

# Crawley Borough Council

	Report No: LDS/17	<b>B</b>
--	-------------------	----------

## Report to General Purposes Committee

15 March 2010

### Members' Allowances Scheme: Report of Independent Review Panel

#### 1. Key Points

- 1.1 This report deals with the Final Report of the Members' Allowances Independent Review Panel which recommends:
- i) that the adjustments to the level of basic and special responsibility allowances be determined according to an index with the Chief Officers' pay awards to be used for this purpose;
  - ii) that, unless there were changes of membership of the Panel or the Panel received a request from its own Members or from elected Members to meet earlier due to changes of circumstances, this scheme will also cover the period 2011/12 subject to appropriate changes required as a result of:
    - a) The Chief Officers' pay awards (for basic and special responsibility allowances);
    - b) Inland Revenue Rates (for mileage allowances);
    - c) Officer rates (for other travelling (i.e. reimbursement of reasonable expenditure incurred) and subsistence allowances (updated annually with effect from 1 April to tie in with any changes in the Retail Price Index));
  - iii) that, having conducted a very thorough review in 2008/9, no further changes were required to the current scheme other than those identified in (i) and (ii) above.

- 1.2. Full details of the research undertaken by the Panel, its conclusions and recommendations are set out in the Panel's Final Report which has been circulated separately to all Members of the Council and is available on request from Legal and Democratic Services (Tel: 01293 438549) or on the Council's website ([www.crawley.gov.uk](http://www.crawley.gov.uk)).

## **2. Recommendations**

- 2.1 **That the Committee considers the report of the Members' Allowances Independent Review Panel (circulated separately to all Members of the Council) and decides what it wishes to recommend to Full Council as the Members' Allowances Scheme for 2010/11 and 2011/12.**
- 2.2 **That the Members of the Panel be thanked for the thorough and efficient way that they carried out the review.**

ANN MARIA BROWN  
Head of Legal and Democratic Services

### **3. Background**

- 3.1. The Members' Allowances Regulations require that, before the Council can determine its Members' Allowances Scheme for the ensuing year, it must consider a report from an Independent Panel.

### **4. The Panel's Conclusions and Recommendations**

#### **4.1 General**

- 4.1.1 The Panel's deliberations and full recommendations are set out in its report.
- 4.1.2 The Panel noted schemes operated elsewhere in authorities similar to Crawley and concluded that, in general, the level of allowances is set at the right level. Although it acknowledged that Crawley BC's allowances were above average the Panel, nevertheless, considered they were a fair, justified remuneration and reflected the nature of the local population, local services and the issues, complexities, demands and responsibilities faced by Members.

#### **4.2 Use of Indices for determining adjustments to the level of allowances**

- 4.2.1 One of the Panel's tasks was to consider whether adjustments to the level of allowances might be determined according to an index and how long that index should apply subject to a maximum of four years, before its application was reviewed. In this connection, the Panel took the view that it had conducted a very thorough review in 2008/09 having reconvened, at the request of the Council, to interview several additional post holders and to make recommendations proposing the further amendment of the scheme. This being the case, it explored further the question of determining adjustments to the level of allowances by way of an index and subsequently agreed that the Chief Officers' pay awards be used for this purpose.
- 4.2.2 The Panel then considered how long that index should apply for (subject to a maximum of four years) before the Panel should meet again to review Members' Allowances. Arising from these discussions, the Panel:
- i) considered that it had conducted a very thorough review in 2008/09 and, therefore, felt it had less value to add to the process this year;
  - ii) noted that 3 of the Panel's 5 Members only had one more year of their 4 year term to serve before being required to decide whether or not to seek reappointment;
  - iii) emphasised the importance of Members of the Panel having the opportunity to help develop, and maintain, an understanding of their role to enable the Panel to fulfil its function effectively;
  - iv) noted an estimate of the costs/savings of servicing the Panel if it met (and applied an index for those years in between Panel meetings):
    - annually (cost = £2271 per annum);
    - once every 2 years (saving = £4,252 over 4 years);
    - once every 4 years (saving = £6,813).

4.2.3 The Panel is proposing that, unless there were changes of membership of the Panel or the Panel received a request from its own Members or from elected Members to meet earlier due to changes of circumstances, it should:

- i) next meet in Summer/Autumn 2011 when new Members would have recently been appointed to the Panel and would consider Members' Allowances for 2012/13 onwards;
- ii) meet no less than every two years to ensure it fulfilled its function effectively and efficiently.

### **4.3 Other elements of the scheme**

4.3.1 The Panel also took the view that it had conducted a very thorough review in 2008/09 having reconvened, at the request of the Council, to interview several additional post holders and to make recommendations proposing the further amendment of the scheme. The Panel concluded that no further changes were required to:

- (a) Co-optees' Allowance;
- (b) Dependant Carer's Allowance;
- (c) Backdating of amendments to the scheme made during the year;
- (d) Member entitlement to pensions;
- (e) Travelling and subsistence allowances (i.e. mileage rates continue to be linked to the Inland Revenue rate and subsistence allowances should be the same as those paid to officers);
- (f) Suspension.

## **5. Staffing, Equalities, Financial and Legal Implications/Powers**

5.1. The cost of the revised Members' Allowances Scheme recommended by the Independent Review Panel will be around £371,000 in a full year, plus an estimated £5,000 for travel and dependant care payments. These figures include National Insurance and pension contributions payable by the Council as an employer, and can be accommodated within the existing budget provision of £376,000.

5.2. If, on the recommendation of the Panel, a backdated amendment to the scheme were to be proposed during the current year, which could not be accommodated within the existing budget provision, then a supplementary estimate would need to be agreed to provide for the additional expenditure.

## **6. Links to the Sustainable Community Strategy and Corporate Plan**

6.1. The proposals contained in this report relate to the following key areas of the Sustainable Community Strategy

Community Cohesion	y	Community Safety	
Young People and Children	y	Health and Well Being	
Older People	y	The Environment	
The Local Economy	y	Social Inclusion	y

The following key principles are applicable:-

- |       |                                            |   |
|-------|--------------------------------------------|---|
| (i)   | Working together                           | y |
| (ii)  | Dignity, respect and opportunities for all | y |
| (iii) | Involving People                           | y |
| (iv)  | Making it last                             | y |

The report relates to the following areas in which the Council operates to enhance the town and the quality of life of local people:-

- |       |                 |   |
|-------|-----------------|---|
| (i)   | Prosperity      |   |
| (ii)  | Community       |   |
| (iii) | Environment     |   |
| (iv)  | Value for Money | y |

## **7. Reasons for the Recommendation**

- 7.1. The proposals contained in the Report of the Members' Allowances Independent Review Panel have been made with a view to acknowledging the responsibility and time commitment required of Members to carry out their duties.

## **8. Background Papers**

- i) Reports and minutes of the Members' Allowances Independent Review Panel
- ii) The Local Authorities (Members' Allowances) (England) Regulations 2003

Contact Officer:- Steve Lappage  
Direct Line:- 01293 438549

**MEMBERS' ALLOWANCES SCHEME 2010/2011 and 2011/12 (From 1 April 2010 to 31 March 2012) (DRAFT)**

1. This scheme may be cited as the Crawley Borough Council Members' Allowances Scheme, and shall have effect from 1 April 2010 to 31 March 2012.
2. In this scheme,

“Councillor” means a member of the Crawley Borough Council who is a Councillor;

“total estimated allowances” means the aggregate of the amounts estimated by the Head of Finance and Procurement, at the time when a payment of basic allowance or special responsibility allowance is made, to be payable under this scheme in relation to the relevant year, and for this purpose any election under paragraph 9 shall be disregarded;

“year” means the 12 months ending with 31 March.
3. Basic Allowance

Subject to paragraph 10, for each year a basic allowance of £5,949 shall be paid to each Councillor.
4. Special Responsibility Allowances
  - (1) For each year a special responsibility allowance shall be paid to those Councillors and Co-opted Members who hold the special responsibilities in relation to the authority that are specified in schedule 1 to this scheme.
  - (2) Subject to paragraph 10, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
5. Travelling and Subsistence Allowances
  - (1) Travelling and subsistence allowances shall be paid to Councillors and co-opted members in the following circumstances:-
    - (a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other 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 at least one other authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of 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 attendance at a meeting of the Cabinet or a meeting of any of its committees, where the authority is operating Cabinet arrangements;
  - (e) 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);
  - (f) 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;
  - (g) 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. (The duties approved by the Council for the payment of travelling, subsistence and dependant care allowances under this sub-section are specified in schedule 2 to this scheme.)
- (2) The level of travelling allowances payable to Councillors and Co-opted Members shall be based on that approved by the Inland Revenue as currently set out below. Although no changes to these Inland Revenue rates have been made since 2002 and none are expected, if there are any changes the figures below will be amended accordingly:-

	<b>First 10,000 miles</b>	<b>Each mile over 10,000</b>
<b>Cars and vans</b>	40p	25p
<b>Motor cycles</b>	24p	24p
<b>Bicycles</b>	20p	20p

In addition, elected Members may claim a passenger supplement of 5p per mile for carrying passengers in a car or van who would otherwise be entitled to a travelling allowance.

- (3) The level of subsistence allowances payable to Councillors and Co-opted Members shall be the same as those paid to officers. The figures set out below relate to the allowances paid in 2009/10. The officer rates will be updated annually on 1 April each year to tie in with any changes in the retail price index. This has not yet been determined for 2010/11 (as of 22 February 2010). If there is an increase the figures below will be increased accordingly.

<u>Subsistence Allowances</u>	<u>Rate</u>
Breakfast (more than four hours absence before 11.00 a.m.)	£6.45
Lunch (more than four hours absence including the period 12 noon to 2.00 p.m.)	£8.91
Tea (more than four hours absence including the period from 3.00 p.m. to 6.00 p.m.)	£3.53
Evening Meal (more than four hours absence ending after 7.00 p.m.)	£11.03
Out of Pocket Expenses (residential training courses):	
Per night	£4.97
Per week	£19.86

#### Overnight Rate

Overnight rate should be the actual cost up to a maximum of £86.46 (or £99.51, if in London) subject to the Head of Legal and Democratic Services being empowered to authorise a higher amount in specific instances where suitable accommodation cannot be found within the limit.

#### 6. Dependant Carers' Allowance

A Dependant Carers' Allowance of the actual cost up to £8.82 per hour shall be payable to cover the cost of caring for a Councillor's dependent children or elderly/disabled relatives whilst a Councillor is undertaking an approved duty, provided the carer is not a member of the Councillor's own household. In addition, the Dependant Carers' Allowance, at the level prescribed above, shall be payable to cover the cost of a live-in nanny caring for a Councillor's dependant whilst the Councillor is undertaking an approved duty. In other circumstances where professional babysitting and care services are used and a minimum period for the service is imposed by the service provider, then the period in respect of which the allowance is payable shall include the whole period for which a councillor is charged.



The Dependant Carers' allowance shall only be payable in relation to duties described in paragraph 5 (a) to (g) above.

7. Local Government Pension Scheme

Elected Councillors under 75 years of age shall be admitted to the local government pension scheme, if they so wish.

Pensions shall be calculated based on average earnings (and not on final salary) and payments shall be index-linked.

Only basic allowances and special responsibility allowances shall be pensionable.

The pension scheme will provide a pension at age 70 for those with at least two year's membership of the scheme or a reduced pension for members retiring between 65 and 70.

8. Co-opted Members

Co-opted Members shall only receive travelling and subsistence allowances and any special responsibility allowance which might apply.

9. Renunciation

A Councillor may by notice in writing given to the Head of Finance and Procurement elect to forego any part of his/her entitlement to an allowance under this scheme.

10. Part-Year Entitlements

(1) The provisions of this paragraph shall have effect to regulate the entitlements to basic and special responsibility allowances where, in the course of a year, this scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or an office holder accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

(2) If an amendment to this scheme changes the amount to which a Councillor or an office holder is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods

(a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or

(b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year,

the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

- (3) Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his or her term of office subsists bears to the number of days in that year.
- (4) Where this scheme is amended as mentioned in sub-paragraph (2), and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph (2) (a), the entitlement of any such Councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during his or her term of office as a Councillor subsists bears to the number of days in that period.
- (5) Where an office holder has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that office holder's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- (6) Where this scheme is amended as mentioned in sub-paragraph (2), and an office holder has during part, but does not have throughout the whole, or any period mentioned in sub-paragraph (2) (a) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that office holder's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

11. Suspension

Any allowance payable to a Councillor during a period of suspension, or partial suspension, which is imposed due to a breach of the Code of Conduct shall be withheld. Where payment of any such allowance has already been made, that part of the allowance which relates to the period of suspension shall be repaid to the Council.

12. Payments

Payments shall be made in respect of basic and special responsibility allowances and pensions in monthly instalments in arrears (*subject to paragraph 9 above - renunciations*).

## SCHEDULE 1

**The following are specified as the special responsibilities in respect of which special responsibility allowances are payable and the amounts of those allowances:-**

The allowances for 2010/11 and 2011/12 are set out below subject to any adjustments to the level of allowances being determined by using the Chief Officers' pay awards as the index. At the time of producing this draft scheme, the Chief Officers' pay award for 2010/11 has not yet been finalised. However, in the light of recent statements by the employers organisation it is expected it will be a 0% pay award. If there is an increase the figures below will be increased accordingly.

Office Holder	Special Responsibility
	£
<b>Basic allowance (all councillors)</b>	5949
Leader of the Council	14281
Cabinet Portfolio Holders	7138
Overview and Scrutiny Commission Chair	6389
Vice Chair of Scrutiny Commission	1166
Payment to Chair of a Scrutiny Panel (note: Members would be entitled to only one £1133 allowance per year even if they chose to undertake a second review)	1133
Chair of Development Control Committee	5949
Vice Chair of Development Control Committee	2380
Chair of Licensing Committee	5949
Vice Chair of Licensing Committee	1166
Chair of Standards Committee	2380
Chair of General Purposes Committee	2380
Chair of Audit and Governance Committee	2380
Chair of Budget Advisory Group (payable provided the post holder is not a Cabinet Member)	2380
Leader(s) of minority group(s) ( <i>differential rates depending on number of members in that Group</i> );	
• basic allowance	2200
• additional payment per group member	274

No member is entitled to more than two special responsibility allowances. If they fulfil three or more of the above roles, they are paid only the highest two allowances.

## SCHEDULE 2

**The following are approved duties for the payment of travelling, subsistence and dependant care allowances in accordance with sub-section 5 (g) of this scheme:-**

- (i) Attendance at seminars and training courses funded by the Crawley Borough Council, whether held in the Town Hall or elsewhere.
- (ii) Attendance at meetings with Council Officers in connection with Crawley Borough Council duties.
- (iii) Attendance at meetings with other local authorities, central government or other agencies in connection with Crawley Borough Council duties.
- (iv) Attendance at meetings with members of the public in connection with Crawley Borough Council duties.
- (v) Attendance at meetings with voluntary organisations or public sector bodies, award ceremonies, or public events in connection with Crawley Borough Council duties