changes are set out in Annex 2 compared with the existing allowances and the panel's recommendations.

5 PUBLICITY

- 5.1 As soon as reasonably practicable after receiving the Independent Remuneration Panel's report the Council must make it available for public inspection. A notice must be publicised in the local press describing the main features of the panel's recommendations and specifying the amounts of each allowance. The notice must also state that copies of the Panel's report are available for public inspection.
- 5.2 Once the Council has approved the Scheme for Members' Allowances it must make arrangements for its publication by:-
- ensuring that copies of the scheme are available for public inspection; and
 - publishing a notice in the local press describing the main features of the scheme and specifying the amounts payable in respect of each allowance mentioned in the scheme.
- 5.3 There should be an indication of any differences from the recommendations in the report of the Independent Remuneration Panel.
- 5.4 The Council is also required to publish the amount of allowances paid to each Member as soon as practicable at the end of each financial year.

6 COST OF SCHEME

- 6.1 The Council's full year budget for 2015/16 for members' allowances is £211,420. The recommendations of the Independent Panel would result in a cost of £200,554. If the working group amendments were to be accepted this would result in a total cost of £206,500. Both are obviously lower than the budgeted amount for the year.

7 RECOMMENDED THAT COMMITTEE

- 7.1 Considers the attached report of the Independent Remuneration Panel on Members' Allowances and also the views of the working group.
- 7.2 Decides upon a revised Scheme for Members' Allowances to recommend to Full Council on 14 July 2015.

7.3 Thank the Independent Remuneration Panel for their work in formulating proposals for a revised scheme.

DIRECTOR OF RESOURCES

PF33-15/JP/AC
5 June 2015

RIBBLE VALLEY BOROUGH COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS ALLOWANCES APRIL 2015

THE INDEPENDENT REMUNERATION PANEL

DAVID MORRIS – Retired Chief Executive – Ribble Valley Borough Council
 IAN LLOYD – Senior Partner – Mortimers Estate Agents, Clitheroe
 KEITH POWER – Director - North West Employers
 REV ANDY FROUD – Vicar – St Mary Magdalene’s Church, Clitheroe

Advised by:

- Marshal Scott, Chief Executive
- Jane Pearson, Director of Resources
- Diane Rice, Legal Services Manager

1 PURPOSE OF THE INDEPENDENT PANEL

1.1 The Independent Panel was established under the Local Authorities (Members Allowances) (England) Regulations 2003 to formulate and recommend to the Council a revised scheme of allowances for elected members that would reflect their duties and responsibilities under the Council’s Constitution.

2 TERMS OF REFERENCE

2.1 To review the existing scheme and propose a scheme for members allowances which:

- recognises the roles, duties and responsibilities of members both as decision makers and community representatives under the Council’s Constitution;
- is easy to understand by councillors and the public;
- is simple to operate;
- includes provision for annual review without the need for fundamental change;
- considers what other allowances, such as travel and subsistence, should be paid, and in what circumstances, and whether a dependents carers allowance should be paid;
- considers provision for different levels of allowances reflecting the responsibilities of the postholder or group of postholders and standing according to the political composition of the Council.

2.2 The Independent Panel is also asked to make other recommendations as it considers necessary.

3 PRESENT MEMBERS ALLOWANCE SCHEME

3.1 The Council’s present members allowance scheme was approved by the Council in July 2011. In reaching its decision members took account of the report of an Independent Panel that had been established. Allowances have been updated under the agreed formulae on an annual basis.

3.2 The existing scheme of members allowances is shown below:

- (1) A Basic Allowance for all members of £2952 per year
- (2) The Special Responsibility Allowances to be:-
 - o Leader – 5 x basic allowance £14,760 pa
 - o Deputy Leader – 3 x basic allowance £8,856 pa
 - o Leader of the Opposition – 3 x basic allowance £8,856 pa
 - o Committee Chairs – 2 x basic allowance £5,904 pa
 - o Planning & Development Committee Chairman
2½ x basic allowance £7,380 pa
 - o Committee Vice Chairs – 1 x basic allowance £2,952 pa
- (3) Dependent Carers Allowance £6.50 per hour
- (4) These allowances are increased each year (April) in line with the increase in the National Minimum Wage the previous October.
- (5) No member to be entitled to more than one special responsibility allowance.
- (6) Travel & subsistence to be paid at the prescribed national rates for members.

4 THE EVIDENCE CONSIDERED

- 4.1 The panel met on 2 occasions and considered the legal background to the payment of members' allowances, the terms of reference, political composition of the Council, the present committee arrangements, attendance at outside bodies and the current members allowance scheme.
- 4.2 The Annual Basic Allowance is increased each year in April in line with the increase of the National Minimum Wage. Since May 2011 to May 2015 the Annual Basic Allowance will have increased by 10%.

QUESTIONNAIRE

- 4.3 The Panel sent a questionnaire to all councillors in order to ascertain the amount of time spent by councillors on their various roles. Councillors also responded to questions relating to the present Members Allowance Scheme.
- 4.4 25 Councillors completed the questionnaire. They commented upon the Annual Basic Allowance, the level of the Special Responsibility Allowance, the demands of Planning Committee members, the role of specific Committee Chairs and Vice-Chairs and the role of the Leader of the Opposition.
- 4.5 Over 90% of respondents considered the Scheme to be a reasonable way of recognising the responsibilities of Leaders and Chairs.
- 4.6 Councillors also commented on the work carried out by the members who represent the Council on "Outside Bodies".

OTHER LOCAL AUTHORITIES

- 4.7 The Panel obtained current details of members allowance schemes from 8 comparable local authorities and the 12 Lancashire District local authorities.

INTERVIEWS WITH COUNCILLORS

- 4.8 The Panel interviewed 5 councillors representing a cross section of the members of the council. Each councillor was asked the same questions relating to the current details scheme. The responses were noted and subsequently discussed by the Panel.

5 CONCLUSIONS

The Panel have reached the following conclusions:-

- 5.1 The current Annual Basic Allowance is low and the Special Responsibility Allowances are high when compared to similar local authorities and Lancashire District Local Authorities.
- 5.2 The calculation of the Annual Basic Allowance is easy to understand and simple to operate. The calculation is as follows:
- AVERAGE NUMBER OF HOURS SPENT ON COUNCIL DUTIES PER WEEK X
HOURLY RATE X 52 WEEKS
- 5.3 The analysis of the questionnaire survey completed by councillors indicates that the average time spent by councillors on council duties, excluding special responsibilities is 13.5 hrs per week. The Panel considers that part of that time should reflect voluntary public service. An allocation of 20% public service is considered to be reasonable. Therefore, the Panel have concluded that 11 hours per week be used for calculating the Annual Basic Allowance.
- 5.4 The Panel considers that the hourly rate to be used as from 7 May 2015 should be the current National Minimum Wage. This is £6.50 per hour.
- 5.5 These changes will increase the current Annual Basic Allowance from £2,952 to £3,718. This is an increase of 26%.
- 5.6 Only 1 of the 8 similar local authorities and only 2 of the 12 Lancashire District Local Authorities pay a lower Annual Basic Allowance than this Council.
- 5.7 However, this Council's Special Responsibility Allowances are high when compared with similar local authorities and the Lancashire District Local Authorities.
- 5.8 Special Responsibility Allowances Comparisons are as follows:

Similar Local Authorities (x8)

Leader	only 1 pays more than this Council
Deputy Leader	none pay more than this Council and 1 makes no payment
Leader of the Opposition	none pay more than this Council
Chairs of Committees	only 1 pays more than this Council
Vice-Chairs of Committees	none pay more than this Council and 3 make no payments

Lancashire District Councils (x12)

Leader	only 2 pay more than this Council
Deputy Leader	only 2 pay more than this Council and 4 make no payments
Leader of the Opposition	none pay more than this Council

Chairs of Committees none pay more than this Council
Vice-Chairs of Committees none pay more than this Council and
5 make no payments

- 5.9 The higher amount of Special Responsibility Allowance for the Chair of the Planning and Development Committee compared to other service committee chairs is justified. This committee meets twelve times per year and deals with a large number of complex issues, numerous technical matters and considerable public interest as well as “pressure” from applicants and objectors.
- 5.10 The current calculation of Special Responsibility Allowances is achieved by multiplying the Annual Basic Allowance by a prescribed multiplier. This is easy to understand, is simple to operate and rewards those Councillors who have particular responsibilities.
- 5.11 At present 15 councillors receive a Special Responsibility Allowance.
- 5.12 The annual number of committee meetings has been reduced since the last review of the Members Allowance Scheme in 2011. The Full Council meets 6 times a year. Annually there are 12 Planning and Development Committee meetings and 6 Policy and Finance Committee meetings. The Community Services Committee, Personnel Committee, Health and Housing Committee and Parish Council Liaison Committee all meet 5 times in a year. The Licensing Committee meets 4 times in a year and the Accounts and Audit Committee meets 4 times in a year. There are a total of 51 meetings in a year. The attendance at meetings by councillors averages 80%.
- 5.13 During 2013/14 and 2014/15 to date the Chairs of the various committees have only been absent on 7 occasions.
- 5.14 27 councillors are members of Local Outside Bodies. The membership of Local Outside Bodies is considered to be part of the councillors role as community representatives.
- 5.15 The current Travel and Subsistence Allowances are the same as the allowances paid to Council Officers.
- 5.16 The current seats on the Council by Political Parties are:-
- | | |
|-------------------|----|
| Conservatives | 33 |
| Liberal Democrats | 6 |
| Independent | 1 |
- The Conservative Party has a substantial majority.
- 5.17 It may be necessary to review Special Responsibility Allowances recommended by the Panel depending upon the results of the Local Government Elections which will take place on 7 May 2015.
- 5.18 The majority of councillors consider that the current Annual Basic Allowance and the current Special Responsibility Allowances are about right.
- 8 UNANIMOUS RECOMMENDATIONS OF THE PANEL

Annual Basic Allowance

- 6.1 The Panel recommends an increase of the Annual Basic Allowance, payable to all councillors, to £3,718 based upon the following calculation:
- 11 hours per week x £6.50 per hour x 52 weeks = £3,718

- 6.2 The current Annual Basic Allowance is £2,952.
- 6.3 The Panel recommends that any future increase in the hourly rate be introduced as from 1 April, starting in 2016 and any such increases to be based upon the National Salary Increases of Local Government Staff.

Special Responsibility Allowances

- 6.4 The Panel recommends the following Special Responsibility Allowances based upon an appropriate multiplier of the Annual Basic Allowance as detailed in the following table:

Responsibility	Recommended		Current	
	Multiplier	Annual Amount £	Multiplier	Annual Amount £
Leader	x 3½	13,013	x 5	14,760
Deputy Leader	x 2	7,436	x 3	8,856
Leader of Opposition	x 1½	5,577	x 3	8,856
Chairman of Planning & Development Committee	x 2	7,436	x 2½	7,380
Chairs of Community Services, Personnel, Health & Housing Committees	x 1	3,718	x 2	5,904
Chairs of the Licensing and Accounts & Audit Committees	x ½	1,859	x 2	5,904
Vice Chairs of Committees	N/A	500	x 1	2,952

- 6.5 The Panel recommends the reduction of Special Responsibility Payments made to the Vice-Chairs of Committees to an annual allowance of £500.
- 6.6 The Panel recommends that no Councillor is entitled to more than one Special Responsibility Allowance.
- 6.7 The Panel recommends that the Leader is always Chair of the Policy and Finance Committee and the Deputy Leader is always the Vice-Chair of the Policy and Finance Committee.

6.8 Dependents Carers Allowance

The Panel recommends a payment of the National Minimum Wage per hour for the cost of arranging for the care of children, elderly relatives or disabled relatives requiring full- time care whilst Councillors are conducting their approved duties.

6.9 Travel & Subsistence Allowance

The Panel recommends payment of Travel & Subsistence allowances in accordance with the current scheme [which is attached as an Appendix] except that the rates of travel by a councillor in his / her own car should be the same as the rates paid to council officers.

6.10 Suspension of a Councillor

The Panel recommends that payment of any allowances be withheld by the Council where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Council.

6.11 Other Recommendations

The Panel recommends that:

6.11.1 The Annual Basic Allowance and the Special Responsibility Allowances to be paid in 12 equal, monthly instalments.

6.11.2 The revised Scheme of Members' Allowances be reviewed and then introduced after the election of a "new council" following the Local Government Elections on 7 May 2015.

6.11.3 The Panel considers that the details of "approved duties", which are eligible for travel & subsistence allowances, should be provided to all councillors.

9 COST OF THE RECOMMENDED MEMBERS ALLOWANCES SCHEME

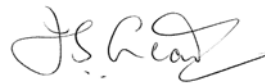
7.1 The increased cost of the changes to the Annual Basic Allowance is £30,640.

7.2 The reduced cost of the changes to the Annual Special Responsibility Allowances is £35,751.

7.3 Therefore, the recommended changes to the current Members Allowances Scheme will result in an annual saving of £5,111.



David Morris



Ian Lloyd



Keith Power



Rev Andy Froud

RIBBLE VALLEY BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

SCHEDULE 'B' – TRAVELLING AND SUBSISTENCE ALLOWANCES

TRAVEL COSTS

(a) Car Mileage

The rate for travel by a councillor in a private vehicle shall not exceed:

cylinder capacity:	2012/13 rates	(to be reviewed wef 1/4/14 in line with NJC Car Allowance Rates)
Not exceeding 999c	46.9p per mile	
1000cc and above	52.2p per mile	

The above rates will be revised in accordance with the rates determined by the National Joint Council for Local Authorities.

For total journeys **exceeding 60 miles** members will normally be expected to claim public transport rates regardless of the method of travel used. Exceptions to this will be journeys to Manchester or within Lancashire.

(b) Public Transport

Where public transport is used, costs will be reimbursed on the production of the relevant receipts

(c) Car Sharing

Where a councillor brings another councillor or councillors to approved duties he/she shall be entitled to a passenger allowance of 5p per mile for each passenger.

(d) Bicycles

When a councillor uses a bicycle the rate shall not exceed 20p per mile. This rate shall be revised in accordance with the maximum allowance for income tax purposes as determined by HMRC.

(e) Other Travel Expenses

The actual and receipted expenditure incurred on tolls, ferries or parking fees, may be claimed.

SUBSISTENCE

Overnight Accommodation

Where the nature of the duties being undertaken result in a councillor being absent from his/her usual place of residence overnight accommodation will be booked and paid directly by the borough council.

In exceptional circumstances where it is not possible for the borough council to make a direct booking on behalf of a councillor, the actual receipted cost of accommodation including breakfast will be reimbursed to the councillor. Such reimbursement will be subject to a maximum allowance per night as follows:

Area	£
London	148.72
Elsewhere in the UK	126.39

These maximum allowances are reviewed each April using the retail price index.

DAY SUBSISTENCE

For an absence of more than 4 hours from the normal place of residence, councillors may claim reimbursement in respect of actual receipted expenditure incurred on subsistence subject to the following maximum allowances:

Period	£
For a period greater than four hours but less than eight hours	22.28
For a period greater than eight hours but less than twelve hours	37.15
For a period greater than twelve hours	52.05

These maximum allowances are reviewed each April using the retail price index.

WHEN TRAVEL AND SUBSISTENCE CAN BE CLAIMED

Appropriate travel and subsistence allowances may be claimed in accordance with the above details where such travelling and/or subsistence has been undertaken in connection with one or more of the following duties:

- (a) The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority or a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972 or a Sub-Committee or such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.
- (c) The attendance at a meeting of any association of authorities of which the Authority is a member.
- (d) The performance of any duty in pursuance of any Standing Order made under section 135 of the Local Government Act 1972 requiring a Member or Members to be present while tender documents are opened.

- (e) The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- (h) The carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Authority or any of its Committees or Sub-Committees.
- (i) The attendance at any working group formed by a Committee of the Council.
- (j) Site visits agreed by a Committee or in the case of members of Planning and Development Committee the inspection of any sites relating to planning applications submitted to that Committee for consideration.

Examples of instances when Councillors can claim travel and subsistence

Claimable	Not Claimable
Committee meetings	Political Group meetings
Full Council meetings	Constituency work/visits
Sub Committee meetings	Adhoc visits to council offices
Authorised Working Group meetings eg Budget Working Group	Car Parking fees for visits to/meetings at council offices
Chairman's briefings	
Political Group meetings <u>with</u> CMT	
Approved site visits	
Approved training	
Approved attendance at conferences	
Attendance at outside bodies as a nominated representative of the council	

Recommendations of Working Group

Basic Allowance	Current	Independent Panel Recommendation	Working Group Recommendation
	Annual Amount £	Annual Amount £	Annual Amount £
All Councillors	2,952	3,718	3,500

Special Responsibility	Current		Independent Panel Recommendation		Working Group Recommendation	
	Multiplier	Annual Amount £	Multiplier	Multiplier	Annual Amount £	Multiplier
Leader	x 5	14,760	x 3½	13,013	x 4	14,000
Deputy Leader	x 3	8,856	x 2	7,436	x 2½	8,750
Leader of Opposition	x 3	8,856	x 1½	5,577	x 2	7,000
Chairman of Planning & Development Committee	x 2½	7,380	x 2	7,436	x 2	7,000
Chairs of Community Services, Personnel, Health & Housing Committees	x 2	5,904	x 1	3,718	x 1½	5,250
Chairs of the Licensing and Accounts & Audit Committees	x 2	5,904	x ½	1,859	x 1½	5,250
Vice Chairs of Committees	x 1	2,952	n/a	500	n/a	500*
*Vice Chair of Planning & Development	x 1	2,952	n/a	500	n/a	1,000

This would see an overall budgetary saving of £4,920

Increase in Basic Allowance of 18½%

Reduction in Special Responsibility Allowances of 24%
