

# Agenda Item 8

## ST ALBANS DISTRICT COUNCIL

**REPORT TO:** COUNCIL

**DATE:** 24 FEBRUARY 2010

**REPORT TITLE:** SCHEME OF MEMBERS' ALLOWANCES FOR 2010/11

**WARDS:** ALL

**PORTFOLIO HOLDER:** COUNCILLOR AXWORTHY (RESOURCES AND EFFICIENCIES)

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### 1. **Purpose of Report**

- 1.1 To inform Council of the report and recommendations of the Independent Remuneration Panel concerning a new Scheme of Members' Allowances for 2010/11, and the recommendation of the Cabinet which considered the Panel's report at its meeting on 2 February 2010.

### 2. **Recommendation**

- 2.1 That Council considers a Scheme of Members' Allowances for 2010/11 as proposed in the report of the Independent Remuneration Panel (Appendix 2), in conjunction with the recommendations of Cabinet as agreed at its meeting on 2 February 2010 (Appendix 1), as summarised below, and determines a Scheme accordingly.

<b><u>Panel recommendation number</u></b>	<b><u>Cabinet recommendation</u></b> (Note: Cabinet did not express a view on each and every recommendation of the Panel)
(i)	-
(ii)	Disagree - no change in Basic Allowance from 2009/10 level (£5,260)
(iii)	-
(iv)	Agree - no change in SRA for Cabinet members (£9,485), other than Chair
(v)	Disagree - no change in SRA for Chair of Cabinet (£13,575)
(vi) – (xviii)	Agree - no change in SRAs for Committee Chairs and reductions in SRAs for Vice-Chairs
(xix) – (xxii)	-
(xxiii)	Agree - no change in current travel allowances; disagree – current subsistence allowances should remain unchanged
(xxiv) – (xxv)	-
(xxvi)	Agree - no change in child care dependent relative allowance
(xxvii) – (xxxi)	-

2.2 That the scheme as finally approved be publicised in the local area in accordance with regulations.

3. **Executive Summary**

3.1 The Council is asked to determine a Scheme of Members' Allowances for 2010/11 in the light of the report and recommendations of the Independent Remuneration Panel on Members' Allowances, together with the views and recommendations of the Cabinet meeting on 2 February 2010.

4. **Corporate Policy Implications including Equalities and Equalities Impact Assessment**

4.1 There are no Corporate Policy implications. There are equalities implications as set out in section 10 of the report of the Panel (Appendix 2).

5. **Financial Implications**

5.1 The Council's budget for (58) Members' Allowances (Basic and Special Responsibility Allowances) in 2009/10 is £466,525. The Panel's recommendations, if adopted, would involve an increase in the budget for basic and special responsibility allowances for 2010/11, as set out in Section 16 of their report. The monetary increase in total for all Members would be £1,560. In addition to the levels of allowances recommended, there would be a requirement for the Council to pay National Insurance on-costs, estimated at the current threshold for payments at approximately £17,000 in a full year. This would be increased by any approved claims for:

- (a) child care or dependent relative allowances, for which there is budget provision of £2,150 in 2009/10;
- (b) reimbursement of the amount of the actual fares paid by Councillors with disabilities who choose to travel by taxi from home to any Council meeting within the District or to their home by taxi thereafter, irrespective of the starting or finishing times of meetings; and
- (c) by any upward revision in the levels of travel and subsistence allowances payable.

It is anticipated that any additional costs arising from (b) and (c) above could be met from existing budgets.

5.2 Under the recommendations for 2010/11 made by the Panel, the highest level of remuneration would be for the Leader, who would be entitled to receive £23,050, being made up of the following:

Basic allowance, including communications allowance = £5,585  
Chair and member of Cabinet = £14,255  
Group Leader = £3,210  
(30 Members in the Group at £107 per head).

5.3 The lowest level of remuneration would be £5,585 i.e. the basic allowance plus a communications allowance for all backbench Members who do not receive any additional sums.

5.4 The Panel's recommendations for each allowance incorporate a discount of 40% on their initial base calculation, to take account of the "voluntary service

principle”; i.e. the concept that, as in many non-Council activities, some of the time given by Members to their work for the community should not receive monetary compensation (see paragraph 6.6 of the report). This principle has been recommended in Government guidance and is followed by most other authorities, but the discount varies among different Councils.

- 5.5 Cabinet has agreed to forward the report and recommendations of the Panel (Appendix 2) and its separate recommendations (Appendix 1) to the Council meeting on 24 February 2010.

## 6. **Legal and Property Implications**

- 6.1 The Council is now asked to consider and approve a new scheme of Members’ Allowances to operate from 1 April 2010 until 31 March 2011. In so doing, the Council is required by regulation to have regard to the recommendations of an Independent Remuneration Panel. The Council must also have regard to the separate recommendations of Cabinet. Having considered the report of the Panel, the Council is not bound by its recommendations in determining the new scheme of allowances.

## 7. **Workforce Implications**

- 7.1 There are no workforce implications arising from the action set out in this report. The Panel has sought by its recommendations for lump sum allowances to keep to a minimum the administrative burden of processing claims. It would assist further in this respect if the new scheme of allowances provided for changes in entitlement to special responsibility allowances resulting from changes in post holders of special responsibility to be aligned with the start of a payroll payment period, to avoid repayments of allowances paid to Members who have resigned from a post of special responsibility and backdated payments to the new post holder.

## 8. **Background Information**

- 8.1 The Council meeting on 16 September 2009 appointed an Independent Remuneration Panel on Members’ Allowances with the membership and terms of reference set out in Section 4 of their report (Appendix 2).
- 8.2 The Panel considered Government guidance, the Council’s current scheme of Members’ Allowances, information on allowances paid by other local authorities, written representations and evidence from discussions with individual Members of the Council and various other documents. This information is listed at Appendix 1 to the Panel’s own report.
- 8.3 The Cabinet’s consideration of the report of the Panel is summarised in the attached Minute of its meeting held on 2 February 2010 at Appendix 1 hereto.
- 8.4 With reference to the Panel’s recommendation (xxix) on Personal Development and Training, it should be noted that an allowance of £275 per Member was included in the Council’s budget for 2009/10 for this purpose (£15,950 in total for the “Member Training” budget) and that the Panel is recommending no increase in 2010/11. Across all Members an approximate average sum of £116 has so far been spent up to January 2010 in the current financial year (£6,715 in total). Council may also wish to note that a sum of £5,591 has been spent so

far in 2009/10 on Member attendances at conferences which also counts towards Member training and development.

- 8.5 The Panel has chosen not to make any recommendation concerning equipment support for Councillors in 2010/11 (section 14.1 of Appendix 2 refers).
- 8.6 The Panel has recommended (xxx) that none of the allowances payable under this scheme should fall within the Local Government Pension Scheme (LGPS). In considering this recommendation Members of the Council are reminded that in England, either the basic allowance or a special responsibility allowance, or both, may be specified as being pensionable within a Council's scheme of Members' allowances. For any Council which does admit Councillors to a pension scheme it is a matter for individual Members to decide whether or not to join, although if they do so they must be aged under 75. A Councillor who chose to join the LGPS would pay 6% of their allowances as a Councillor into the LGPS. If the Councillor paid tax they would get tax relief on their contributions at the time they were deducted from their allowances and if the Councillor paid National Insurance they would pay a lower rate of NI contributions up to State pension age. The Council would contribute 27.6% of the cost of the Basic/Special Responsibility Allowances for pension purposes. If a pension scheme for Councillors had been in place in 2008/09, and all Members had been eligible and had elected to join and the scheme had included both Basic and Special Responsibility Allowances then the cost to the Council in the current year, 2009/10, would have been approximately £120,000.
- 8.7 The Panel has recommended (xxxi) that the scheme of allowances should continue to be subject to an annual review by the Council, by means of an independent panel, which can assess the appropriateness of the scheme adopted by the Council and determine appropriate levels of allowances based on local remuneration rates. By this means, the Panel considers that public confidence in the allowances scheme can best be safeguarded. The Panel has suggested that, having determined a Scheme of Members' Allowances for 2010/11 at this meeting, the Council should authorise the Panel to begin a further review in September/October 2010, to ensure that the Council can make budgetary provision for a revised scheme in its estimates for the 2011/12 financial year.
- 8.8 All payments of allowances and expenses including travel, subsistence and dependent relative/childcare to Councillors and co-opted members are published annually on the Council's website.

9. **Further Information/Appendices**

Appendix 1 - Extract from the draft Minutes of the Cabinet meeting held on 2 February 2010;

Appendix 2 - Report of the Independent Remuneration Panel on a proposed Scheme of Members' Allowances for 2010/11.

**Background Papers – Local Government (Access to Information) Act 1985**

Bibliography

Custodian

File Location

The Local Authorities  
(Members' Allowances)  
(England) Regulations  
2003

P G Warne  
01727 819520

Corporate  
Administration

Extract from the DRAFT Minutes of the Cabinet Meeting held on 2 February 2010

**MINUTE 4 - REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES**

*Resources and Efficiencies Portfolio Holder*

*Overview and Scrutiny Committee (Internal Performance)*

Cabinet considered a report on the recommendations of the Independent Remuneration Panel on Members' Allowances as detailed in their report. The Chair of the Panel, Sandra Oldfield and Panel members Alex Bell and Stephen Pryor were in attendance at the meeting to answer questions. The Panel recommended that the Basic Allowance be increased by 1% above the amount payable for 2009/10 and that with certain exceptions most Special Responsibility Allowances should remain unchanged from current levels. The exceptions related to a recommended increase in the combined allowance paid to the Chair (and Member) of Cabinet and a reduction in the allowance to be paid to Vice-Chairs of Committees. Members asked about the processes undertaken by the Panel prior to producing their report and the reasons they were recommending a decrease in the allowance for Vice Chairs. This was because from the interviews conducted with Members and the questionnaires returned it appeared that Vice Chairs were very rarely called upon to chair a meeting, and the Panel considered the other duties they undertook were covered by the proposed reduced allowance. Ms Oldfield expressed disappointment that only nine Members had agreed to an interview and only sixteen had completed the questionnaire.

The recommendations would be presented to Full Council for consideration at its meeting on 24 February 2010 prior to the adoption of the new Scheme of Members' Allowances for 2010/11. Cabinet were invited to submit their separate recommendations to Council. The Chair proposed that Council be recommended to agree that there be no increase in the level of members' allowances and expenses and that they be maintained at 2009/10 levels, with the exception of the allowances for Vice Chairs which should be reduced to the levels recommended by the Independent Remuneration Panel.

**CABINET DECISION**

- (i) That the Independent Remuneration Panel on Members' Allowances be thanked for the work represented in their report.
- (ii) That the methodology and principles set out in Section 5 and 6 of the report be recommended to the Council for approval at the 24 February 2010 meeting.
- (iii) That the level of allowances and expenses payable to Members in all positions be frozen as at 2009/10 rates except for those Vice-Chairs listed in recommendations 1 (xi) to 1 (xv) inclusive of the Panel's report whose allowances should decrease to the levels indicated there.
- (iv) That the report of the Panel and the separate recommendations of Cabinet be forwarded to the Council meeting on 24 February.

**APPENDIX 2**

**ST ALBANS CITY AND DISTRICT COUNCIL**

**INDEPENDENT PANEL ON MEMBERS' REMUNERATION**

**FINAL REPORT**

Sandra Oldfield (Chair);  
Alex Bell;  
Robert Bolt;  
Stephen Pryor;  
Philip Waters.

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(NOTE: The sums shown in brackets relate to current (i.e. 2009/10) levels of allowances.)

## 1. **SUMMARY OF RECOMMENDATIONS**

- (i) The Panel recommends that all levels of allowances identified as appropriate for each post should continue to be reduced by 40% to recognise the voluntary service principle (paragraph 6.6, page 15);
- (ii) The Panel recommends a basic allowance for all Members of £5,260 (£5,210) per annum (excluding an annual communications allowance) (paragraph 7.5, page 16);
- (iii) The Panel recommends that, with the exception of those special responsibility allowances referred to in recommendations (v) and (xi) – (xv) below, all other special responsibility allowances remain unchanged from the amounts payable for 2009/10;
- (iv) The Panel recommends an allowance for all Cabinet members, except the Chair, of £9,485 (£9,485) per annum (paragraph 8.1.3, page 17);
- (v) The Panel recommends a combined allowance for the Chair (and member) of Cabinet of £14,255 (£13,575) per annum (paragraph 8.2.2, page 17);
- (vi) The Panel recommends an allowance of £2,965 (£2,965) per annum for the Chairman of each Overview and Scrutiny Committee (paragraph 8.3.3, page 18);
- (vii) The Panel recommends an allowance of £3,105 (£3,105) per annum for the Chairmen of Planning (Development Control) Committees (paragraph 8.4.3, page 18);
- (viii) The Panel recommends an allowance of £2,965 (£2,965) per annum for the Chairman of the Licensing and Regulatory Committee (paragraph 8.5.3, page 19);
- (ix) The Panel recommends an allowance of £2,965 (£2,965) per annum for the Chairman of the NHS Health Committee (paragraph 8.6.2, page 19);
- (x) The Panel recommends an allowance of £2,965 (£2,965) per annum for the Chairman of the Audit Committee (paragraph 8.7.2, page 19);
- (xi) The Panel recommends an allowance of £740 (£990) per annum for the Vice-Chairman of each Overview and Scrutiny Committee (paragraph 8.8.4, page 20);
- (xii) The Panel recommends that the allowance for Vice-Chairmen of the Planning (Development Control) Committees should be £775 (£1,040) per annum (paragraph 8.8.5, page 20);
- (xiii) The Panel recommends that the allowance for the Vice Chairman of the Licensing and Regulatory Committee should be £740 (£990) per annum (paragraph 8.8.6, page 20);

- (xiv) The Panel recommends that the allowance for the Vice Chairman of the NHS Health Committee should be £740 (£990) per annum (paragraph 8.8.3, page 20);
- (xv) The Panel recommends that the allowance for the Vice Chairman of the Audit Committee should be £740 (£990) per annum (paragraph 8.8.8 page 20);
- (xvi) The Panel recommends that if a meeting of the Licensing Sub-Committee should start between the hours of 0900 and 1600, an allowance of £100 (£100) be payable for the Member who chairs it; £80 (£80) for each of the other two Members who serve on that Sub-Committee, and £80 (£80) for the substitute Member who attends each meeting in case they are needed (paragraph 8.9.2, page 21);
- (xvii) The Panel recommends that the level of Special Responsibility Allowances paid to the Group Leaders should be £107 (£107) per Member (paragraph 8.10.2, page 21);
- (xviii) The Panel recommends that the level of Special Responsibility Allowances paid to the Group Secretaries should be as follows:-
  - Up to 10 Members in the Group £370 (£370) per annum;
  - 11-20 Members in the Group £535 (£535) per annum;
  - 21-30 Members in the Group £640 (£640) per annum;
  - over 30 Members in the Group £830 (£830) per annum
 (paragraph 8.10.2, page 21);
- (xix) The Panel recommends that, with the exception of the Member who serves as Chair of Cabinet, no Member should receive more than one special responsibility allowance. (paragraph 8.11.1, page 21);
- (xx) The Panel recommends that Special Responsibility Allowances should not be extended to any other post (paragraph 8.12.2, page 21);
- (xxi) The Panel recommends that the co-opted member of the Standards Committee who serves as Chairman (as required under the terms of the Council's Constitution) should receive a special responsibility allowance of £1,315 (£1,300) per annum (paragraph 9.7, page 23);
- (xxii) The Panel recommends that the other six co-opted members, i.e. those who serve on the Standards Committee, be entitled to receive a co-optee's allowance of £395 (£390) per annum each (paragraph 9.7, page 23);
- (xxiii) The Panel recommends that the rates of travel and subsistence allowances for Members and co-opted members who perform Council duties outside the District should be set at the levels shown below (paragraph 10.4, page 23):
  - (i) Actual costs of using public transport will be reimbursed, i.e. second class train fare or bus fare, but if Members or co-opted members choose to buy first class train fares they will only be reimbursed at the second class rate.

(ii) For car travel, an allowance of 40 pence per mile, irrespective of engine capacity, be payable.

(iii) For travel by bicycle, an allowance of 20 pence per mile be available, while for travel by motorcycle, an allowance of 24 pence per mile be available.

(iv) For subsistence allowances, actual costs will be reimbursed up to the maximum rates which would have been paid under the old system (as advised by the East of England Regional Assembly), although they are now determined by local agreement, i.e.

Breakfast	£6.72 (£6.45)
Lunch	£9.28 (£8.91)
Tea	£3.67 (£3.52)
Dinner	£11.49 (£11.03)

The increase in the December 2008 figure for the catering element of the retail price index was 4.2%, hence the revised figures recommended above.

A dinner allowance is only payable if arrival at home is later than 8.30pm and tea and dinner allowances are not payable in respect of the same evening's claim.

(v) Hotel expenses will be reimbursed up to a maximum 24 hour rate of £130 (£130) per person, irrespective of the location of the hotel or type of conference concerned (paragraph 10.4(v), page 24).

- (xxiv) The Panel recommends that Councillors with disabilities who choose to travel by taxi from home to any Council meeting within the District or to their home by taxi thereafter, irrespective of the starting or finishing times of meetings, should continue to be reimbursed the amount of the actual fare paid (paragraph 10.4, page 23);
- (xxv) The Panel recommends that claims for reimbursement of travelling and subsistence costs must continue to be supported by receipts and that they must be submitted to the Council within three months of the expenditure being incurred (paragraph 10.4(vi), page 24). Any claim made after three months from when such expenditure was incurred should not be reimbursed;
- (xxvi) The Panel recommends that a Member should continue to be eligible to apply, within three months of the expenditure being incurred by completing a form, giving appropriate details, for either a child care or a dependent relative allowance at a rate of £7.50 per hour (£7.50) in recognition of the costs actually incurred on an ongoing basis during the year, arising from attendance at meetings or other events in connection with Council business. Any claim made after three months from when such expenditure was incurred should not be reimbursed (paragraph 11.4, page 25);
- (xxvii) The Panel recommends that, in addition to the basic allowance, a communications allowance of £325 per annum (£325) in recognition of

Members' additional expenses should continue to be available for all Members (paragraph 12.2, page 25);

- (xxviii) The Panel recommends that the Council's scheme should continue to provide for the withholding of allowances as a result of full or partial suspension of a Member or co-opted member and, if necessary, the repayment of allowances (paragraph 13.3, page 25);
- (xxix) The Panel recommends that each Member should be able to spend up to £275 per annum (£275) from the training budget on skills training or other activity designed to improve their ability to function as a Councillor, in line with a personal development plan (paragraph 14.2.2, page 26);
- (xxx) The Panel recommends that none of the allowances payable under this scheme should fall within the Local Government Pension Scheme (paragraph 14.3.3, page 27);
- (xxxi) The Panel recommends that the scheme of allowances should continue to be subject to an annual review by the Council, by means of an independent panel, which can assess the appropriateness of the scheme adopted by the Council and determine appropriate levels of allowances based on local remuneration rates. By this means, public confidence in the allowances scheme can best be safeguarded. It is suggested that, having determined a Scheme of Members' Allowances for 2010/11 at its meeting on 24 February 2010, the Council should authorise the Panel to begin a further review in September/October 2010, to ensure that the Council can make budgetary provision for a revised scheme in its estimates for the 2011/12 financial year (paragraph 15.2, page 27).

## 2. **THE LEGISLATIVE CONTEXT**

2.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, as amended, Councils are required to adopt new schemes of Members' Allowances following recommendations from an independent panel. These allowances relate to basic, special responsibility, childcare and dependents' carers' allowances and travel and subsistence for Members and a co-optees' allowance. The recommendations of the panel must be considered by the full Council in determining the Scheme of Members' Allowances. Moreover, any amendment or revocation of these schemes of allowances, once established, must also be the subject of consideration by an independent panel. The guidance on the establishment of such a panel states that the members must be truly independent, well qualified to discharge the functions of the panel and representative of the diversity of the communities in the Council's area.

2.2 Panels are empowered to make recommendations on the following allowances:

- The amount of basic allowance which should be payable to elected Members.

(This covers time commitments and expenses incurred in meeting constituents and Council Officers, undertaking correspondence on behalf of constituents, attending meetings of the Council and Committees, attendance at political group meetings, travel within the District, telephone and postage costs and use of part of their home as an office for their work as Councillors).

- The roles and responsibilities for which Special Responsibility Allowances should be payable and the amount of each such allowance.

(This covers, for example, membership of the Cabinet and being a Portfolio Holder, or chairing an important Committee).

- Whether the Council's scheme should include allowances in respect of the cost of care for children and dependent relatives, the amounts of such allowances and how they should be determined.
- Whether provision should be made for payment of a co-optees' allowance for attendance at conferences and meetings, to any co-opted and appointed members of the Council's Committees and Sub-Committees.
- The Panel may also make recommendations on levels of travel and subsistence allowances and on whether the Council should make provision for pensions to be payable to Members.

## 3. **ST ALBANS CITY AND DISTRICT COUNCIL STRUCTURE**

3.1 The District Council comprises 58 Members representing 20 electoral wards within the District. The District Council adopted a Leader with Cabinet form of Constitution. This provides for a Cabinet of 8 executive Members, each of whom is responsible for a portfolio of services, to take most of the executive decisions of the Council. The Council operates with one political group forming the Administration during the Municipal Year 2009/10.

- 3.2 In order to permit balanced scrutiny of decisions and policy investigations, the Council currently has two Overview and Scrutiny Committees. The regulatory functions of the District Council are exercised by three area-based local Planning (Development Control) Committees, the Licensing and Regulatory Committee and the Licensing Sub-Committee. In addition the NHS Health Committee of the Council reviews the services delivered, commissioned or planned by the NHS healthcare commissioners and providers serving St Albans City and District. There is also an Audit Committee of the Council to deal with all matters of both internal and external audit, and a St Albans City Forum to cover the eight unparished Wards within St Albans. In addition, the Employment Procedure Committee considers staffing matters relating to the Chief Executive, Heads of Service and any other person occupying a non statutory chief officer post. An Appeals Committee deals with employment issues for other staff and also with housing appeals.
- 3.3 It has been necessary for the St Albans Panel to determine which posts should be posts of special responsibility and the level of allowances to be paid for each.

#### 4. **MEMBERSHIP AND TERMS OF REFERENCE OF THE PANEL**

- 4.1 The current members of the Independent Remuneration Panel on Members Allowances are as follows:-

Alex Bell, retired Chief Estimator of a large construction company;

Robert Bolt, retired Senior Manager of British Airways responsible for deployment of the aircraft fleet;

Stephen Pryor, self employed start up Business Adviser/Partnership Manager;

Sandra Oldfield, Account Director for a local firm specialising in design, print and new media and former President of St Albans District Chamber of Commerce;

Philip Waters, Secretary and Registrar of the University of Hertfordshire.

The Panel has the following remit:

- to recommend an appropriate level of basic allowance for all Members of the Council;
- to determine which posts which should receive Special Responsibility Allowances and the level and reasons for these;
- to determine appropriate levels of allowance for co-opted Members of the Council i.e. the Chairman and Vice-Chairman of the Standards Committee;
- to determine appropriate eligibility and levels of travel and subsistence allowances;
- to determine which, if any Members of the Council in their various roles should be eligible for participation in the Local Government Superannuation Scheme;
- to act as an independent review panel for any town or parish council which wishes to introduce payment of basic and travel/subsistence allowances and to make recommendations on the levels of these allowances;

- to recommend appropriate levels of childcare and dependent relative allowances and the basis for payments of these allowances.

Allowances of £335 for the Chair of the Panel and £280 for each of the other four members of the Panel are payable annually to compensate them for the time spent on their work.

## **5. METHODOLOGY OF THE LATEST REVIEW**

- 5.1 The Panel held four meetings at the District Council Offices and at the first of these on 5 October 2009, Sandra Oldfield was elected Chair. Also at that meeting, the Panel noted the decisions which had been made by the Council on 26 February 2009 in respect of a Scheme of Members' Allowances for financial year 2009/10, and sought to scope their review. Panel members were advised of their duties, as set out in Government guidance. They considered the wording of a draft questionnaire on Members' allowances which was intended to be sent to all Councillors and co-opted members of the Standards Committee. A schedule giving brief details of the current Schemes of Members' Allowances for 2009/10 in all ten District Councils in Hertfordshire was also submitted for comparison purposes.
- 5.2 The Panel requested that an amendment be made to the draft questionnaire to include one additional question. Officers were also asked to obtain further information to be considered at the following meeting of the Panel.
- 5.3 At its second meeting on 2 November the Panel received various written responses to the questionnaire and copies of the further information which had been requested. Members of the Panel also conducted individual, confidential interviews with six Councillors. At the third meeting on 9 November, further interviews were held with three Councillors, following which members of the Panel discussed their preliminary conclusions from the review. At their fourth meeting on 7 December, members of the Panel considered and agreed a draft copy of their report to the Council on a recommended Scheme of Members' Allowances for 2010/11. A complete list of the information items submitted to the Panel during the review is set out at Appendix 1.
- 5.4 The Panel would like to record its gratitude to the following:
- all Councillors who completed and returned the questionnaire regarding Members' allowances (sixteen);
  - those Councillors who offered their time to assist with the review by talking openly with the Panel about the current scheme;
  - those officers who organised the review and facilitated the process as well as providing support and responding to requests for information.

## **6. GUIDING PRINCIPLES**

- 6.1 The Panel was guided by the "Guidance on Consolidated Regulations for Local Authority Allowances" issued by the Office of the Deputy Prime Minister in July 2003, responsibility for which now rests with the Department for Communities and Local Government.
- 6.2 In conducting the current review, the Panel recognised that allowances were not salaries but were essentially compensation for work undertaken on behalf of

the local community. This compensation needed to be set at reasonable levels, particularly as anecdotal evidence existed that some members of the community might be discouraged from putting themselves forward for election to the Council or from continuing as Members if elected. These disincentives had previously been identified as:

- (i) heavy levels of time commitment, which could prevent alternative earning opportunities and restrict time for family and social life;
- (ii) actual levels of expenditure e.g. on telephones or, for parents or those with dependent relatives, of the costs of childcare or attendance necessarily incurred while attending meetings or performing other Council duties;
- (iii) acquiring equipment which was now necessary to keep in contact with the Council and with constituents. These included computers for e-mail, broadband, answer 'phones and mobile 'phones.

6.3 The Panel noted that all payments of the basic allowance, special responsibility allowances, the co-optee's allowance and child care and dependent relative care allowances were liable to deduction of income tax. In addition, national insurance (NI) contributions were payable if the monthly payment of allowances to Councillors exceeded the monthly NI threshold of £476 in 2009/10. Such deductions would reduce substantially the amounts of allowances actually received by Members.

6.4 Levels of Member support and training, to equip Councillors to do their job, were also significant in this regard. These issues are covered in sections 13.1 and 13.2 below.

6.5 However, a further factor was the importance of the voluntary service ethos i.e. the principle that a proportion of time given to service by Councillors should not be remunerated. This is set out in paragraph 68 of the Guidance, as follows:-

“It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.”

6.6 The present 40% deduction for the voluntary service element of a Councillor's work was carefully reviewed by a previous Panel in 2004/05. Although the 40% deduction was challenged by two Councillors individually at interview during the current review, none of the evidence presented to members of the Panel has persuaded them to recommend any change in this percentage reduction. The Panel recommends that all levels of allowances identified as appropriate for each post which are presently reduced by 40% to recognise the voluntary service principle continue to be reduced by the same percentage.

6.7 The Panel has reaffirmed that, taking account of summer, Christmas and Easter breaks for Members, the working year should be assumed to consist of 46 weeks. The working day was assumed to consist of 7½ hours. The Panel concluded that the annual hours for Members do not reflect the world of paid employment, where salaries are based on a 52 week year.

6.8 Members of the Panel were mindful of national economic conditions during their review and noted the current low levels of inflation and pay awards.

## 7. **SETTING THE BASIC ALLOWANCE**

7.1 The previous Panel had concluded that, on the basis of information supplied, the time commitment of “backbench” Members to their full duties averaged out at 1.75 days per week for 46 weeks per annum to allow for Members’ holidays, i.e. 13 hours per week or approximately 597 hours per year. The Panel has noted that the duties of all Members are as follows:

- (i) To collectively determine policy and set the budget in full Council;
- (ii) To represent their communities and bring their views into the Council’s decision making process, i.e. to become the advocate of and for their communities. This particularly applies when consulted by the Council on matters affecting their Wards in connection with the taking of key decisions;
- (iii) To deal with individual case work and act as an advocate for constituents in resolving particular concerns or grievances;
- (iv) To balance different interests identified within the their Ward and represent the Ward as a whole;
- (v) To be involved in decision making as Members of Council committees and working parties etc;
- (vi) To be available to represent the Council on more than 70 partnership and other outside bodies;
- (vii) To maintain the highest standards of conduct and ethics;
- (viii) To support the Mayor at civic events e.g. Remembrance Sunday Parades and the Civic Sunday Service.

7.2 These duties include meetings and correspondence with constituents and officers, meetings of the Council, Cabinet and various Committees and working groups, representing the authority on outside bodies, political group meetings and travel.

7.3 In considering the completed questionnaires and the outcome of interviews held with nine Councillors during the current review, the Panel noted the majority of Members had agreed that the assumption of 13 hours per week on average spent on Council duties was reasonable.

7.4 The Panel noted that since 2004/05, the level of the basic allowance was increased by 2.5% in both 2005/06 and 2006/07, 3% for 2007/08, 1.9% in 2008/09 and 2% for 2009/10. The Panel has seen data on the level of basic allowance paid in each of the ten District Councils in Hertfordshire in 2009/10. The current level of £5,210 per annum paid by this Council (excluding £325 communications allowance) is close to the Hertfordshire District Council average of £5,285.

7.5 The Panel recommends that the basic allowance for 2009/10 be increased by 1% (£50) to £5,260 per annum for 2010/11. This percentage increase mirrors the 1% pay increase awarded to most local government employees for 2009/10.

## 8. **SETTING SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)**

## 8.1 **Cabinet Members (Portfolio Holders), excluding the Chair**

8.1.1 The Panel notes that Portfolio Holders have the following roles:

- (i) To be politically accountable for all matters within their portfolio and to act as the representative and spokesperson for the services within their portfolio to the Cabinet, the Council and the public;
- (ii) To exercise general delegated responsibility for all matters within their portfolio subject to Council policies and budgets, except where specific responsibility is delegated to officers;
- (iii) To take key decisions within their delegated powers after consulting Council officers;
- (iv) To give political advice to officers in the case of significant decisions and to take decisions when referred to them by Heads of Service;
- (v) To set the strategic direction for services within their portfolio and to develop future policy recommendations for presentation to the Cabinet;
- (vi) To participate in the work of the Cabinet and to accept collective responsibility for Cabinet decisions.

8.1.2 The Council's existing scheme provides for Members' allowances to be paid to seven of the eight Portfolio Holders, with a separate SRA being payable to the Chair of Cabinet (paragraph 8.2 below refers). The previous Panel recognised that while the workload associated with different Portfolios might vary, it is reasonable to base the allowance on an assumption that the time commitment of each Portfolio Holder is equal. It is recognised that the time commitment which can be expected of Portfolio Holders is of a substantially greater scale than for other posts of special responsibility and could in some circumstances be equivalent to a full-time job, i.e. up to 37 hours per week or 1,702 hours per year.

8.1.3 The Panel notes that the clear majority of Councillors who completed the questionnaire regard the present level of the SRA as being fair, including four current Portfolio Holders and one former postholder. The Panel therefore recommends that the SRA for all Members of Cabinet in 2010/11, excluding the Chair, should remain unchanged at the amount currently payable, i.e. £9,485 per annum.

## 8.2 **Chair of Cabinet**

8.2.1 Since 2008/09, the SRA for the Chair of Cabinet has been a combined allowance in recognition that the postholder is both (a) a member of Cabinet and (b) the Chair of Cabinet. During the current review the Panel noted that a significant number of Councillors regarded the level of this particular SRA as being too low in relation to the time commitment necessary to discharge the functions of the postholder. It was argued that an increase in this SRA would be justified in order to reflect the leadership role, co-ordination of the work of Cabinet, the management of partnerships between the Council and external bodies and other important functions performed by the postholder. The Panel accepts these arguments.

8.2.2 The Panel recommends that for 2010/11, the SRA for the Chair of Cabinet should be increased by 5% from the current level of £13,575 per annum to £14,255 per annum.

### 8.3 **Chairs of the Overview and Scrutiny Committees**

8.3.1 The Panel notes the roles of both of the current Overview and Scrutiny Committees, as described in the Council's Constitution. It is recognised that the Overview and Scrutiny (Internal Performance) Committee has six scheduled meetings in the current municipal year while the Overview and Scrutiny (Public Services) Committee has ten programmed meetings over the same period.

8.3.2 The questionnaire for the current review of Members' Allowances did not ask respondents to indicate whether they considered that there should be any variation in the SRAs paid to the Chairs and Vice-Chairs respectively of the two Overview and Scrutiny Committees, given the difference in the number of their scheduled meetings per annum. However, two respondents considered that the respective SRAs should clearly reflect the difference in workload between the two Committees.

8.3.3 The Panel recognises that whilst there is a difference in workload between the two Overview and Scrutiny Committees, the level of responsibility borne by their Chairmen is broadly the same. Therefore the Panel does not favour the introduction of differential allowances for the Chairmen or Vice Chairmen of the Overview and Scrutiny Committees. The Panel recommends that the present allowance of £2,905 per annum for each Chairman of an Overview and Scrutiny Committee should be unchanged for 2010/11.

### 8.4 **Chairs of the Planning (Development Control) Committees**

8.4.1 The Council has three area-based Planning (Development Control) Committees, which determine planning applications. Those Committees also determine applications for work on preserved trees and confirm Tree Preservation Orders. They have authority to issue hedgerow retention notices and consents to remove hedgerows where appropriate in accordance with Government regulations and can make recommendations to Cabinet on the preparation of the Council's Development Plan.

8.4.2 Each Planning Committee had 17 meetings scheduled during the 2009/10 Municipal Year and a similar number have been programmed for 2010/11. The Chairman and Vice-Chairman attend briefings with Council officers before each Committee meeting. The Chairmen of the three Planning (Development Control) Committees currently each receive a SRA of £3,105 per annum, representing an assumed time commitment of one day per week, i.e. 7½ hours or 345 hours per year. This amount exceeds the SRAs paid to Chairmen of all other Committees and is a reflection of the additional time commitment necessary to fulfil the role. A clear majority of respondents to the questionnaire considered that this level of SRA is fair.

8.4.3 The Panel recommends that the current SRA of £3,105 per annum for each Chairman of a Planning (Development Control) Committee should be unchanged for 2010/11.

### 8.5 **Chair of the Licensing and Regulatory Committee**

- 8.5.1 This Committee's terms of reference cover taxi, gaming, food and other licensing and registration functions and responsibility for elections and for appointments of Council representatives to outside organisations which do not perform executive functions (which are for the Cabinet to determine). With full implementation of the Licensing Act 2003 the Committee also gained responsibility for the licensing of premises for the sale or supply of alcohol. With the passage of the Gambling Act 2005 and Regulations, the Committee became responsible for various matters relating to premises licences, notices, permits and fees. A Licensing Sub-Committee comprising any 3 Members drawn from the pool of 15 Committee Members meets usually during the daytime, to deal with those licensing and gambling applications which are not determined under delegated powers.
- 8.5.2 The Chairman attends officer briefings before each of the four scheduled meetings of the Committee per annum. Currently, the Chairman receives a SRA of £2,965 per annum, representing an assumed commitment of 6.25 days per year. This entitlement is the same as the SRA paid in 2009/10 to the Chairman of both the Audit and NHS Health Committees because the number of meetings at which they preside is broadly comparable. The Panel noted that most Councillors who completed the questionnaire considered that the current level of the SRA was fair.
- 8.5.3 The Panel recommends that the SRA of £2,965 currently paid in 2009/10 to the Chairman of the Licensing and Regulatory Committee should be unchanged for 2010/11.

## 8.6 **Chairman of the NHS Health Committee**

- 8.6.1 The Panel has previously recognised that the Chairman of the NHS Health Committee has comparable responsibilities to the Chairmen of the Overview and Scrutiny Committees. The Council has previously accepted a recommendation that the payment of SRAs to the Chairman and Vice-Chairman of the NHS Health Committee should be on the same basis as the SRAs currently applicable to the Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees.
- 8.6.2 The Panel now recommends that the SRA for the Chairman of the NHS Health Committee for 2010/11 should be unchanged at £2,965 in line with the amounts recommended for the Chairmen of the Audit Committee and the Licensing and Regulatory Committee.

## 8.7 **Chairman of the Audit Committee**

- 8.7.1 Further to paragraph 8.6.2 above, there are four meetings of the Audit Committee scheduled for 2010/11 which is the same number as for the NHS Health Committee and Licensing and Regulatory Committee.
- 8.7.2 The Panel now recommends that the SRA for the Chairman of the Audit Committee for 2010/11 should be unchanged at £2,965, in line with the amounts recommended for the Chairmen of the NHS Health Committee and Licensing and Regulatory Committee.

## 8.8 **Vice-Chairmen of Overview and Scrutiny, Planning (Development Control), Licensing and Regulatory, NHS Health and Audit Committees**

- 8.8.1 The Vice-Chairmen of these eight Committees in total attend briefings with officers and the Chairmen and would normally be expected to deputise for them in their absence. The majority of Councillors who completed the questionnaire considered that the SRAs paid to the Vice-Chairmen of all of these Committees were fair. However, several respondents considered that the SRAs paid to Vice-Chairs of the Planning (Development Control), Audit and Licensing and Regulatory Committees in particular were too high.
- 8.8.2 The Panel has received information regarding the number of times a Vice-Chairman has been required to chair a meeting of a Planning (Development Control) Committee and a Licensing and Regulatory Committee in the period from the Annual Meeting of Council in May 2008 to October 2009. At none of those 70 meetings in total was it necessary for a Vice-Chairman to take the Chair, other than on three occasions when a Chairman disclosed a personal and prejudicial interest and temporarily left during the meetings when those matters were being discussed.
- 8.8.3 The Panel notes that it is unusual in other local authorities for SRAs to be paid to Vice-Chairmen, and that in Hertfordshire it appears that only two other District Councils make such payments. In view of the infrequency with which Vice-Chairmen are required to deputise for Chairmen, the Panel considers that the current rationale for the allowance for each of the Vice-Chairmen should be changed, and that for 2010/11 their entitlement to SRAs should be reduced to one-quarter of the amount of the Chairman's SRA instead of one-third.
- 8.8.4 The Panel recommends that the SRAs for the Vice-Chairmen of both Overview and Scrutiny Committees should be reduced from £990 per annum in 2009/10 to £740 per annum in 2010/11.
- 8.8.5 The Panel recommends that the SRAs for the Vice-Chairmen of each of the three Planning (Development Control) Committees should be reduced from £1,040 per annum in 2009/10 to £775 per annum in 2010/11.
- 8.8.6 The Panel recommends that the SRA for the Vice-Chairman of the Licensing and Regulatory Committee should be reduced from £990 per annum in 2009/10 to £740 per annum in 2010/11.
- 8.8.7 The Panel recommends that the SRA for the Vice-Chairman of the NHS Health Committee should be reduced from £990 per annum in 2009/10 to £740 per annum in 2010/11.
- 8.8.8 The Panel recommends that the SRA for the Vice-Chairman of the Audit Committee should be reduced from £990 per annum in 2009/10 to £740 per annum in 2010/11.
- 8.9 **Members of Licensing Sub-Committee**
- 8.9.1 For 2009/10, SRAs of £100 for the Chairman and £80 for each of the two Members and the substitute Member serving on a Licensing Sub-Committee are payable only when a meeting of the Sub-Committee starts between the hours of 9.00am and 4.00pm. A clear majority of Councillors who responded to the questionnaire considered the level of these allowances to be fair. The Panel also considers that these are reasonable allowances which it sees no reason to vary for 2010/11.

8.9.2 The Panel recommends that for 2010/11 both SRAs should remain unchanged at £100 per meeting for the Chairman and £80 per meeting for each of the other Members of the Sub-Committee, plus the substitute Member to be payable only when a meeting of the Sub-Committee starts between 9.00 am and 4.00 pm.

#### 8.10 **Political Group Leaders and Secretaries**

8.10.1 During the current review, most respondents to the questionnaire were satisfied that the levels of the SRAs payable in 2009/10 to each political Group Leader and Group Secretary were appropriate.

8.10.2 Accordingly, the Panel recommends that the SRA for Group Leaders in 2010/11 should be unchanged at £107 per Member per annum. The Panel also recommends that the SRA for Group Secretaries should be unchanged at £370 per annum where a Group consists of up to 10 Members; at £535 per annum where a Group consists of 11-20 Members; at £640 per annum where a Group consists of 21-30 Members; and at £830 per annum where a Group is over 30 Members.

#### 8.11 **Payment of Special Responsibility Allowances**

8.11.1 The Panel recommends that, with the exception of the Chair of Cabinet, no Member should be entitled to receive more than one SRA.

#### 8.12 **Continuation of SRAs / Claims for new SRAs**

8.12.1 In completed questionnaires, one Councillor argued that the position of Vice-Chairman should be honorary in all cases and that SRAs for such postholders should be discontinued. Another twelve respondents did not consider that any existing SRAs should be discontinued. The Panel has set out its views on SRAs for Vice-Chairmen of Committees in paragraph 8.8.3 above.

8.12.2 Four Councillors commented that new SRAs should be introduced for all members of the Employment Procedure Committee, Planning (Development Control) Committees and Housing Liaison Consultative Forum, all Panels and those Members who attend the District Council Offices to observe the opening of high value tenders. The Panel notes that half of all 58 Councillors are already entitled to receive a SRA and that Government guidance states that if the majority of Members of a Council were to receive a SRA the local electorate might rightly question whether that was justified. The Panel therefore does not recommend an extension of SRAs to any other posts.

## 9. **CO-OPTED MEMBERS' ALLOWANCE**

- 9.1 The Panel notes that the Regulations permit the payment of a co-optees' allowance for attendance at conferences and meetings, to any co-opted and appointed members of the Council's Committees and Sub-Committees. The co-optees' allowance will in general be an annual allowance, and it may vary from one co-opted member to another. Authorities have the ability to pay a proportion of the annual allowance in proportion to part of the year for which a member of a relevant Committee or Sub-Committee serves on that Committee or Sub-Committee.
- 9.2 Regulations also provide that where a co-opted or appointed member is appointed Chair of the Committee on which they are co-opted or appointed, the co-optee's allowance they receive must be of an amount no less than the equivalent SRAs being made available to Chairs of equivalent Committees of the Council. The previous Panel did not consider that the Chairman of the Standards Committee's responsibilities were comparable to those of the Chairmen of the Overview and Scrutiny Committees.
- 9.3 The Council presently has seven co-opted members, all of whom serve on the Standards Committee. Of the four independent co-opted members of the Standards Committee, two are continuing to serve as Chairman and Vice-Chairman for Municipal Year 2010/11. There are four scheduled meetings of the Standards Committee per annum although additional meetings may be held, as necessary, throughout the year.
- 9.4 The previous Panel noted that the workload for members of the Standards Committee increased very considerably in 2008/09, arising from new legislative requirements, which necessitated the increase in membership of the Committee referred to above, plus the establishment of three new Sub-Committees. One of those new Sub-Committees had twelve scheduled meetings in the Municipal Year 2009/10. The previous Panel was satisfied that the increased workload for all members of the Standards Committee justified a significant uplift in the co-opted members' allowance paid to the independent Chairman of that Committee and to the other six co-opted members in 2009/10.
- 9.5 The Council agreed with the previous Panel that in 2009/10, for the reason given at paragraph 9.4 above, the co-opted member of the Standards Committee who is elected to be its Chairman, as provided in the Council's Constitution, should be entitled to receive a co-opted member's allowance equivalent to 25% of the basic allowance paid to all Members of the Council and that all other co-opted members of that Committee should be entitled to receive a co-optee's allowance equivalent to 7.5% of the basic allowance.
- 9.6 The Panel notes that a clear majority of Councillors who completed the questionnaire considered that the levels of the co-opted member's allowance payable to the Chairman and to other co-opted members of the Standards Committee are reasonable.
- 9.7 In line with the recommended increase of 1% in the basic allowance for 2010/11, and in light of paragraph 9.5 above, the amounts now recommended by the Panel for 2010/11 are £1,315 (£1,300) for the independent Chairman of the Standards Committee and £395 (£390) for the other co-opted members of that Committee.

## 10. TRAVEL AND SUBSISTENCE ALLOWANCES

- 10.1 The Panel notes that travel allowances are payable in respect of travel by a Councillor or a co-opted member to any function undertaken on behalf of the Council outside the District. These include meetings of local authorities or their Members, to which a Councillor or a co-opted member has been appointed as an official representative of the Council (including replacement membership), conferences and training activities. They also include meetings of the Local Government Association, its committees and forums.
- 10.2 In addition, in February 2008 the Council accepted a recommendation of the previous Panel that Councillors with disabilities who choose to travel by taxi from home to any Council meeting within the District or to their home by taxi thereafter, irrespective of the starting or finishing times of meetings, shall be reimbursed by the amount of the actual fare paid.
- 10.3 The Panel also notes that most authorities pay higher travel and subsistence allowances than this Council and that there are no longer any maximum levels set by the Government. Two Councillors urged that Members who have to travel within the District on official business should be entitled to do so and one claimed that the scheme should reflect the additional costs of those Members who live outside the City but who need to travel to the District Council Offices. However, a clear majority of Councillors who completed the questionnaire considered that the current levels of travel and subsistence allowances are about right. In addition, the Panel notes that Councillors receive free car parking at the Council offices and in other Council car parks across the District during working hours throughout the week, which is felt to be of benefit to them.
- 10.4 The Panel recommends that current arrangements for reimbursing Councillors with disabilities who choose to travel by taxi to and from any Council meeting within the District, as set out in paragraph 10.2, above should be continued in 2010/11. The Panel also recommends that the rates of travel and subsistence allowances for Members should generally be equal to the levels currently available to officers of the Council, details of which are set out below:
- (i) Actual costs of using public transport be reimbursed, i.e. second class train fare or bus fare but if Members choose to buy first class train fares they be reimbursed only at the second class rate.
  - (ii) For car travel, an allowance of 40 pence per mile, irrespective of engine capacity, be payable (any higher rate would be subject to taxation).
  - (iii) For travel by bicycle, an allowance of 20 pence per mile be available, while for travel by motorcycle, an allowance of 24 pence per mile be available.
  - (iv) Subsistence allowances, actual costs be reimbursed up to the maximum rates which would have been upgraded under the old system, although they are now determined by local agreement, i.e.

	<u>Recommended allowance for 2010/11</u>	<u>Current Rate for 2009/10</u>
Breakfast	£6.72	(£6.45)
Lunch	£9.28	(£8.91)
Tea	£3.67	(£3.52)

Dinner

£11.49

(£11.03)

A dinner allowance be payable only if arrival at home is later than 8.30pm and tea and dinner allowances be not payable in respect of the same evening's claim.

- (v) Hotel expenses be reimbursed up to a maximum 24 hour rate of £130.00 per person in London or anywhere else outside the District irrespective of the type of conference being attended. (This would be a continuation of the current rate.)
- (vi) Claims for reimbursement of travelling and subsistence costs must be supported by receipts and must be submitted to the Council within three months of the expenditure being incurred. Any claim made after three months from when such expenditure was incurred should not be reimbursed.

## 11. **CHILD CARE AND DEPENDENT RELATIVES ALLOWANCES**

- 11.1 The Panel notes that seven District Councils in Hertfordshire currently pay these allowances but three do not. The Council has previously agreed that the necessity to provide babysitting for resident children under 14 or attendance for resident relatives requiring special care could be a significant disincentive to people seeking office as Councillors. It is also noted that state benefits and allowances are available for some classes of disability.
- 11.2 Since 2007/08 the Scheme of Members' Allowances has provided that there should be a standard rate of care allowance of £7.50 per hour. This rate is above the average of the care allowances currently paid in seven District Councils in Hertfordshire in 2009/10 (£6.40). Claims must be supported by receipts and should be regarded as being valid if they cover the period of time from when a Councillor leaves home to attend a meeting to the time when they return, rounded up or down to the nearest hour. It is considered that if a Councillor is able to engage a carer at an hourly rate below £7.50 per hour, then once their reimbursement has been taxed the amount of money they receive will be closer to the actual costs they have incurred than it is at present.
- 11.3 The Panel does not consider that there should be any upper limit on the total amount claimed for child care and dependent relatives allowances per annum but considers that the requirement in the current scheme for no more than one such allowance to be payable per household should remain in place.
- 11.4 From the completed questionnaires, eleven Councillors agreed that the current rate was about right while two considered it was too low. Another Councillor suggested that instead of a flat-rate payment, Members should be recompensed for the amount actually expended. However, the Panel considers that such a measure would be costly to administer. Therefore the Panel recommends that the current sum of £7.50 per hour for Child Care and Dependent Relatives' Allowances be unchanged for 2010/11 and that they should be payable only where actual costs are incurred. The Panel also recommends that claims for child care and dependent relatives allowances should continue to be supported by receipts wherever possible and should be submitted to the Council within three months of the expenditure being incurred, otherwise they should not be reimbursed.

## 12. **COMMUNICATIONS ALLOWANCE**

- 12.1 The majority of respondents to the questionnaire agreed that the current level of the communications allowance (£325 per annum) is reasonable. The Panel note that a number of communications companies now offer their customers free local telephone calls at certain times of day and that therefore it should not cost Members any more if they need to make additional calls from landlines. The Panel considers that the communications allowance is primarily a recognition of the additional costs to Members of having a computer with its associated consumables, i.e. paper and inkjet cartridges.
- 12.2 The Panel therefore recommends that the communications allowance of £325 per Member per annum remains unchanged.

## 13. **WITHHOLDING OF ALLOWANCES**

- 13.1 A Council may withhold certain allowances as a result of full or partial suspension of a Member of an authority. Should the Council wish to continue this option it will need to include provision for withholding of allowances in its scheme for 2010/11. An authority may also provide in its scheme for the repayment of any allowances which have been paid in respect of a period during which a Member has been suspended.
- 13.2 Where a Councillor is fully or partially suspended from their duties, their basic allowance may be fully or partly withheld, as may travel and subsistence and special responsibility allowances. Co-optee allowances may also be withheld. Dependent Carers' allowance may not be withheld from Councillors.
- 13.3 The Panel recommends that the Council's scheme should continue to provide for the withholding of allowances as a result of full or partial suspension of a Member or co-opted member and, if necessary, the repayment of allowances.

## 14. **OTHER RECOMMENDATIONS**

### 14.1 **Equipment Support**

- 14.1.1 The Panel notes that since its last report the Council has commenced a project to develop a cost effective way of equipping Members with ICT facilities, giving them access to committee reports and minutes (including those in Part II), a Councillor email account compliant with Government Connect secure access national requirements, Word Excel and PowerPoint applications, and provision of multi-functional devices (MFDs), i.e. printer, scanner, fax and copiers. Members had been offered a choice between the loan of a laptop computer or access to the Council's network using their own computer equipment via secure remote access arrangements.
- 14.1.2 The Panel generally endorse the aims of this project and recognise that it is essential to equip Members to perform their duties.

### 14.2 **Personal Development and Training**

- 14.2.1 The Panel considers that Member training is essential, as Councillors need a wide variety of skills and competencies if they are to perform their duties adequately.

14.2.2 The Panel recommends that each Member should be able to spend up to £275 (£275) from the training budget for 2010/11 on skills training or other activity designed to improve their ability to function as a Councillor, in line with a personal development plan.

### 14.3 **Pensionable Allowances**

14.3.1 Under the Regulations made under Section 99 of the Local Government Act 2000, authorities may make provision in their Members' allowances schemes for the inclusion of Councillors in their pensions scheme. The Panel notes that in Hertfordshire only the County Council and Broxbourne Borough Council admit eligible Councillors to the Local Government Pension Scheme. Pensions may be based either on the Basic Allowance or the Special Responsibility Allowances or both.

14.3.2 At each of the nine interviews it conducted, the Panel asked Councillors specifically whether they should or should not be entitled to join the Local Government Pension Scheme. The responses received covered a wide range of views ranging from outright opposition to Councillors being able to join the pension Scheme to wholehearted support. The Finance department of the Council has since advised that, in 2009/10, if all 58 Councillors had been eligible and had chosen to join the Local Government Superannuation Scheme the maximum additional costs to the Council would have been as follows:-

a) Basic Allowance  $58 \times £5,210 = £302,180$  x Employers' Superannuation Contribution (x 27.6%) = £83,402

b) Special Responsibility Allowances =  $£133,055$  x Employer's Superannuation Contribution (x 27.6%) = £36,723

Total Cost = £120,125.

14.3.3 The Panel recommends that in view of the responses given by Members at interview, none of the allowances payable under this scheme should fall within the Local Government Superannuation Scheme.

## 15. **REVIEW PROCEDURE**

15.1 A number of Councils in Hertfordshire have an established mechanism for an annual review procedure conducted by an independent remuneration panel. This Panel recommends that the scheme of allowances should continue to be subject to an annual review by the District Council, by means of an independent panel, which can assess the appropriateness of the scheme adopted by the Council and determine appropriate levels of allowances based on local remuneration rates. By this means, public confidence in the allowances scheme can best be safeguarded.

15.2 The period of operation of the new scheme should be until 31 March 2011, but having been reconstituted by the Council as from 23 September 2009 for a 3-year period, the Panel recommends that Council authorises it to conduct a second review in September/October 2010, in order to ensure that the Council can make budgetary provision for a revised scheme in its estimates for the 2011/12 financial year.

## 16. FINANCIAL SUMMARY OF RECOMMENDATIONS

Type of Allowance	Entitlement	Total Cost	Total payable per Member (for SRA posts, includes basic allowance) £
	£	£	
<b>Basic</b> (x58) (exclusive of the communications allowances)	5,260	305,080	5,260 (58 Members)
<b><u>Special Responsibility</u></b>			
Chair of Cabinet	14,255	14,255	19,515 (1 Member)
Other Cabinet Member (x7)	9,485	66,395	103,215 (7 Members)
Chairs of Planning (DC) Committees(x3)	3,105	9,315	25,095 (3 Members)
Vice-Chairs of above Committees(x3)	775	2,325	18,105 (3 Members)
Chairs of Overview and Scrutiny Committees (x2)	2,965	5,930	16,450 (2 Members)
Vice-Chairs of above Committees (x2)	740	1,480	12,000 (2 Members)
Chair of Licensing & General Purposes Committee	2,965	2,965	8,225 (1 Member)
Vice-Chair of above Committee	740	740	6,050 (1 Member)

<b>Type of Allowance</b>	<b>Entitlement</b>	<b>Total Cost</b>	<b>Total payable per Member (for SRA posts, includes basic allowance) £</b>
Chair of NHS Health Committee	£ 2,965	£ 2,965	8,225 (1 Member)
Vice-Chair of NHS Health Committee	740	740	6,050 (1 Member)
Chair of Audit Committee	2,965	2,965	8,225 (1 Member)
Vice-Chair of Audit Committee	990	990	6,200 (1 Member)
Political Group Leaders (x4)	107 per Member per year (x57)	6,100 rounded	6,100 (in total for 4 Members, amount for each dependent on size of political group)
Political Group Secretaries (x3)	370 (up to 10 Members) (x1); 535 (11-20 Members) (x1); 640 (21-30 Members) (x1); 830 (over 30 Members).	370 535 <u>640</u> 1,545	1,545 (in total for 3 Members, amount for each dependent on size of political group)
Co-opted members' allowance (6x£395)	395 (7.5% of basic allowance)	2,370	2370 (6 co-opted members)
Chair of Standards Committee (must be a co-opted member)	1,315 (25% of basic allowance)	1,315	1,315 (1 co-opted member)
Chair of Licensing Sub-Committee (1x£100, 14 meetings (estimate))	100	1,400	

<b>Type of Allowance</b>	<b>Entitlement</b>	<b>Total Cost</b>	<b>Total payable per Member (for SRA posts, includes basic allowance) £</b>
	<b>£</b>	<b>£</b>	
Other Members of Licensing Sub-Committee plus substitute (3x£80, 14 meetings (estimate))	80	3,360	
Communications Allowance	18,850	18,850	325
National Insurance	<u>17,000</u>	<u>17,000</u>	
Aggregate payable (full year)		£468,085	
Existing budget provision for 2009/10 (Basic + SRAs)		£466,525	
Net Increase in Budget (full year)		£1,560	

### Notes

1. The cost of child care/dependent relative allowances will depend on the number of claims assessed and accepted. The above figures do not contain an amount for such allowances.
2. The cost of computers with fax facility supplied to Members must be added to Council budgets as a support cost, separate from Members' allowances.
3. A sum of £15,950 (£15,950) has been included in the draft 2010/11 budget for Member training (approximately £275 (£275) per Member).

**DOCUMENTS SUBMITTED TO THE PANEL**

- Current scheme of Members' Allowances for St Albans City and District Council for the period 1 April 2009 – 31 March 2010;
- Extracts from "New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances" published by the Office of the Deputy Prime Minister (June 2003);
- Members' Allowances Schemes: Comparative Table of Rates Paid in all District Councils in Hertfordshire for 2009/10;
- Local Government Information Unit Policy Briefing: Councillors' Allowances and Expenses;
- Comparative table of Members' Allowances for Hertfordshire District Councils in 2009/10;
- Members' Allowances Questionnaire – copies of all completed forms\* and composite record of responses received;
- Indicative subsistence rates from the Eastern Regional Office.

(\* Note: The written and verbal submissions of Members which were received by the Panel were made on a confidential basis. Copies of all other documents referred to in this Appendix are available on request to the Corporate Administrator, tel. 01727 819520:  
email: paul.warne@stalbans.gov.uk.)