

## COUNCIL – 24TH FEBRUARY 2020

### Report of the Chief Executive

#### ITEM 6.5 REPORT OF THE INDEPENDENT REMUNERATION PANEL IN RESPECT OF ALLOWANCES PAID TO MEMBERS OF CHARNWOOD BOROUGH COUNCIL FOR 2020/21

##### Purpose of Report

To consider the findings and the recommendations of the Independent Remuneration Panel in respect of allowances paid to members of Charnwood Borough Council (attached as Appendix A) and the Scheme of Members' Allowances for 2020/21 (attached as Appendix B), and to seek re-appointment of two members of the Panel.

##### Recommendations

1. That Council considers the recommendations of the Independent Remuneration Panel, submitted in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 as set out in Appendix A, and agrees to adopt the proposed Scheme of Members' Allowances for the 2020/21 financial year, as set out at Appendix B.
2. The the re-appointments of the following Panel members be confirmed for further four year periods as follows:
  - Mr Paul Smith (up to and including 2023/24)
  - Mr Patrick Cleere (up to and including 2024/25).

##### Reasons

1. To ensure compliance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
2. To extend the appointments to the Panel for the two relevant Panel members for a further four years each, based on their original appointment dates.

##### Policy Justification and Previous Decisions

In setting the level of allowances to be paid for each year, the Council is obliged to have regard to recommendations made by the Independent Remuneration Panel.

Attached at Appendix A is the report of the Independent Remuneration Panel in respect of the allowances it recommends should be paid to members of Charnwood Borough Council for the financial year 2020/21

Council resolved at its meeting on 24th April 2017 to link amendments to basic and special responsibility allowances to an index based on officer pay awards (minute reference 91.3). Officer pay awards for 2020/21 have not yet been agreed, but the Head of Strategic Support has delegated authority to update the Scheme once they have been finalised.

Two of the three Panel members whose appointments are coming to an end have expressed their willingness to serve for a further four years on the Panel, based on their original appointment dates, and Council need to approve those re-appointments.

#### Implementation Timetable including Future Decisions and Scrutiny

The revised Scheme of Allowances, if approved, would come into effect at the start of the 2020/21 financial year (ie. 1st April 2020).

2020/21 will be the final year for which the link to officer pay awards will apply, and therefore next year Council will need to consider whether the link should continue.

#### Report Implications

The following implications have been identified for this report.

##### *Financial Implications*

The proposed allowances can be met from within existing budgets.

##### *Risk Management*

No specific risks have been identified in relation to this decision.

Background Papers:           None

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#### Appendices

Appendix A: Report of the Independent Remuneration Panel in Respect of Allowances Paid to Members of Charnwood Borough Council

Appendix B: Proposed Amended Members' Allowances Scheme

**REPORT OF THE INDEPENDENT REMUNERATION PANEL  
IN RESPECT OF ALLOWANCES PAID TO  
MEMBERS OF CHARNWOOD BOROUGH COUNCIL  
2020-21**

**THE PANEL**

The Panel, which is appointed to make recommendations to the Council in respect of the allowances paid to Councillors, comprises the following members:

Patrick Cleere  
Sumeet Dhul  
Paul Smith

**REMIT**

The Local Authorities (Members' Allowances) (England) Regulations 2003 require, amongst other things, that the Council should have regard to the recommendations of an Independent Panel in agreeing allowances paid to Councillors.

Those Regulations require the Panel to produce a report making recommendations as to:

- The amount of basic allowance;
- Whether special responsibility allowances should be paid, and if so, the duties to which they should apply and the amounts of those allowances;
- Whether an allowance relating to the expense of arranging for the care of children or dependents should be available (carers' allowance) and, if so, the amount of that allowance;
- Whether travelling and subsistence allowances should be paid, and, if so, the duties for which they should be payable and the amounts of those allowances;
- Whether a basic allowance should be paid to co-opted members, and, if so, the amount of that allowance.

## **REPORT**

This is the Independent Panel's report of its review of Members' Allowances for 2020/21. This report has been compiled and agreed by members of the Panel following meetings and consideration of the relevant issues between September 2019 and January 2020. The Head of Strategic Support attended the meetings to assist the Panel in consideration of these matters.

### **Link to Officer Pay Awards**

As overall changes are now linked to officer pay awards, the Panel did not consider any general uplift.

### **Special Responsibility Allowances for the Scrutiny Committee Structure**

All councillors were asked if there were any issues they wished the Panel to consider, and a suggestion was made that the special responsibility allowances for the Chairs and Vice-chairs of the three directorate scrutiny committees were too high, and should be reviewed in light of them only meeting four times a year and having relatively low workloads in comparison to the Scrutiny Commission, which meets on a monthly basis.

All Scrutiny Chairs and Vice-chairs were consulted about this suggestion, and whilst one supported a potential decrease in the relevant allowances, another disagreed and referred to the amount of work being done outside the formal committee meetings in terms of scrutiny panel work and research.

The Group Leaders were also consulted, and they both expressed opinions that the new scrutiny structure had only been in place since May 2019 and therefore was still 'bedding-in', and that the workload of the committees may increase as they increased their knowledge and began to request further reports for their agendas.

Having taken into account the comments received, and being aware that the allowances in question are responsibility allowances rather than attendance allowances, the Panel decided to recommend that there should be no change for 2020/21, although they would review the situation again next year.

### **Loughborough Area Committee**

The Panel had previously decided that they would review the issue of special responsibility allowances for the Loughborough Area Committee once it had been in operation for a while, and so they now asked the Chair and Vice-chair for their views.

Having considered the submissions made by the Chair and Vice-chair, and also having consulted the Group Leaders, the Panel concluded that as the Committee was not a decision making body and had a purely consultative role, that no special responsibility allowances should be recommended.

They agreed that if circumstances changed in the future, then they would consider the matter again.

### **Mileage Claims for IT Support Visits and for Attending Meetings as an Observer**

The Panel considered issues relating to councillors claiming mileage expenses for visiting the Council's offices for IT support issues and for attending committee meetings as observers, rather than as a member of the body or having been formally requested to attend to assist with agenda items.

The Panel were of the view that in both such instances, if councillors wished to claim mileage then they should do so under the 'duty day' provisions rather than as an 'approved duty', and they therefore recommend that Schedule 5 of the Scheme of Allowances should be amended accordingly.

### **THE COUNCIL'S SCHEME OF MEMBERS' ALLOWANCES FOR 2020/21**

The Panel has reviewed the Council's Scheme of Members' Allowances and have incorporated the recommendations contained within this report.

A copy is attached to this report for approval.

**CHARNWOOD BOROUGH COUNCIL**

**SCHEME OF MEMBERS' ALLOWANCES**

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, Charnwood Borough Council has agreed the following scheme for members' allowances. In the scheme the term year means the financial year commencing on 1<sup>st</sup> April 2020.

**1. BASIC ALLOWANCE**

Subject to paragraph 8, for each year a basic allowance as specified in schedule 1 to this scheme shall be payable to each councillor.

**2. SPECIAL RESPONSIBILITY ALLOWANCE**

(1) Subject to paragraph 8, for each year a special responsibility allowance shall be payable to those councillors and co-opted members who have the special responsibilities that are specified in schedule 2 to this scheme. For those councillors who have more than one special responsibility allowance, the highest will be paid at 100% and the second or subsequent allowances will be paid at 50%.

(2) Where a majority of councillors belong to the same political group (the controlling group), a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group and has special responsibilities specified in schedule 2 to this scheme.

**3. BASIC ALLOWANCE – CO-OPTED MEMBERS**

Subject to paragraph 8, for each year, a basic allowance as specified in schedule 1 to this scheme shall be payable to co-opted members and Parish Members of the Member Conduct Committee.

**4. CARERS' ALLOWANCE**

Expenditure incurred by councillors in providing childcare or in providing care for an elderly, sick or disabled dependent relative to facilitate their attendance at duties specified in the Regulations and approved by the

Council shall be reimbursed in accordance with schedule 3 to this scheme.

**5. TRAVEL AND SUBSISTENCE ALLOWANCES**

Expenditure incurred by councillors in respect of travel and subsistence to facilitate their attendance at duties specified in the Regulations and approved by the Council shall be payable in accordance with schedule 4 to this scheme.

The travel and subsistence allowances set out in this scheme are available to the Co-opted and Parish Members of Council committees described in paragraph 3.

**6. APPROVED DUTIES**

Duties specified in the Regulations, together with specific duties approved by the Charnwood Borough Council in respect of which travel, subsistence and carers' allowances are payable are listed in schedule 5 to this scheme.

**7. RENUNCIATION**

A councillor may by notice in writing given to the Head of Financial & Property Services elect to forego any part of his or her entitlement to an allowance under this scheme.

**8. PART-YEAR ENTITLEMENTS AND CEASING OF PAYMENTS**

Councillors who are elected, or cease to be elected, part way through the Municipal Year shall receive their basic allowance pro-rata. The same provisions exist for those councillors who are appointed to a position attracting a Special Responsibility Allowance or who cease to hold a position attracting a Special Responsibility Allowance.

**9. PENSIONS**

Members of the Council are not entitled to be eligible for membership of the Local Government Pension Scheme.

**10. CLAIMS AND PAYMENTS**

- (1) Payment of basic and special responsibility allowances shall be made in monthly instalments of one-twelfth of the amounts specified in this scheme.
- (2) Claims for carers' allowance shall be in accordance with the conditions as specified in Schedule 3 to this scheme.
- (3) Claims for travel and subsistence allowances shall be in accordance with the conditions as specified in Schedule 4 to this scheme.

**11. IT FOR COUNCILLORS**

In addition to the allowances specified in the Local Authorities (Members Allowances)(England) Regulations 2003, Charnwood Borough Council has authorised the IT support to councillors set out in Schedule 6.

## **SCHEDULES**

All amounts in the following schedules are paid from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

### **SCHEDULE 1**

#### **BASIC ALLOWANCES**

	Allowance
Councillor	£5,176
Parish Member of the Member Conduct Committee	£258

### **SCHEDULE 2**

#### **SPECIAL RESPONSIBILITY ALLOWANCES**

	Allowance
Leader	£12,538
Deputy Leader	£8,776
Cabinet Lead Members *	£5,015
Cabinet Deputy Lead Members *	£2,150
Mayor	£7,021
Deputy Mayor	£1,755
Independent Chair of Audit Committee	£3,511
Chair of Plans Committee	£3,761
Leader of the Opposition	£4,203
Chair of the Member Conduct Committee	£1,506
Chair of Licensing Committee	£2,507
Vice-chair of Plans Committee	£1,506
Vice-chair of Licensing Committee (2)	£752
Chair of Scrutiny Commission	£3,761
Vice-chair of Scrutiny Commission	£1,506
Chair of Directorate-based Scrutiny Committees (3)	£3,511
Vice-chair of Directorate-based Scrutiny Committees (3)	£1,404

\* There shall be no more than 10 members of the Cabinet in total, including the Leader and Deputy Leader.

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### **SCHEDULE 3**

#### **CARERS' ALLOWANCE**

A Carers' Allowance shall be payable for duties specified in the Local Authorities (Members' Allowances) (England) Regulations 2003 and approved by the Council subject to the following conditions:

- (i) The maximum hourly rate reimbursed for independent care of a child under the age of 14 shall be equal to the minimum wage.
- (ii) The maximum hourly rate reimbursed for the professional care of a dependent relative shall be equal to the Leicestershire County Council's hourly rate for a Home Care Assistant.
- (iii) Councillors must certify that the costs have been actually and necessarily incurred and the allowance shall be paid as a reimbursement of incurred expenditure against receipts.
- (iv) The allowance shall not be payable to a member of the claimant's own household.
- (v) The Head of Strategic Support shall be able to exercise discretion in respect of the above conditions in exceptional and justified circumstances.
- (vi) Claims shall be made within four months of the duty to which it relates.

### **SCHEDULE 4**

#### **TRAVEL AND SUBSISTENCE ALLOWANCES**

Travel and Subsistence Allowance shall be payable in respect of duties specified in the Regulations and approved by the Council (see Schedule 5). Claims shall be made within four months of the approved duties to which they relate.

In respect of travel the following may be claimed:

- (a) The actual cost of travel by public service must not exceed the ordinary or any available cheap fare. Standard class rail fare may be claimed. In the case of travel by ship, first class fare is applicable.
- (b) Deposit or portorage of luggage and sleeping car accommodation subject to reduction by one-third of the subsistence allowance for that night.
- (c) Taxi-cab fares in cases of urgency or where no public service is

reasonably available. The amount claimed shall not exceed the actual fare and any reasonable gratuity.

- (d) The cost of hiring a car which must not exceed the rate applicable to the members' own car.
- (e) Where a councillor uses his or her own motor car or motor cycle, the mileage rate claimed shall be as the rates available to staff (casual users) and agreed by the National Joint Council for Local Government Services (JNC) on an annual basis.

Current rates per mile are:

	Up to 10,000 miles	Over 10,000 miles
Car	45p per mile	25p per mile
Motorcycle	24p per mile	24 per mile
Bicycle	20p per mile	20p per mile

For journeys out of the county, councillors are encouraged to use rail travel. However, if they use their car, the cost claimed shall be the mileage rate above or the cost of standard return rail fare, whichever is the lower.

- (f) Where a councillor carries an official passenger, the additional mileage allowance of 5p per mile per passenger set by HMRC applies.

In respect of subsistence:

Subsistence allowance for councillors shall be the same as for staff and in accordance with guidance from the Inland Revenue such that the Council will refund actual amounts spent in respect of subsistence where supported by receipts and provided that the amounts are reasonable. The following rates are considered by the Inland Revenue to be acceptable as a guideline as to whether actual expenditure is reasonable and also for payment as "flat rates" where receipts are not available:

In the case of absence not involving overnight stay, but not at the normal place of residence:

- (i) for more than four hours before 11am – Breakfast allowance - £4
- (ii) for more than five hours after this time, ending before 8.30pm – Lunch/Tea allowance - £5
- (iii) for more than five hours ending after 8.30pm – Dinner allowance - £8

Use will not be made of a "flat rate" in respect of overnight absence as all expenditure in that respect should be claimed based on actual expenditure only,

supported by receipts. However, a flat rate (without the need for receipts) of up to £5 for incidental expenses resulting from overnight absence is claimable. Where possible, overnight accommodation should be booked by the Council so that the VAT element can be reclaimed.

Subsistence allowances may not be claimed where adequate refreshments are provided.

## **SCHEDULE 5**

### **APPROVED DUTIES OF THE COUNCIL**

The Council has agreed that an approved duty, for the purpose of the payment of travel, subsistence and carers' allowances, is attendance at meetings of the following, where the councillor attending is a member of the relevant body or is acting as a substitute for such, or has been requested to attend to assist with the business being considered by the body:

- Council
- Cabinet
- Scrutiny Bodies
- Plans Committee and its site inspections
- Licensing Committee and its Sub-committees
- Member Conduct Committee and its Panels
- Audit Committee
- Personnel Committee and its Panels
- Appeals and Reviews Committee and its Panels
- Joint Consultative Committee
- Housing Management Advisory Board

Meetings of all outside bodies to which the Council makes appointments and upon which the councillor serves as a representative of the Council or substitute representative.

Conferences authorised by committees or in accordance with the scheme of delegation.

Interviews for the appointment of staff.

The opening of tenders in accordance with the requirements of the Council's Constitution.

Attendance by Cabinet Members at meetings within the Borough that relate directly to their lead member role.

Attendance by the Mayor and Deputy Mayor at meetings and events, both inside and outside the Borough, that relate directly to their roles.

Such other meetings at which individual members have been appointed to represent the Borough Council other than as members of outside bodies, either by virtue of a specific resolution or in the capacity of Leader or Deputy Leader or as Chair or Vice-chair of a Committee.

Training sessions, briefings and other meetings certified by the Head of Strategic Support.

Further to the above, the Council has agreed the following:

- (i) That travel allowance and carers' allowance, but not subsistence allowance be payable to a borough councillor in respect of attendance by invitation at a Parish Council or Parish Meeting to participate in the discussion of a Borough Council function.
- (ii) That travel and subsistence allowance and carers' allowance be payable to a borough councillor in respect of attendance at Borough Council premises or other establishments within the Borough on such occasions as they consider necessary in connection with the discharge of the Council's functions up to a limit of 15 occasions in each Council year. These are known as "duty days". This provision is an authorisation to carry out an approved duty of a councillor's own choice on 15 occasions of whatever duration and not 15 duty days which might be interpreted, for example, as 30 half days. Visits to the Council offices for IT support purposes, or for attending Cabinet and Committee meetings which a councillor is attending purely as an observer, should be classed as duty days if travel and subsistence or carers' allowances are to be claimed.
- (iii) That travel and subsistence allowance and carers' allowance be payable to a borough councillor in respect of full meetings of political groups held at Borough Council premises and specifically related to the business of the Borough Council on not more than 15 occasions in the period commencing with the day of the Annual Meeting of the Council in any year and terminating on the day preceding the Annual Meeting in the following year."

## **SCHEDULE 6**

### **IT FOR COUNCILLORS**

On request, the Council provides all Councillors with a computer or a tablet device, a printer and appropriate software and support.

If a Councillor chooses to use their own device no payment is made for this.

No payments are made towards home broadband or other connectivity costs.