

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

Agenda Item No 13

meeting date: 2 APRIL 2019
title: INDEPENDENT PANEL REPORT ON REVIEW OF MEMBERS' ALLOWANCES SCHEME
submitted by: DIRECTOR OF RESOURCES
principal author: MICHELLE HAWORTH – PRINCIPAL POLICY AND PERFORMANCE OFFICER

1 PURPOSE

- 1.1 To consider the report of the independent remuneration panel on members' allowances following their review of the current scheme.
- 1.2 To make recommendations regarding the new scheme to Full Council on 30 April 2019.

2 BACKGROUND

- 2.1 The Local Authorities (Members' Allowances) (England) 2003 require the Council to establish a scheme of members' allowances in accordance with these regulations.
- 2.2 The Council is required to agree and publicise its members' allowance scheme each year and have an independent review at least every 4 years. A panel was established in December 2018 with a view to completing their review for the 2019/20 municipal year.
- 2.3 The Council, in revising the existing scheme, must have regard to the recommendations made by the panel. Final recommendations on the future scheme will be approved by Full Council in April.

3 OUTCOME OF REVIEW OF MEMBERS' ALLOWANCES SCHEME

- 3.1 The independent panel have met a number of times and also interviewed the three councillors who are group leaders, Councillors Atkinson, Knox and Hill as part of their review.
- 3.2 In summary the panel recommends no major changes to the scheme - no changes to the level of the Annual Basic Allowance and no changes to the majority of the Special Responsibility Allowances. However, the panel recommends the removal of Special Responsibility Payments made to the Vice Chairmen of Committees and instead propose a payment of £100 to be paid as a one off for each meeting chaired due to the absence of the Chairman for the entire meeting.
- 3.3 The panel recommends minor changes to the payment of Travel and Subsistence allowances. For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.
- 3.4 The full report of the panel is attached at Annex 1 which sets out their findings and full recommendations.
- 3.5 This Committee needs to consider the independent panel's report and decide whether to accept the recommendations of the panel and/or make any further

recommendations for Full Council to consider at the meeting on 30 April 2019 when the new Members' Allowances scheme will be agreed for the new municipal year.

4 PUBLICITY

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

5 COST OF SCHEME

- 5.1 The Council's full year budget for 2019/20 for members' allowances is £225,350. The recommendations of the Independent Panel would result in a saving of £3,641.75 pa due to the removal of the vice chairman's allowances.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Considers the attached report of the Independent Remuneration Panel on Members' Allowances.
- 6.2 Decides upon a revised Scheme for Members' Allowances to recommend to Full Council on 30 April 2019.
- 6.3 Thank the Independent Remuneration Panel for their work in formulating proposals for a revised scheme.

Michelle Haworth
PRINCIPAL POLICY AND
PERFORMANCE OFFICER

Jane Pearson
DIRECTOR OF RESOURCES

PF17-19/MH/AC
21 March 2019

For further information please ask for Michelle Haworth

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
ON MEMBERS ALLOWANCES**

APRIL 2019

THE INDEPENDENT REMUNERATION PANEL

DAVID MORRIS – Retired Chief Executive – Ribble Valley Borough Council

IAN LLOYD – Retired Senior Partner – Mortimers Estate Agents, Clitheroe

KEITH POWER – Director - North West Employers

REV ANDY FROUD – Vicar – St Mary Magdalene’s Church, Clitheroe

Officers:

- Marshal Scott, Chief Executive
- Jane Pearson, Director of Resources
- Diane Rice, Legal Services Manager
- Michelle Haworth, Principal Policy and Performance Officer

1 PURPOSE OF THE INDEPENDENT PANEL

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

2 TERMS OF REFERENCE

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

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

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

3 PRESENT MEMBERS ALLOWANCE SCHEME

3.1 The Council’s present members allowance scheme was approved by the Council in April 2015. In reaching its decision members took account of the report of an

Independent Panel that had been established. Allowances have been updated under the agreed formulae on an annual basis.

3.2 The existing scheme of Members Allowances (2018/2019) is shown below:

- A Basic Allowance for all members of £3,643 per year
- The Special Responsibility Allowances to be:-
 - Leader – 4 x basic allowance £14,572 pa
 - Deputy Leader – 2.5 x basic allowance £9,107.50 pa
 - Leader of the Opposition – 2 x basic allowance £7,286 pa
 - Committee Chairman – 1.5 x basic allowance £5,464.50 pa
 - Planning & Development Committee Chairman 2 x basic allowance £7,286pa
 - Committee Vice Chairman – £520.25 pa
- Dependent Carers Allowance – National Living Wage per hour
- No member to be entitled to more than one special responsibility allowance.
- Travel & subsistence to be paid in accordance with Schedule 'B':
 - Not exceeding 999c – 46.9p per mile
 - 1000cc and above – 52.2p per mile.
- These allowances are updated annually in line with any increase based upon the National Salary increases of Local Government Staff.

4 THE EVIDENCE CONSIDERED

4.1 The panel met on three occasions and considered the legal background to the payment of members' allowances, the terms of reference, political composition of the Council, the present committee arrangements, attendance at committee meetings, attendance at outside bodies, total costs of expenses and allowances, and the current members allowance scheme.

4.2 The Annual Basic Allowance is increased each year in line with the National Salary increases of Local Government Staff. Since May 2015 to April 2019 the Annual Basic Allowance will have increased by 6%.

OTHER LOCAL AUTHORITIES

4.3 The Panel obtained current details of members allowance schemes from 6 other comparable local authorities and the 11 other Lancashire District local authorities.

INTERVIEWS WITH COUNCILLORS

4.4 The Panel interviewed the three councillors who are group leaders, Councillors Atkinson, Knox and Hill. Each councillor was asked the same set of questions:

- Do you feel that there have been any changes in the last four years which the panel should consider whilst conducting this review?
- Do you think that the panel should consider the payment of special responsibility allowances to the Leader of the Opposition or to all group leaders?
- Currently, with the exception of Planning, all chairmen receive the same allowance. Do you feel some committee chairmen carry more responsibility than others, and should this be recognised in the allowance scheme?

4.5 The responses were noted and subsequently discussed by the Panel. See paragraph 5.16.

5 CONCLUSIONS

5.1 The Panel have reached the following conclusions:

5.2 There have been no substantial changes to the responsibilities of members since the last review in 2015. However, there has been the addition of the Economic Development Committee.

5.3 The current Annual Basic Allowance is a little lower when compared to similar local authorities and Lancashire District Local Authorities.

5.4 Only 1 of the 6 similar local authorities and only 3 of the 11 Lancashire District Local Authorities pay a lower Annual Basic Allowance than this Council.

5.5 However, some of this Council's Special Responsibility Allowances are significantly higher when compared with similar local authorities and the Lancashire District Local Authorities.

5.6 Special Responsibility Allowances Comparisons are as follows:

Similar Local Authorities (x6)

- Leader - only one pays more than this Council
- Deputy Leader – only one pays more than this Council
- Leader of the Opposition - none pay more than this Council. Three authorities pay all group leaders (amount dependent on how many are in the group)
- Committee Chairman – none pay more than this Council
- Committee Vice-Chairman - one pays more than this Council
- Chairman of Planning Committee – none pay more than this Council (all meet on at least 12 occasions throughout the year – more frequently than other committees)

Lancashire District Councils (x11)

- Leader - only two pay more than this Council
- Deputy Leader - only two pay more than this Council and two make no payments
- Leader of the Opposition - none pay more than this Council. Nine authorities pay all group leaders (amount dependent on how many are in the group)
- Committee Chairman - none pay more than this Council
- Committee Vice-Chairman - seven pay more than this Council but not to all vice chairmen, two only make payments when chairing, and two make no payments
- Chairman of Planning Committee – none pay more than this Council (all meet on at least 10 occasions throughout the year – more frequently than other committees)

5.7 The higher amount of Special Responsibility Allowance for the Chairman of the Planning and Development Committee compared to other service committee chairmen is justified. This committee meets eleven times per year and deals with a large number of complex issues, numerous technical matters and considerable public interest as well as “pressure” from applicants and objectors.

5.8 The current calculation of Special Responsibility Allowances is achieved by multiplying the Annual Basic Allowance by a prescribed multiplier. This is easy to

understand, is simple to operate and rewards those Councillors who have particular responsibilities.

- 5.9 At present 17 councillors receive a Special Responsibility Allowance.
- 5.10 The Full Council meets six times a year. Annually there are eleven Planning and Development Committee meetings and six Policy and Finance Committee meetings. The Community Services Committee, Personnel Committee, Health and Housing Committee, Economic Development Committee, Licensing Committee and Parish Council Liaison Committee all meet five times in a year. The Accounts and Audit Committee meets four times in a year.
- 5.11 There are a total of 57 meetings in a year. During 2017/2018 the attendance at meetings by councillors averaged 84.2%, with four councillors having 100% attendance and ten councillors having less than 75% attendance.
- 5.12 During 2017/18 and 2018/19 to date the Chairmen of the various committees have only been absent on eight occasions.
- 5.13 35 councillors are members of Outside Bodies. The membership of Outside Bodies is considered to be part of the councillor's role as community representatives.
- 5.14 The current Travel and Subsistence Allowances are the same as the allowances paid to Council Officers.
- 5.15 The current seats on the Council by Political Parties are:-
- Conservatives - 30
 - Liberal Democrats - 4
 - Independent Conservatives - 4
 - Labour - 1
 - Vacant seat - 1

The Conservative Party has a substantial majority.

- 5.16 Considerations from interviews with group leaders
- Planning Committee meets more often than other committees and this should be reflected in the Special Responsibility Allowances.
 - Leader of the Opposition - the Panel felt that the allowance is justified considering the workload and this should be properly recompensed. The Leader of the Opposition performs an important scrutiny role, 'the conscience of the Council'. The Panel also considered the payment of a special responsibility allowance to all group leaders, not just the leader of the main opposition group. The justification for paying a Special Responsibility Allowance to other group leaders was considered weak.
 - The Panel considered the workloads of the different committees and considered the payment of different levels to different committees. For example there was the feeling that Accounts and Audit Committee now has an increased level of responsibility. However, the Panel decided not to recommend any changes at present.
 - The Panel considered recommending reducing the Leader's allowance and the Deputy Leader's allowance and increasing the basic allowance but decided not to recommend any changes.

- The role of a vice chairman is very dependent on the person and their level of engagement. It was noted vice chairmen rarely have to chair committee meetings.

6 UNANIMOUS RECOMMENDATIONS OF THE PANEL

Annual Basic Allowance

- 6.1 The Panel recommends no change to the level of the Annual Basic Allowance, payable to all councillors, presently £3,643. This to be increased annually in accordance with the National Salary Increases of Local Government Staff.

Special Responsibility Allowances

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

RESPONSIBILITY	CURRENT		RECOMMENDED	
	Multiplier	Annual Amount	Multiplier	Annual Amount
Leader	X 4	14,572	X 4	14,572
Deputy Leader	X 2.5	9,107.50	X 2.5	9,107.50
Leader of the Main Opposition Group	X 2	7,286	X 2	7,286
Chairman of Planning and Development Committee	X 2	7,286	X 2	7,286
Chairman of Community Services Committee, Health and Housing Committee, Economic Development Committee, Personnel Committee, Licensing Committee, and Accounts and Audit Committee	X 1.5	5,464.50	X 1.5	5,464.50
Vice Chairmen	N/A	520.25	100 only applicable when chairing the meeting due to the absence of the Chairman for the entire meeting	One off payment for each meeting chaired

Comments on the above

- 6.3 As far as group leaders are concerned the Panel recommends that Special Responsibility Payments are made to the leader of the majority group, the deputy leader of the majority group and to the leader of the main opposition group only.
- 6.4 The Panel recommends the removal of Special Responsibility Payments made to the Vice Chairmen of Committees. A payment of £100 to be paid as a one off for each meeting chaired due to the absence of the Chairman for the entire meeting. This

recommendation is consistent with the previous recommendation made by the Panel in 2015.

- 6.5 The Panel recommends that no Councillor is entitled to more than one Special Responsibility Allowance.
- 6.6 The Panel recommends that the Majority Group Leader is also Chairman of the Policy and Finance Committee and the Deputy Majority Group Leader is also the Vice Chairman of the Policy and Finance Committee.

Dependents Carers Allowance

- 6.7 The Panel recommends no changes to the payment of the National Minimum Wage per hour for the cost of arranging for the care of children, elderly relatives or disabled relatives requiring full-time care whilst Councillors are conducting their approved duties.

Travel and Subsistence Allowance

- 6.8 The Panel recommends minor changes to the payment of Travel and Subsistence allowances (which is attached as an Annex 2).
- 6.9 For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

Suspension of a Councillor

- 6.10 The Panel recommends no changes in that payment of any allowances should be withheld by the Council where a councillor is suspended or partially suspended from his/her responsibilities or duties as a member of the Council.

Other Recommendations

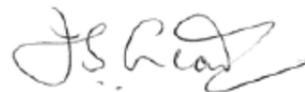
- 6.11 The Panel recommends that:
- The Annual Basic Allowance and the Special Responsibility Allowances continue to be paid in 12 equal, monthly instalments.
 - The Panel considers that the details of “approved duties”, which are eligible for travel and subsistence allowances, should be provided to all councillors.

7 COST OF THE RECOMMENDED MEMBERS ALLOWANCES SCHEME

- 7.1 There are no changes recommended to the Annual Basic Allowance therefore costs of the Basic Allowance is unchanged.
- 7.2 The changes to the Annual Special Responsibility Allowances recommended would result in a saving of £3,641.75 pa.



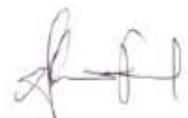
David Morris



Ian Lloyd



Keith Power



Rev Andy Froud

**RIBBLE VALLEY BOROUGH COUNCIL
MEMBERS' ALLOWANCES SCHEME**

SCHEDULE 'B' – TRAVELLING AND SUBSISTENCE ALLOWANCES

TRAVEL COSTS

(a) Car Mileage

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

Cylinder capacity	Rate per mile
Not exceeding 999c	46.9p
1000cc and above	52.2p

The above rates will be revised in accordance with the rates determined by the National Joint Council for Local Authorities, or otherwise in accordance with locally agreed rates applicable to Ribble Valley employees.

Travel within a 50 mile radius of BB7 2RA

Reimbursement at the Car Mileage Rate.

Alternatively Public Transport can be booked ideally through the Council's Procurement Assistant.

Travel outside a 50 mile radius of BB7 2RA

For any travel outside a 50 mile radius of BB7 2RA priority should be given to the use of public transport, which should be booked through the Procurement Assistant. Alternatively the cost of public transport or the car mileage should be reimbursed depending on which is the cheaper.

(b) Public Transport

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

(c) Car Sharing

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

(d) Bicycles

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

(e) Other Travel Expenses

Expenditure incurred on tolls, ferries or car parking fees, may be claimed on production of receipts.

SUBSISTENCE

Overnight Accommodation

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

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

Area	
London	£162.48
Elsewhere in the UK	£138.07

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

DAY SUBSISTENCE

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

Period	
For a period greater than four hours but less than eight hours	£24.35
For a period greater than eight hours but less than twelve hours	£40.60
For a period greater than twelve hours	£56.85

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

WHEN TRAVEL AND SUBSISTENCE CAN BE CLAIMED

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

- (a) The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority or a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972 or a Sub-Committee or such a joint committee provided that:
 - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.

Examples of instances when Councillors can claim travel and subsistence

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