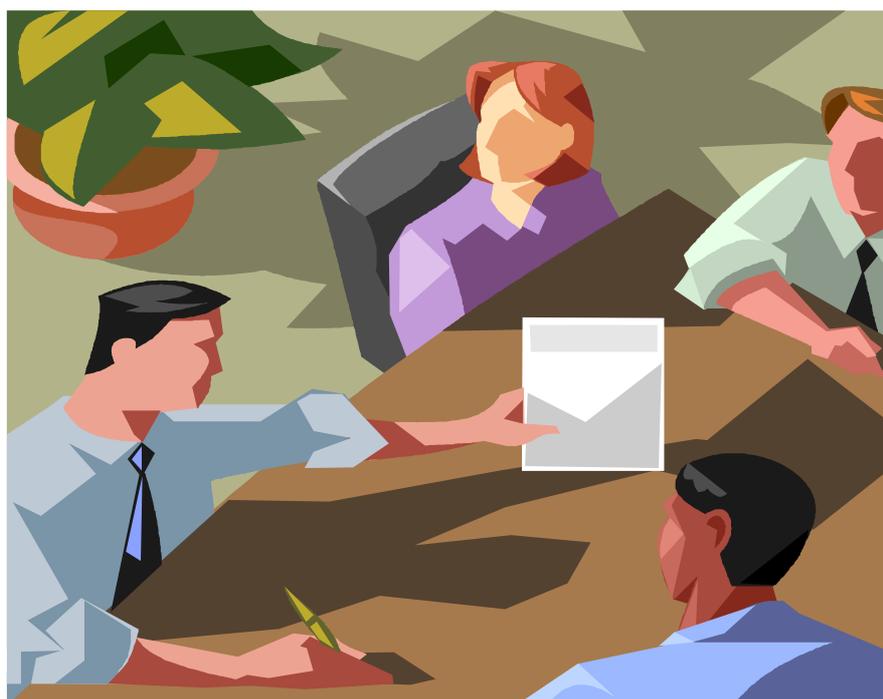


# **Scheme of Members' Allowances 2013 Review**



## **Report of The Independent Remuneration Panel**

**December 2013**

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## **Forward by the Chairman of the Independent Remuneration Panel**

At its meeting on 22 October 2012 the Independent Remuneration Panel (the 'Panel') agreed the scope of its review of Cheshire East Council's Scheme of Members' Allowances for 2013, confirming its intention to carry out an in-depth 'root and branch' review. To achieve this, the Panel has met on 11 occasions in 2013; namely 26 February, 2 April, 30 April, 11 June, 16 July, 27 August, 17 September, 8 October, 22 October, 5 November and 11 November.

The Panel wishes to record its thanks to those elected Members who took the time to share their views, both at the meeting on 22 October and throughout the review via the mailbox; also to those Chairmen who accepted Panel members as observers at their meetings. The Panel also met with the Leader of the Council, Councillor Michael Jones on 16 July 2013 to hear about issues emerging from the Council's new operating model of a Commissioning Council, which will impact on the Scheme and would like to thank him for his time.

Having concluded its review, the Panel continues to hold to the belief that every elected Member of Cheshire East Council should be expected to provide leadership and take on additional responsibility during the course of their term of office and that the basic allowance recognises this commitment. In addition, the Panel considers that the basic allowance should be regarded as being reflective of an elected Member's formal governance responsibilities and not their community representational role which, in line with current government thinking, should be regarded as voluntary.

The Panel also believes that, in certain situations, the level of additional responsibility is significant enough to lead to further recognition in the form of a Special Responsibility Allowance (SRA) but the Panel expects the Council to demonstrate that Councillors are being efficient and effective in their working practices and that the level of each allowance is justified. It is the view of the Panel that there is a difference between those who carry responsibility and those with full diaries, who are busy but have no defined responsibilities.

The Panel therefore considers that payment of a Special Responsibility Allowance can only be regarded as appropriate if the post requires significant additional responsibility over and above that expected of every elected Member, its criteria being constitutional responsibility, legislative responsibility, decision making powers, accountability to the public and delivery of projects within a defined period. As such, Chairmen and Vice Chairmen of advisory groups without decision making powers or constitutional responsibilities would not normally attract an SRA.

In carrying out the review the Panel has sought to measure each allowance against the criteria stated above and has found the current arrangements to be wanting. Having continued to have cognisance of the difficult financial environment within the country the Panel has made a number of recommendations through which it seeks to put right the situation.

The Panel wishes to ensure that the methodology and reasoning behind the award of each of the allowances is recorded in a clear fashion so as to aid understanding of its reasoning and enable better structured consideration of any changes in the future. To this end a great deal of work has gone into setting down the factors that influenced the recommendations in this report.

Finally, in the course of the review, a view was expressed by an elected Member that the recommendations of the Panel should be binding on the Council. In 2013, the Panel was able to contribute to the Communities and Local Government Select Committee report entitled "Councillors on the Frontline" which recommended to Government that the powers to make decisions on allowances should be removed from Councils and transferred to an independent body whose recommendations would be mandatory upon Councils.

This is a view which the Panel supports.

**Janet Rushbrooke, Chairman of the Independent Remuneration Panel**

**Panel Members:**      **Khumi Burton**  
                                 **Alan Edgeworth**  
                                 **Robin Lord**  
                                 **Cynthia Speed**

## SECTION 1: BACKGROUND TO THE REVIEW

In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, Cheshire East Council is required to appoint an Independent Remuneration Panel to consider and make recommendations on its Scheme of Members' Allowances, which the Council must have regard to.

Having been appointed in the spring of 2012 for a three year term, the Cheshire East Independent Remuneration Panel's ('the Panel') membership has remained as it was, namely:

- ◆ Mrs Janet Rushbrooke (Chairman)
- ◆ Mrs Khumi Burton
- ◆ Mr Alan Edgeworth
- ◆ Mr Robin Lord
- ◆ Mrs Cynthia Speed

The Panel met on 22 October 2012 to scope out its 2013 review of the Council's Scheme of Members' Allowances. As a result of its discussions the following work programme was agreed -

A 'root and branch' review divided into the following blocks -

- ◆ Block 1            Basic allowance
- ◆ Block 2            Special responsibility allowances
- ◆ Block 3            Travel and subsistence
- ◆ Block 4            Housekeeping (any other allowance contained within the scheme)

The Panel confirmed its intention not to review Civic Allowances in 2013, nor did it wish to reopen the debate in relation to elected Members joining the Local Government Pension Scheme (LGPS), in light of a government consultation exercise on the subject. However, it did agree that consideration should be given as to whether Councillors should be permitted access to the Scheme from 2015, pending the outcome of the government's reforms to the LGPS.

## **SECTION 2: COMMUNICATIONS**

### **Background**

Throughout the period covered by this report (February to November), the Panel has been working to extend the ways in which elected Members can contribute their thoughts and comments to them, to inform the review. This work arose in response to comments made to the Chairman of the Panel at a meeting of the Council's Constitution Committee held in November 2012.

The Panel has concentrated on three main areas:-

- i) Providing a means for Councillors to know when meetings of the Panel are to take place so they may submit comments and contribute to the debate;
- ii) Ensuring that the Panel is aware of any major changes to the Council's governance arrangements as soon as is possible to avoid unnecessary work on the Members' Allowances Scheme; and
- iii) Creating a specific presence for the Independent Remuneration Panel on the Cheshire East website.

#### **◆ Communication with Councillors**

The Panel requested and was provided with its own mailbox in the Cheshire East e-mail system in July 2013. Prior to this, comments from elected Members were collated by Democratic Services on behalf of the Panel. The mailbox is monitored by the Chairman of the Panel on a daily basis during the working week. Through the mailbox Councillors are advised of meeting dates and are invited to contribute their thoughts and comments on the topic under review. An acknowledgement is sent to each of those doing so and their contribution is shared with all members of the Panel.

Whilst it is unfortunately not practical for the Panel to meet individually with each of Cheshire East's 82 elected Members, where appropriate, Councillors are invited to attend meetings to expand on their comments.

#### **◆ Changes to the Council's governance arrangements that might impact on the Members' Allowances Scheme**

This year the Panel has been advising the Leader of the Council of the dates of each of its meetings. In addition, it has extended an invitation to the Leader to attend a meeting of the Independent Remuneration Panel on occasions when changes to the Council's governance arrangements are being proposed that might impact on the Members' Allowances Scheme. By being made aware that such changes may happen, the Panel hopes to avoid the possibility of carrying out work which then has to be aborted due to a change in the governance arrangements.

It is important to note that such meetings are undertaken for information gathering purposes only.

◆ **Creating a specific presence for the Independent Remuneration Panel on the Cheshire East website**

At the start of the year the only references to the Independent Remuneration Panel on Cheshire East Council's website were as part of the Constitution and in the minutes of the Council meeting when its 2012 report was discussed. Examination of a sample of the websites of other Councils showed that, Independent Remuneration Panels had a specific presence on the sites, often by way of a page dedicated to the Panel.

The current Panel felt that such a specific presence should be created for the Cheshire East Independent Remuneration Panel in order to raise its profile and to this end; the Panel has been working with the Council's web-team to implement this.

It is expected that the webpage will be live before the end of the year.

### **SECTION 3: METHODOLOGY**

In accordance with its wish to carry out a 'root and branch' review, the Panel was provided with a series of reports with accompanying research which, to provide a framework for the review, followed the same format:

- ◆ Appropriate paragraphs from the Local Authorities (Members' Allowances) (England) Regulations 2003 pertaining to the allowance 'block' under review
- ◆ The 'legacy' position outlining current practice at Cheshire East Council together with information used by the 2009 Independent Remuneration Panel (where known) which may have shaped its recommendations to Council in respect of the scheme
- ◆ Matters for consideration by the Panel
- ◆ A summary of the budgetary position at Cheshire East Council
- ◆ Views and perceptions submitted by elected Members and public bodies

To aid the Panel's understanding of the roles held by elected Members who received a Special Responsibility Allowance, the Panel considered that it might be useful for Panel members to attend specific committee meetings to observe Chairmen and Vice Chairmen in action.

Having decided that they wished to observe the Policy Development Groups (PDG's), which met in private, the Panel was grateful to be extended an invitation to attend a PDG meeting(s) by the Chairmen. Subsequently, meetings of the Health and Adult Social Care Policy Development Group and Finance Policy Development Group were attended on 7 and 14 October 2013 respectively.

A summary list of all the background documents provided to and considered by the Panel in the course of its review is provided at Section 11 of this report, the specific documents considered at each stage being listed accordingly in sections four to eight.

## SECTION 4: BASIC ALLOWANCE

### 4.1 Questions Considered by the Panel

- § *What is the purpose of the basic allowance?*
- § *What monetary value is considered appropriate recompense?*
- § *Should basic allowance be used as a tool to promote local democracy?*
- § *How should basic allowance be calculated?*
- § *How does Cheshire East compare with its CIPFA family/neighbouring authorities?*

### 4.2 Review of Allowance

The Panel began by noting that, in accordance with Part 2, Paragraph 4(1) of the Local Authorities (Members' Allowances) (England) Regulations 2003, an authority '*shall make a scheme in accordance with the regulations which **shall** provide for the payment of an allowance in respect of each year to each member of an authority and the amount of such an allowance shall be the same for each such member....*'.

Panel members had been asked to consider, via mailbox submissions, varying the amount of basic allowance according to the attendance level of the elected Member which the regulations did not permit; or providing the opportunity for elected Members to forgo allowances if they wished, which the regulations already allowed i.e. Part 3, paragraph 13 "*The scheme shall provide that a person may, by notice in writing given to the proper officer of the authority, elect to forgo his entitlement or any part of his entitlement to allowances*".

As part of its review, the Panel was invited to determine what it was the basic allowance was intended to cover. Having considered a number of statements from a variety of organisations including the Councillors Commission, House of Commons Communities and Local Government Select Committee, the Taxpayers Alliance and Central Government, the Panel concluded that the role could not and should not be compared to a full time post, as stated by the Secretary for State for Communities and Local Government in paragraph 4 of the Government's response to the House of Commons Communities and Local Government Select Committee's report 'Councillors on the Front Line' "*Councillors are and should fundamentally be volunteers, and (there should be no) move towards professionalizing the role through Councillors becoming full time salaried staff.*"

Nor did the Panel consider that it was within its remit to set a rate for basic to attract a wide range of candidates; rather national government or the political parties should take responsibility for removing any such barriers, although it accepted that individuals should not be out of pocket when standing for office.

This therefore, was the basis for its deliberation; the Panel stating that the allowance needed to balance adequate recompense against public expectation. The key issues were summarised as being

- § Achieving affordability for the tax payer *whilst*
- § ensuring no elected Member suffered hardship as a result of taking office

#### 4.2.1 Calculating Basic – Examples

The Panel looked at basic over two meetings and reflected on i) the various methods used by other Councils; and ii) the elements which could be applied in its calculation.

Method 1: Local Government Group (LGG) average hours undertaken by elected Members in carrying out Council business<sup>1</sup> multiplied by national minimum wage

Method 2: Gross average weekly wage for public sector workers based on employees working 30 hours or more per week x 52 weeks, divided by 2

Method 3: LGG average hours/employee hours per week x annual regional salary x 100% less 33% voluntary element reduction x working weeks per year/weeks per year

Accordingly, the Panel considered that the following calculation should apply at Cheshire East –

**Average salary less 50 % voluntary contribution x working weeks per year/weeks per year**

#### 4.2.2 Calculating Basic – Cheshire East Council

The Panel decided that figures from the North West region in respect of salaries should be used in any calculation as it would have more relevance to the local electorate [**Average Salary**].

Panel members had been provided with a selection of reports from Independent Remuneration Panels across the country by way of background reading and the Chairman drew the Panel's attention to the report of Birmingham City Council's IRP published in March 2012 which stated that basic allowance should be regarded as being "*reflective of members' formal governance responsibilities and not their community representational role*".

Following a lengthy discussion the Panel, having mind to the above and given that it concurred with the Secretary of State's position; arrived at a consensus - that the role of an elected Member should be divided equally between their formal governance role (50%) and their community representational role (50%) [**Voluntary Contribution**].

In recognising the voluntary element of the role and that the role of a Councillor was not full time, the value attributed to working weeks had then to be considered. Based on examples from other authorities, the Panel considered that this factor should be set at 46 weeks to reflect holidays, bank holidays and the August recess which Cheshire East Council still observes [**Working Weeks per Year**].

#### Resultant calculation

Average salary North West (2012) less 50% voluntary contribution x 46/52 weeks

$$\pounds 24435 - 50\% \times 46/52 = \pounds 10,808$$

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<sup>1</sup> As per the National Census of Local Authority Councillors 2010 published in October 2011

Although the basic calculation indicated that a reduction to the allowance may be appropriate and mindful of the fact that the Council was operating in austere financial times, the Panel took into account comments from elected Members before recommending no change to the current level of basic allowance.

**Recommendation 1:** That a) the calculation - average salary North West less 50 % voluntary contribution x working weeks per year/weeks per year be adopted forthwith as the formula for calculating basic allowance at Cheshire East Council; and b) notwithstanding the outcome of the calculation at paragraph 4.2.2, the basic allowance of £11,200 remain unchanged for 2014-2015.

**[Note 1:** Having considered data from Cheshire East Council's fifteen nearest neighbour authorities, the Panel was of the opinion that Cheshire East continued to compare favourably with its CIPFA (Chartered Institute of Public Finance and Accountancy) family.]

#### **4.3 Reasons for the Recommendation:**

- a) The Panel agreed with the conclusions of both the Secretary of State for Communities and Local Government and Birmingham City Council i.e. that Councillors are and should fundamentally be regarded as volunteers and that basic allowance should be reflective of members' formal governance responsibilities and not their community representational role.
- b) Following lengthy discussions the Panel arrived at a consensus that the role of an elected Member should be divided equally between their formal governance role and their community representational role.
- c) Although the basic calculation adopted indicated that a reduction to the allowance may be appropriate and mindful of the fact that the Council was operating in austere financial times, the Panel concluded that no change should be made to the current level of basic allowance payable.

#### 4.4 Evidence Considered:

- § Be a Councillor Campaign [www.beacouncillor.org.uk](http://www.beacouncillor.org.uk) 'Could I be a Councillor?' accessed 8 February 2013 (Note: the page has since been refreshed and the text used is no longer on the site)
- § Birmingham Independent Remuneration Panel: Annual Report 2011-2012 published March 2012
- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): family group comparator information (aka nearest neighbour data) 2013
- § Cheltenham Independent Remuneration Panel: Report on Members' Allowances March 2007
- § Cheshire East Council: Council Constitution dated 11 September 2012
- § Cheshire East Council: Draft Guide to Members' Allowances 2013-2014
- § Cheshire East Council: Report to Cabinet/Council 'Becoming a Strategic Council – Review of Management Roles and Responsibilities' 4 February 2012 21 February 2013
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Councillors Commission: Representing the future - The report of the Councillors Commission published December 2007
- § Elected Member representations
- § Government: Response to House of Commons Communities and Local Government Select Committee: Councillors on the Frontline - Sixth report of session 2012-2013 Volume One 17 December 2013
- § Gov UK: National Minimum Hourly Wage as at 9 January 2013
- § Gov.UK: National Minimum Hourly Wage as at 1 October 2013
- § House of Commons Communities and Local Government Select Committee: Councillors on the Frontline - Sixth report of session 2012-2013 Volume One 17 December 2013
- § Independent Remuneration Panel: Mid Year Review of Scheme of Members' Allowances 27 January 2011
- § Independent Remuneration Panel: 'What is the usefulness of Councillors and who to' report 30 April 2013
- § Institute for Volunteering: Volunteer Investment and Value Audit (VIVA) Research published January 2011
- § Local Authorities (Members' Allowances) (England) Regulations 2003
- § Local Government Association: Guide to being a Councillor 2012-2013
- § Local Government Association: Local Government Pay Award 2013 dated 22 October 2012
- § Local Government Association: National Census of Local Authority Councillors 2010 published October 2011
- § Office for National Statistics: Statistics Bulletin 2012 Annual Survey of Hours and earnings published 22 November 2012
- § Taxpayers Alliance: Councillors' Allowances Research Note 116 published 29 August 2012
- § Taxpayers Alliance: Chief Executive's response to Select Committee's Findings 10 January 2013

## SECTION 5: SPECIAL RESPONSIBILITY ALLOWANCES

### 5.1 Questions Considered by the Panel

- § Does each allowance in the Cheshire East scheme comply with the regulations?
- § Is the SRA reflective of the Council's governance arrangements?
- § What defines an allowance as special?
- § What value/relevance does an SRA have to the Council?

### 5.2 Review of Allowances

The Panel's consideration of Special Responsibility Allowances (SRA's) was divided into four areas - compliance with the regulations, governance arrangements, defining allowances (governance and political) and remuneration (governance and political).

#### 5.2.1 Compliance with the Regulations

The payment of SRA's is discretionary under Part 2, paragraph 5(1) and 5(2) of the Local Authorities (Members' Allowances) (England) Regulations 2003 (i.e. a Council may provide...), the exception being paragraph 5(2) (b) which requires an authority to pay an SRA to 'at least one person who is not a member of the controlling group and has special responsibilities described in paragraph (1)(a) or (f) of the regulations; provided that (i) the Members of an authority are divided into at least two political groups; and (ii) a majority of members of the authority belong to the same political group ("the controlling group").'

Notwithstanding the above, allowances paid under the scheme had to fall within one of the categories prescribed therein. Having considered the regulations, the Panel was of the opinion that the SRA's paid by Cheshire East Council were compliant, classifying them as follows i.e.

**Table 1:**

Post	Relevant Paragraph 5...	Classification agreed by the Panel <sup>2</sup> 5...
Council Leader	1a	1a
Deputy Council Leader	1a	1a
Cabinet Member/Portfolio Holder	1b	1b
Cabinet Support Member	1b	<b>1i</b>
Committee Chairman	1c	1c
Committee Vice Chairman	1c	<b>1i</b>
Main Opposition Group Leader	2bii	<b>2bii &amp; 1a</b>
Main Opposition Group Deputy Leader	2bii	<b>2bii &amp; 1a</b>
Opposition Group Leaders	2bii	2bii
Administration Whip	1i	1i
Deputy Administration Whip	1i	1i
Opposition Whips	1i	1i

<sup>2</sup> Those in bold being changed by the Panel from the proposed classification set out in the report

The Panel was also of the opinion that those allowances paid under paragraph 5(1) (i) “*carrying out such other activities in relation to the discharge of the authority’s functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned in sub-paragraphs (a) to (h) (whether or not that activity is specified in the scheme)*” warranted particular scrutiny due to the “catch all” nature of this paragraph.

## **5.2.2 Governance Arrangements**

Whilst the roles currently set out in the scheme were reflective of the governance arrangements at Cheshire East, there were a number of bodies which did not attract an SRA payment for the Chairman/Vice Chairman. For completeness; the Panel was asked to confirm if it wished to consider these bodies as part of its ‘root and branch’ review i.e.

- § Lay Members Appointments Committee
- § Local Authority School Governor Appointments Panel
- § Appeals sub-committee
- § Civic sub-committee
- § Licensing sub-committee
- § Community Governance Review sub-committee
- § Polling Arrangements Review sub-committee
- § Outside Organisations sub-committee
- § Local Service Delivery Committee Macclesfield
- § Health and Wellbeing Board

Having considered the constitutional standing of the bodies concerned, the Panel was satisfied that the majority of the above committees/sub-committees/panels did not meet its qualifying criteria of constitutional responsibility, legislative responsibility, decision making powers, accountability to the public and delivery of projects within a defined period and should not be included, two possible exceptions being Health and Wellbeing Board and Licensing sub-committees.

The Health and Wellbeing Board had been established in accordance with the Health and Social Care Act 2012, and although its terms of reference had not yet been formally agreed by Council, a draft document was shared with the Panel in order for it to make a determination. In the Panel’s opinion, the Board did not sufficiently meet its responsibility criteria as it was considered an advisory body with limited powers. On balance, the Panel concluded that it should not be added to the scheme.

The Panel requested further information on how it’s nearest and local neighbouring authorities remunerated members who sat on Licensing sub-committees with a view to determining whether there was merit in awarding an SRA or meeting allowance to the Chairman of a Licensing sub-committee in recognition of the role.

It was reported that there was no common approach in respect of payments to the Chairman/Vice Chairman i.e. 16 authorities paid an SRA to the Licensing Committee only; 3 to Licensing sub committee only with 6 making payments to Licensing Committee and Licensing sub-committee; Bedford being the only authority paying a meeting allowance.

Having discussed the matter and gained a better understanding of how an elected Member might come to chair a Licensing sub-committee; the Panel was minded not to recommend the awarding of an SRA or meeting allowance within the scheme.

### 5.2.3 Defining an Allowance as ‘Special’

The Panel considered that every member of Cheshire East Council should be expected to provide leadership and take on additional responsibility during the course of their term of office. On this basis, the payment of a Special Responsibility Allowance could only be regarded as appropriate if the post required significant additional responsibility over and above that expected of every elected Member.

Furthermore, whilst acknowledging some elected Members’ views that the payment of more than one allowance should be permitted; the Panel remained of the view, stated by the 2009 Independent Remuneration Panel and adopted by Council, that only one special responsibility allowance should be paid to any individual Councillor and where two or more positions were held which attracted an SRA the highest amount only should be paid.

### 5.2.4 Defining Responsibility – Governance Bodies

To help identify elected Members’ responsibilities, a matrix was developed by the Panel in which it compared the responsibilities of the decision making bodies as described in the Council’s Constitution against its own responsibility criteria i.e. constitutional, legislative, decision making powers, accountability to the public and delivery of projects to deadlines; the test being applied across the Panel’s lengthy considerations in respect of SRA’s. Once again, the Panel took care not to confuse those with full diaries and no responsibility, with those who met the criteria.

Having completed this exercise, the Panel went on to review the matrix (**Appendix 1**), to determine which SRA’s should be retained and which should be recommended for removal:-

**Table 2:**

Committee	Meets criteria?	SRA(s) to be retained
Planning Committees (Southern, Northern and Strategic Planning Board)	In full	Chairman/Vice Chairman
Public Rights of Way	In full	Chairman only
Staffing	In part	Chairman only
Scrutiny Committees	In part	Chairman only
Policy Development Groups	No	None
Licensing Committee	In full	Chairman/Vice Chairman
Constitution Committee	In part	Chairman/Vice Chairman
Audit and Governance Committee	In part	Chairman/Vice Chairman
Cabinet	In full	Portfolio Holders
Cabinet Support Member	No	None

**[Note 2:** Positions which did not meet the criteria in full, or had a narrow remit were subject to further discussion.]

Audit and Governance/Constitution Committees: Key words in the Panel's criteria did not match the Committees' terms of reference. In recognising their role in ensuring the smooth running of the Council's corporate governance, audit and administrative business the Panel felt that an SRA for the Chairman and Vice Chairman should be retained.

Cabinet Support Members: Having evaluated the role against the matrix and noting the evidence supplied as part of the 2012 review, the Panel concluded that in the absence of a job description or terms of reference, a Cabinet Support Member did not appear to have any individual *responsibility* in order to qualify for an SRA under its criteria. In the Panel's opinion, their role was to provide *support* to the Portfolio Holder and accordingly recommended that the allowance be removed.

Policy Development Groups (PDG's): The Panel first considered the payment of an SRA to the PDG's as part of its 2012 review. Having considered the evidence placed before it at that time, the Panel had concluded that there was a significant workload for the Chairmen and Vice Chairmen in establishing the groups in their inaugural year, which would support the awarding of an interim SRA. However, the Panel reserved final judgement until there was a historical record of the work of the Groups which could be reviewed.

The Panel was informed by the Council that a planned internal review of the PDG/Scrutiny arrangements had not taken place and in light of this, the Panel attended and observed two PDG meetings. In the Panel's opinion, some of the PDG's had not moved forward since they were first considered in 2012 and had failed to rate highly on the responsibility matrix. The Panel therefore felt that it would be impossible to recommend payment to one PDG and not to another and it did not consider that payment of an SRA should continue beyond Annual Council 2014.

Scrutiny Committees: Section 21 of the Local Government Act 2000 required the Council to maintain a scrutiny function under its strong Leader and Cabinet model of governance but it was felt that, as these were advisory rather than decision making bodies, an SRA should be paid to the Chairman only to reflect the Committees' role in holding the executive to account via the call-in procedure.

Staffing/Public Rights of Way: These bodies were both considered to have a narrow remit, therefore the level of responsibility was not considered to be so significant as to warrant payment of an SRA to both the Chairman and Vice Chairman; the Chairman only to retained.

#### **5.2.5 Remuneration – Governance Bodies**

The matrix format lent itself to the placing of allowances into bands as roles of similar responsibility levels could be grouped together. The Panel placed each retained role into one of four bands based on its findings and its discussions. The Panel acknowledged that whilst some Committees had limited responsibility but met frequently; others had a significant constitutional role but met less often.

**Table 3:**

Band (High to Low)	Post
One	Cabinet Member
Two	<b>Licensing Committee, Audit and Governance Committee, Southern Planning Committee, Northern Planning Committee, Strategic Planning Board</b>
Three	<b>Constitution Committee</b> , Scrutiny Committees, Staffing Committee
Four	Public Rights of Way Committee

In 2012-2013 and 2013-2014, Vice Chairmen received a flat rate of £1000 per annum and were entitled to claim £50 for each meeting chaired in the absence of the Chairman. In light of its deliberations, the Panel considered that this arrangement should be discontinued and that the Vice Chairmen of the Committees shown in bold in Table 3 should receive a percentage of the figure payable to their respective Chairman.

After a discussion, the Panel concluded that this percentage figure should be set at 15%, to reflect the responsibilities held and the probable number of times a Vice Chairman would be required to chair a meeting of the full Committee.

The Panel then moved on to consider the level of remuneration for the posts recommended for retention within the scheme. After much deliberation, the Panel decided that in this austere financial climate, the current levels of payment were neither sustainable nor justifiable when set against the background of continued savings to services provided in the community, cuts in government funding and the contraction of elected Members' responsibilities as services were transferred as part of the new governance arrangements.

Taking all the above into account, the Panel considered that the special responsibility allowances payable to the governance bodies retained should be reduced, the percentage reduction agreed being in the region of 10%, a figure widely used in industry at present where reductions were deemed to be necessary.

**Table 4:**

Band (High to Low)	Post	Current Allowance £	Proposed Allowance £	Proposed Vice Chairs <sup>3</sup> £
One	Cabinet Member	14000	12500	
Two	<b>Chairman of Licensing Committee/ Audit and Governance Committee/ Southern Planning Committee/ Northern Planning Committee/ Strategic Planning Board</b>	7280	6500	£975
Three	<b>Chairman of Constitution Committee/ Scrutiny Committees/Staffing Committee</b>	7280	5000	£750
Four	Public Rights of Way Committee	5600	3000	

**[Note 3:** It should be noted that, as it is not within the Panel's remit to make recommendations on budgetary matters, it is unable to make a recommendation as to any alternative use of savings achieved.]

**Recommendation 2:** That a) the roles and proposed allowances payable set out in Table 4 be adopted within Schedule 1 of the 2014-2015 Scheme of Members' Allowances; and b) the posts of Cabinet Support Member and Policy Development Committee Chairman and Vice Chairman be removed from the 2014-2015 scheme.

### 5.2.6 Defining Responsibility - Political Posts

A list of the 'political' SRA's payable under Cheshire East's scheme was provided for the Panel together with the nearest neighbour comparator data, the roles currently recognised within the Cheshire East scheme being Leader, Deputy Leader, main Opposition Group Leader, main Opposition Group Deputy Leader, minority Group Leader, main Group Whip, main Group Deputy Whip and minor Group Whip.

#### a) Leader of the Council/Deputy Leader

The current mechanism used in the calculation of allowances at Cheshire East was gearing, where posts were allocated a percentage of the allowance paid to the Leader of the Council. Panel members discussed, whether having been minded to recommend a move towards the banding of allowances for governance bodies, the same arrangements should apply to the political posts, a proposal which was supported.

<sup>3</sup> Applies only to those Committees shown in bold in Table 4.

## **b) Main Opposition Group Leader**

In accordance with Part 2, paragraph 5(1) and 5(2) of the Local Authorities (Members' Allowances) (England) Regulations 2003, authorities were required to pay an SRA to 'at least one person who is not a member of the controlling group and has special responsibilities described in paragraph (1)(a) or (f) of the regulations; provided that (i) the Members of an authority are divided into at least two political groups; and (ii) a majority of members of the authority belong to the same political group ("the controlling group")'.

As this was the position at Cheshire East, the Panel noted the requirement in its deliberations.

## **c) Main Opposition Group Deputy Leader/Minority Group Leaders**

The Panel debated whether any form of restriction should apply to political roles; expressing particular concern that minority Group Leaders received the same allowance as the majority group irrespective of the number of elected Members they were responsible for.

## **d) Group Whips**

In considering the nearest neighbour data, comment was made as to the absence of payments to Group Whips across the 15 authorities with only Cheshire West and Chester and East Riding still including these posts in their Scheme of Allowances. Without sight of the corresponding IRP reports, it was difficult for the Panel to establish the reasons for this.

Questions were raised as to the role of a Whip which, on face value, seemed to the Panel to be purely political. It was explained that whilst the role could be perceived as being primarily of benefit to the political groups, the Whips were a point of interface between Council officers and the political parties with regard to Council matters, committee appointments and code of conduct issues; these same points being expressed by elected Members during their representations.

### **5.2.7 Remuneration – Political Posts**

Having applied a banding system to the governance bodies, the Panel agreed that the same arrangement should be applied to the political posts.

After much deliberation, the Panel again decided that in this austere financial climate, the current levels of payment were neither sustainable nor justifiable when set against the background of continued savings to services provided in the community, cuts in government funding and the contraction of elected Members' responsibilities as services were transferred as part of the new governance arrangements.

Taking all the above into account, the Panel considered that special responsibility allowances payable to these political posts should be reduced, the percentage reduction agreed being in the region of 10%, a figure widely used in industry at present where reductions were deemed to be necessary.

**a) Leader of the Council/Deputy Leader**

Although the remainder of the political posts within the scheme would be placed within bands, the Panel did not wish to 'band' the Leader and Deputy Leader roles, preferring to deal with them separately, in line with the reduction proposed i.e.

**Table 5:**

	Current Allowance £	Proposed Allowance £
Leader of the Council	28000	26000
Deputy Leader of the Council	16800	15000

**b) Main Opposition Group Leader**

In accordance with the regulations, the Panel retained the SRA for the main Opposition Group Leader, setting it within band three.

**Table 6:**

Band (High to Low)	Post	Current Allowance £	Proposed Allowance £
Three	Main Opposition Group Leader	7280	5000

**c) Main Opposition Group Deputy Leader/Minority Group Leaders**

To rebalance these allowances in line with responsibility, the Panel agreed that an SRA should be paid to the main Opposition Group Deputy Leader provided that the total number of members within their group exceeds 20% of the Council's total membership.

With regard to Minority Group Leader(s), the same arrangements would apply provided that the total number of members within their group exceeds 10% of the Council's total membership.

**Table 7:**

Band (High to Low)	Post	Current Allowance £	Proposed Allowance £
Four	Minority Group Leader	5600	3000
	Main Opposition Group Deputy Leader	3640	

**Recommendation 3:** That a) the roles and proposed allowances payable set out in Tables 5, 6 and 7 be adopted within Schedule 1 of the 2014-2015 Scheme of Members' Allowances; and b) from 2014-2015, a Special Responsibility Allowance only be paid to i) the main Opposition Group Deputy Leader provided that the total number of members within their group exceeds 20% of the Council's total membership; and ii) to Minority Group Leader(s) provided that the total number of members within their group exceeds 10% of the Council's total membership.

#### **d) Group Whips**

On balance, and based on the evidence considered, the Panel was not persuaded that the role's value to the Council outweighed its value to the political group, nor that the level of responsibility was significant enough to attract an SRA.

**Recommendation 4:** That, on the basis of the evidence considered, the posts of main Group Whip, main Group Deputy Whip and minor Group Whip be removed from the 2014-2015 Scheme of Members' Allowances.

### **5.3 Reasons for the Recommendations:**

Defining Special Responsibility: The Panel wished to develop criteria against which additional responsibility could be measured. Following lengthy discussions, its defined criteria of constitutional responsibility, legislative responsibility, decision making powers, accountability to the public and delivery of projects to deadlines was applied to each governance and political post attracting a special responsibility allowance in the 2013 scheme for the purpose of identifying which roles should be taken forward.

Remunerating Posts: Banding allowances allowed posts to move more freely between bands as roles changed and elected Members' responsibilities contracted as services were transferred as part of the new operational model.

Since the allowances had been last examined thoroughly, much had changed in respect of how the Council operates. The Panel considered that allowances were no longer reflective of the posts to which they were being applied.

In this austere financial climate, the current levels of special responsibility allowance payable were neither sustainable nor justifiable when set against the background of continued savings to services provided in the community and cuts in government funding.

Opposition Group Deputy Leader/Minority Group Leader: The Panel considered that the level of responsibility was proportionate to the number of members in a group, therefore with a higher number of members the responsibility became such that an SRA should be paid.

Group Whips: As the role's primary value was to the political groups and not to Council, the level of responsibility was not considered significant enough to attract an SRA.

#### 5.4 Evidence Considered:

- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): Family group comparator information (aka nearest neighbour data) 2013
- § Cheshire East Council: Council Constitution dated 11 September 2012
- § Cheshire East Council: Health and Wellbeing Board 27 August 2013
- § Cheshire East Council: Scheme of Members' Allowances 2013-2014
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Elected Member representations
- § HMRC: Office of Deputy Prime Minister Local Government Councillors and Civic Dignitaries in England Guidance (definition of special responsibility allowance)
- § Independent Remuneration Panel: Observations of PDG meetings 30 October 2013
- § Independent Remuneration Panel: Responsibilities Matrix created 27 August 2013
- § Local Government Act 2000 Chapter 22 Part II Section 21 Overview and Scrutiny Committees
- § Local Government Association: Finding Your Way – A Guide to New Councillors 2013/2014 published May 2013 (extract key roles)
- § Local Authorities (Members' Allowances) (England) Regulations 2003
- § Middlesbrough Independent Panel: Annual Report on Allowances 2013-2014 published 7 May 2013
- § Peterborough Telegraph: Post submitted to article "*Councillors vote for pay freeze*" published 31 January 2013

## **SECTION 6: TRAVEL EXPENSES**

### **6.1 Questions Considered by the Panel**

- § *Do the approved duties set out in schedule 3 of the Cheshire East scheme comply with the regulations?*
- § *Are current mileage rates appropriate or should they be amended?*
- § *Should any changes be made to arrangements for rail travel, bicycles, motorcycles, air travel, taxis and other expenditure?*

### **6.2 Review of Allowances**

In accordance with Part 2, paragraph 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003, the payment of travel and subsistence allowances for the performance of an approved duty is discretionary, which allows local authorities to approve their own travel and subsistence arrangements as part of an overall scheme.

Amongst the views expressed by elected Members, comment was made that all expenses should be included in the basic allowance to save administrative costs. The Panel felt that the varied nature of an elected Member's personal circumstances made such an arrangement inequitable and did not consider it further.

#### **6.2.1 Approved Duties**

Travel allowances could only be claimed for attendance at an approved duty and the Panel agreed that Schedule 3 of the Scheme, which listed the qualifying events, was compliant with the regulations. For the avoidance of doubt as to what was permissible by way of claims, the Panel suggested that elected Members be reminded of the content of the list.

#### **6.2.2 Car Mileage**

In the past three years, Cheshire East had given consideration to varying its mileage rates to equalise claims i.e. introducing a single rate of 40p per mile, or payment of a lump sum, neither of which had been adopted.

Despite having looked at it last year, the Panel reviewed this issue afresh. Whilst it acknowledged an elected Member's concerns that the present cost of motoring was probably higher than the current mileage rates payable in the scheme, it could see no argument for moving away from the present arrangements and did not consider that the rates of 45p (HMRC rate), 46.9p and 52.2p per mile should be amended (this to include the 1p per mile claimable for additional passengers up to 4 people).

Scrutiny of the nearest neighbour data had indicated a trend towards paying allowances for travel outside of the authority's area only but as these Councils tended to be metropolitan boroughs which were significantly smaller than Cheshire East, the Panel did not consider it a feasible option for this authority to consider.

Following an invitation from the Chairman to elected Members to submit comments on the issue of travel, the Panel had been asked to consider whether car breakdown cover for elected Members should be included in the scheme. The Panel considered that this aspect was already covered in the basic allowance and no further consideration was given to the matter.

**Recommendation 5:** That no change be made to the car mileage and passenger rates set out in the 2013-2014 Scheme of Members' Allowances.

### 6.2.3 Rail Travel

Members (and officers) were expected to travel standard class when travelling to a meeting or conference and the Panel was of the opinion that this should remain the case. It also considered that elected Members should be reminded of the need to inform the Business Support Unit (BSU) at the earliest opportunity of their travel needs in order to take advantage of lower cost fares.

**Recommendation 6:** That the following wording be inserted into the Guide to Members' Allowances "*Elected Members who have need to make travel arrangements, should inform BSU at the point their attendance at an event or notice of the meeting to be attended is confirmed*".

### 6.2.4 Bicycles

Bicycle rates had been brought into line with those paid to employees as part of the 2012 review, which had been adopted by Council. As it was this Panel which had made the recommendation, and as the Cycle to Work scheme was still in place, it did not wish to make any changes to the current arrangements.

### 6.2.5 Motorcycles

Rates for motorcycles had also been brought into line with those paid to employees but no claims had been received under this provision. The Panel was invited to consider whether there was merit in its retention within the scheme.

Section 174 of the Local Government Act 1972 allowed elected Members to travel to meetings either inside or outside of the UK by "*any reasonable means*". Although the legislation had been repealed, the "reasonableness" test was still considered to be relevant. On these grounds, the Panel made no changes to the current arrangements.

### 6.2.6 Other Expenditure

Expenditure on car parking, tolls, ferries and overnight garaging (where the elected Member was absent overnight) was reimbursed at actual cost paid on production of receipts as these were 'out of pocket' expenses. As the Panel had, at the beginning of its review stated that Councillors should not be out of pocket in the performance of their duties, the Panel made no changes to the current arrangements.

### 6.2.7 Air Travel

The option to travel by air could be considered inappropriate, due to the perceived cost of travel but, anecdotal evidence had indicated that fares from Manchester to London were often cheaper than the same journey by rail. On the grounds that air travel was only permitted provided that the cost was lower than the equivalent rail fare for the journey and providing the journey met the “reasonableness” test, the Panel concluded that this mode of transport should be retained in the scheme.

### 6.2.8 Taxis

The occasional use of taxis was regarded as an ‘out of pocket expense’ reimbursable on production of receipts. For all other claims, a ‘business case’ was required to be completed before short or long term use of taxis was permitted. As any arrangements agreed were regularly reviewed by officers, the Panel was satisfied that appropriate steps were being taken to ensure that use of this facility was reasonable and appropriate.

**Recommendation 7:** That the current arrangements and levels of recompense in respect of bicycles, motorcycles, car parking, tolls, ferries, overnight garaging, air travel and taxis in the 2013-2014 Scheme of Members’ Allowances remain unchanged.

## 6.3 Reasons for the Recommendations:

Car Mileage/Passenger Rates: Having considered the matter afresh, the Panel found no strong case for changing the current arrangements.

Rail Travel: Strengthening the wording in the Guide to Members’ Allowance emphasises that elected Members are expected to take all possible advantage of advance and reduced fares to keep costs down.

Travel Expenses: The Panel accepts that individuals should not be out of pocket when performing their duties as a Councillor provided that the costs incurred could be considered reasonable, the same principle to apply in respect of approving business cases submitted for short-long term taxi use.

#### **6.4 Evidence Considered:**

- § Automobile Association: Car Running costs 2013-2014 as at 30 April 2013
- § Automobile Association: Motoring Costs 2013 Diesel and Petrol Cars as at 11 September 2013
- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): Family group comparator information (aka nearest neighbour data) 2013
- § Cheshire East Council: Cycle to Work Scheme 2013
- § Cheshire East Council: Draft Guide to Members' Allowances 2013-2014
- § Cheshire East Council: Scheme of Members' Allowances 2013-2014
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Crewe Chronicle: CEC members claim £1.3m in expenses article published 3 September 2013
- § Elected Member representations
- § HMRC: Mileage and Fuel Allowances 2011-2012
- § HMRC: Tax Relief for Travel and Subsistence 2013
- § Independent Remuneration Panel: Cheshire East Council Allowances Scheme 1 April 2009
- § Local Authorities (Members' Allowances) (England) Regulations 2003
- § National Joint Council: Car Allowances Technical Advisors report issued March 2010
- § Office of National Statistics: UK Counties and Authorities Map 2011
- § Taxpayers Alliance: West Midlands Research Note 1 - Mileage Allowances and HMRC

## SECTION 7: SUBSISTENCE ALLOWANCE

### 7.1 Questions Considered by the Panel

- § *Is the current level of subsistence reasonable or should it be amended?*
- § *Should the 'four hour' requirement be retained, amended or abolished?*
- § *Should accommodation costs be limited on bookings made by the Council?*
- § *Should elected Members be permitted to stay overnight when attending a one day conference?*

### 7.2 Review of Allowance

The Panel was invited to consider current arrangements for the payment of subsistence allowance, which for ease of consideration was separated into two distinct areas i) food and refreshments; and ii) accommodation.

#### 7.2.1 Food and Refreshments

Amongst the views expressed by elected Members, comment had been made that subsistence should only apply when Councillors were '*away from home*' and that when attending meetings at Council venues, individuals should make their own arrangements, a suggestion which found some support amongst the Panel. An extension of this view, again expressed by elected Members, was that lunch should not be claimable as subsistence.

Limits had been imposed in the scheme up to which claims could be submitted for breakfast, lunch and dinner. Panel members initially considered that the rates were high but some were not aware that it covered claims for both hot and cold meals. As monies were only reimbursed on actual cost incurred, the Panel concluded that, other than to round the figures up/down to the nearest pound, no change be made as it was felt reasonable for elected Members who were away from home for a significant period of time to claim back the cost of a meal.

The scheme also stipulated that claims could only be made where an elected Member was away from home for a period exceeding four hours. Whilst time limits had once been common practice in the civil service/local government, this no longer seemed to be the case as evidenced by the nearest neighbour data. Nevertheless, the Panel considered that it was reasonable for a limit to be applied and proposed that the four hour test be retained, given that this was in line with similar standards applied in industry and commerce.

**Recommendation 8:** That from 2014-2015 a) the subsistence rates set out in the 2013-2014 Scheme of Members' Allowances be amended to breakfast £8.00, Lunch £11.00, Dinner outside London £17.00, Dinner London and abroad £35.00; and b) the four hour limit described in the scheme be retained.

## 7.2.2 Accommodation

As there were numerous issues which could influence the choice of overnight accommodation at conference or other events, the Panel considered that it was unreasonable to impose cost limits on ad-hoc/planned bookings but that elected Members and the Council should be reminded, via the Guide to Members' Allowances, of the need to select accommodation which gave the best value for money.

In light of its recommendation in respect of food and refreshments, the Panel concluded that, other than to round the figures up/down to the nearest pound, no change be made.

**Recommendation 9:** That from 2014-2015, the rates for accommodation set out in the 2013-2014 Scheme of Members' Allowances be amended to i) overnight accommodation outside London (to include breakfast) £120; ii) overnight accommodation in London (to include breakfast) £145.

## 7.3 Reasons for the Recommendations:

Food/Refreshments: Having mind to rising commodity costs and that monies were only reimbursed based on actual costs incurred, the Panel considered that the present rates were not unreasonable.

Accommodation: As it was impracticable to impose a cost limit to cover all circumstances, the inclusion of appropriate wording in the Guide to Members' Allowances would reinforce the need to achieve value for money for the Council when booking accommodation.

## 7.4 Evidence Considered:

- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): Family group comparator information (aka nearest neighbour data) 2013
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Cheshire East Council: Travel and Expenses Policy, HR Policy and Strategy Team June 2013
- § Elected Member representations
- § HMRC: Employment Income- scale of expenses, subsistence table of benchmark scale rates as at 6 April 2009
- § HMRC: Tax Relief for Travel and Subsistence 2013
- § Independent Remuneration Panel: Cheshire East Council Allowances Scheme 1 April 2009
- § Local Authorities (Members' Allowances) (England) Regulations 2003
- § Local Government Association: National Joint Council Green Book Frequently Asked Questions published October 2012

## SECTION 8: HOUSEKEEPING ALLOWANCES

### 8.1 Questions Considered by the Panel

- § *Should the Council continue to impose a limit of £6100 for Dependants' Carers' allowance claims or should it be amended?*
- § *Is there any merit in moving to an hourly rate?*
- § *Should any distinction be made between child care and adult care?*
- § *Should co-optees be able to claim travel and subsistence in line with other non-elected individuals e.g. School Appeal/Independent Persons/Independent Remuneration Panel members?*
- § *Should the Council continue to reimburse out of pocket expenses such as surgeries, IT sundries and broadband or should payment be made as part of the basic allowance?*

### 8.2 Review of Allowances

The term 'housekeeping' allowances had been used to draw together the remaining allowances payable under the scheme i.e. dependants' carers' allowance, co-optees and out of pocket expenses which, together with Local Government Pension Scheme arrangements for elected Members, did not fall under any other category.

#### 8.2.1 Local Government Pension Scheme (LGPS)

The Department for Communities and Local Government was undertaking a consultation exercise on future arrangements for the LGPS which could result in elected Members no longer having access to the fund from 2014. In light of this, the Panel confirmed its position that it would not review this element of the scheme pending the outcome of the consultation but would note elected Members' comments in this regard for future consideration.

#### 8.2.2 Dependants' Carers' Allowances

Dependants' Carers allowance was paid for a "child, spouse or parent" up to £6,100 per annum on production of receipts and satisfactory evidence of care provided. The Panel considered whether this was reasonable or whether payment at an hourly rate was more appropriate. Information relating to child care costs in the North West region was provided, Panel members noting that whilst there was a plethora of information relating to adult care, no financial statistics were immediately available.

The Panel considered that the two types of care were sufficiently different to warrant separation and that the imposition of an hourly rate would be too restrictive. On the basis that care provision would only be sought to enable elected Members to undertake an approved duty, the current per annum figure was considered high based on an average of 4 hours care a day over a 46 week period<sup>4</sup>. The Panel considered that, in relation to child care, this figure should be lowered to a maximum of £4000 per annum. However, as adult and specialist services tended to cost more, the Panel proposed that this limit be set at £6000 to include children with disabilities and special needs. The Panel also agreed that supporting evidence of the care provided should continue to be requested when the allowance was first claimed.

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<sup>4</sup> Page 10, basic allowance, paragraph 4.2.2. refers

**Recommendation 10:** That from 2014-2015, a) the Dependants' Carers' Allowance as set out in the 2013-2014 Scheme of Members' Allowances be divided into i) child care and ii) adults/children with disabilities and/or special needs; and b) the limits be set at £4000 for (i) and £6000 for (ii) respectively.

### 8.2.3 Co-optees

Under the Local Government Act 2000, which had introduced the Executive/Scrutiny model of governance, Councils were allowed to co-opt representatives to sit on Scrutiny Committees which dealt with educational matters, Cheshire East co-opting two faith representatives. Following the introduction of Policy Development Groups at Cheshire East in 2012, the two co-optees who had originally been appointed to the Children and Families Scrutiny Committee now sat on Corporate Scrutiny Committee but did not receive any payment for this role.

In noting the above, the Panel considered that co-optees should be alerted to the fact that they were able to claim travel and subsistence in line with other non-Council individuals and it was agreed that suitable wording be included in the Scheme of Members' Allowances and in the Guide to Members' Allowances to acknowledge this.

**Recommendation 11:** That the following wording be included in the 2014-2015 Scheme of Members' Allowances and Guide to Members' Allowances "*individuals co-opted onto a Council Committee are entitled to claim travel and subsistence allowances in accordance with the scheme*".

### 8.2.4 Out of Pocket Expenses

Out of pocket expenses typically covered such matters as surgery fees and payment of emergency IT sundries. The Panel agreed to retain these elements in the scheme with the existing provisions i.e. that reasonable expenses could be reclaimed on the production of receipts.

**Recommendation 12:** That no change be made to the 2014-2015 Scheme of Members' Allowances in respect of claims for out of pocket expenses.

### 8.2.5 Members' Broadband

To assist elected Members in their Council duties, I T equipment was provided following their election (aka 'I T offer'). The Panel noted that some Councillors chose not to host additional equipment in their home and in these circumstances, the cost of broadband line rental/calls made when conducting Council business was reimbursed.

The Panel was strongly of the opinion that claims for the cost of using a private broadband line for Council business should only be permitted in exceptional circumstances and that elected Members should be required to accept Council equipment. Given that an internal review of the I T offer was currently underway, the Panel asked that its opinion be conveyed to those carrying out the review. Notwithstanding this, no changes to the current arrangements were proposed.

**Recommendation 13:** That no change be made to the 2014-2015 Scheme of Members' Allowances in respect of claims for broadband expenses pending the outcome of the internal review.

### 8.3 Reasons for the Recommendations:

Dependants' Carers': Setting separate per annum limits recognised the diverse cost structures associated with the different types of care.

Co-optees: The inclusion of the suggested wording would provide consistency across the scheme.

Out of Pocket Expenses: The Panel accepted that individuals should be refunded for any incidental expenses incurred when performing their duties as a Councillor.

Broadband: Whist feeling strongly that, to ensure the integrity and standardisation of Council IT, elected Members should be required to accept Council equipment, the Panel wished to wait until the internal review was concluded before deciding if it would be appropriate to make a recommendation in this regard.

### 8.4 Evidence Considered:

- § Age UK: Paying for Care and Support at Home Fact Sheet 46 published April 2013
- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): Family group comparator information (aka nearest neighbour data) 2013
- § Cheshire East Council: Scheme of Members' Allowances 2013-2014
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Daycare Trust: Childcare Costs Survey 2013 published February 2013
- § Elected Member representations
- § Gov UK: National Minimum Hourly Wage as at 9 January 2013
- § Gov.UK: National Minimum Hourly Wage as at 1 October 2013
- § Health and Social Services and Social Security Adjudications Act 1983: Section 17 Charges for Local Authority Services in England and Wales
- § Local Authorities (Members' Allowances) (England) Regulations 2003
- § Localism Act 2011 Chapter 7 Paragraph 7: Independent Person
- § Oxford Dictionary Online: definition of Co-opt 4 October 2013
- § School Appeals (Admission Arrangements) (England) Regulations 2012: Regulation 6
- § Schools Standards and Framework Act 1998: Regulation 7 Section 94 (5A) Payment of Allowances to School Appeals Panel Members
- § Volunteering England: Thinking about Volunteering Information Sheet 2011 last reviewed May 2011

## SECTION 9: SUMMARY OF RECOMMENDATIONS

**Recommendation 1:** That a) the calculation - average salary North West less 50 % voluntary contribution x working weeks per year/weeks per year be adopted forthwith as the formula for calculating basic allowance at Cheshire East Council; and b) notwithstanding the outcome of the calculation at paragraph 4.2.2, the basic allowance of £11,200 remain unchanged for 2014/2015;

**Recommendation 2:** That a) the roles and proposed allowances payable set out in Table 4 be adopted within Schedule 1 of the 2014-2015 Scheme of Members' Allowances; and b) the posts of Cabinet Support Member and Policy Development Committee Chairman and Vice Chairman be removed from the 2014-2015 scheme;

**Recommendation 3:** That a) the roles and proposed allowances payable set out in Tables 5, 6 and 7 be adopted within Schedule 1 of the 2014-2015 Scheme of Members' Allowances; and b) from 2014-2015, a Special Responsibility Allowance only be paid to i) the main Opposition Group Deputy Leader provided that the total number of members within their group exceeds 20% of the Council's total membership; and ii) to Minority Group Leader(s) provided that the total number of members within their group exceeds 10% of the Council's total membership;

**Recommendation 4:** That, on the basis of the evidence considered, the posts of main Group Whip, main Group Deputy Whip and minor Group Whip be removed from the 2014-2015 Scheme of Members' Allowances;

**Recommendation 5:** That no change be made to the car mileage and passenger rates set out in the 2013-2014 Scheme of Members' Allowances;

**Recommendation 6:** That the following wording be inserted into the Guide to Members' Allowances "*Elected Members who have need to make travel arrangements, should inform BSU at the point their attendance at an event or notice of the meeting to be attended is confirmed*";

**Recommendation 7:** That the current arrangements and levels of recompense in respect of bicycles, motorcycles, car parking, tolls, ferries, overnight garaging, air travel and taxis in the 2013-2014 Scheme of Members' Allowances remain unchanged;

**Recommendation 8:** That from 2014-2015 a) the subsistence rates set out in the 2013-2014 Scheme of Members' Allowances be amended to breakfast £8.00, Lunch £11.00, Dinner outside London £17.00, Dinner London and abroad £35.00; and b) the four hour limit described in the scheme be retained;

**Recommendation 9:** That from 2014-2015 the rates for accommodation set out in the 2013-2014 Scheme of Members' Allowances be amended to i) overnight accommodation outside London (to include breakfast) £120; ii) overnight accommodation in London (to include breakfast) £145;

**Recommendation 10:** That from 2014-2015 a) the Dependants' Carers' Allowance as set out in the 2013-2014 Scheme of Members' Allowances be divided into i) child care and ii) adults/children with disabilities and/or special needs; and b) the limits be set at £4000 for (i) and £6000 for (ii) respectively;

**Recommendation 11:** That the following wording be included into the 2014-2015 Scheme of Members' Allowances and Guide to Members' Allowances "*individuals co-opted onto a Council Committee are entitled to claim travel and subsistence allowances in accordance with the scheme*";

**Recommendation 12:** That no change be made to the 2014-2015 Scheme of Members' Allowances in respect of claims for out of pocket expenses;

**Recommendation 13:** That no change be made to the 2014-2015 Scheme of Members' Allowances in respect of claims for broadband expenses pending the outcome of the internal review.

## **SECTION 10: ELECTED MEMBER CONSULTATIONS**

Twelve elected Members contributed comments towards the Panel's discussions via the group mailbox during the review (July to November) with 28 separate comments being submitted in total. All comments and views were both acknowledged to the correspondent and discussed by the Panel.

The Panel met with the Leader of the Council on 16 July 2013 for the purpose of gathering information on the Council's new operating model of a Commissioning Council.

Based on their contributions, five elected Members (a Committee Vice Chairman, Group Whip, Cabinet Support Member, Policy Development Chairman and a Ward Member) were invited to attend a meeting of the Panel on 22 October 2013 to expand on their views. These meetings were most constructive and interesting. The Panel wishes to thank those who were prepared to spend the time to speak to them.

## SECTION 11: LIST OF BACKGROUND DOCUMENTS

- § Age UK [www.ageuk.org.uk](http://www.ageuk.org.uk): Paying for Care and Support at Home Fact Sheet 46 published April 2013
- § Automobile Association [www.theaa.com](http://www.theaa.com): Car Running costs 2013-2014 as at 30 April 2013
- § Automobile Association [www.theaa.com](http://www.theaa.com): Motoring Costs 2013 Diesel and Petrol Cars as at 11 September 2013
- § Be a Councillor Campaign [www.beacouncillor.org.uk](http://www.beacouncillor.org.uk) 'Could I be a Councillor?' Accessed 8 February 2013 (Note: the page has been refreshed and the text used is no longer on the site)
- § Birmingham Independent Remuneration Panel: Annual Report 2011-2012 published March 2012
- § Chartered Institute of Public Finance and Accountancy Information Services (CIPFA): Family group comparator information (aka nearest neighbour data) 2013
  - Bath and North East Somerset Council
  - Bedford Borough Council
  - Central Bedfordshire Council
  - Cheshire West and Chester Council
  - East Riding of Yorkshire Council
  - Herefordshire Council
  - North Somerset Council
  - Shropshire Council
  - Solihull Metropolitan Borough Council
  - South Gloucestershire Council
  - Stockport Council
  - Trafford Council
  - Warrington Borough Council
  - Wiltshire Council
  - York City Council
- § Cheltenham Independent Remuneration Panel: Report on Members' Allowances March 2007
- § Cheshire East Council: Report to Cabinet/Council 'Becoming a Strategic Council – Review of Management Roles and Responsibilities' 4 February 2012 21 February 2013
- § Cheshire East Council: Council Constitution dated 11 September 2012
- § Cheshire East Council: Cycle to Work Scheme 2013
- § Cheshire East Council: Draft Guide to Members' Allowances 2013-2014
- § Cheshire East Council: Health and Wellbeing Board 27 August 2013
- § Cheshire East Council: Scheme of Members' Allowances 2013-2014
- § Cheshire East Council: Summary of Budgetary Position 2013-2014
- § Cheshire East Council: Travel and Expenses Policy, HR Policy and Strategy Team June 2013
- § Councillors Commission: Representing the future - The report of the Councillors Commission published December 2007
- § Crewe Chronicle: CEC members claim £1.3m in expenses article published 3 September 2013
- § Daycare Trust [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk): Childcare Costs Survey 2013 published February 2013

## Background Documents (continued)

- § Elected Member Representations received via [www.CECIRP@cheshireeast.gov.uk](mailto:www.CECIRP@cheshireeast.gov.uk) between 5 April 2013 and 25 October 2013
- § Government: Response to House of Commons Communities and Local Government Select Committee: Councillors on the Frontline - Sixth report of session 2012-2013 Volume One 17 December 2013
- § Gov UK [www.gov.uk](http://www.gov.uk): National Minimum Hourly Wage as at 9 January 2013
- § Gov.UK [www.gov.uk](http://www.gov.uk): National Minimum Hourly Wage as at 1 October 2013
- § Health and Social Services and Social Security Adjudications Act 1983: Section 17 Charges for Local Authority Services in England and Wales
- § HM Revenues and Customs [www.hmrc.gov.uk](http://www.hmrc.gov.uk): Employment Income- scale of expenses, subsistence table of benchmark scale rates as at 6 April 2009
- § HM Revenues and Customs [www.hmrc.gov.uk](http://www.hmrc.gov.uk): Mileage and Fuel Allowances 2011-2012
- § HM Revenues and Customs [www.hmrc.gov.uk](http://www.hmrc.gov.uk): Office of Deputy Prime Minister Local Government Councillors and Civic Dignitaries in England Guidance
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**RESPONSIBILITY MATRIX:  
THE PANEL'S CRITERIA COMPARED TO PART 3 OF CHESHIRE EAST COUNCIL'S  
CONSTITUTION – RESPONSIBILITIES AND FUNCTIONS**

Panel's criteria	Approx no. of meetings per year	Constitutional responsibility	Legislative responsibility	Decision making powers	Accountability to public	Delivery of projects within defined period	Decision
Committee/Post							
Strategic Planning Board Chair	13	Y	Y	Y	Y	Y	Y
Strategic Planning Board Vice-Chair	13	Y	Y	Y	Y	Y	Y
Southern/Northern Planning Chair	13	Y	Y	Y	Y	Y	Y
Southern/Northern Planning Vice-Chair	13	Y	Y	Y	Y	Y	Y
Public Rights of Way Chair	4	Y	Y	Y	Y	Y	Y
Public Rights of Way Vice-Chair	4	Y	Y	Y	Y	Y	Y
Staffing Chair	4	Y	Y	Y	N	Y	Y
Staffing Vice-Chair	4	Y	Y	Y	N	Y	N
Scrutiny Chair	12	Y	Y	N	N	N	Y
Scrutiny Vice-Chair	12	Y	N	N	N	N	N
Policy Development Group Chair	10	N	N	N	N	N	N
Policy Development Group Vice-Chair	10	N	N	N	N	N	N
Licensing Chair	6	Y	Y	Y	Y	Y	Y
Licensing Vice-Chair	6	Y	Y	Y	Y	Y	Y
Constitution Chair	6	Y	N	Y	N	N	Y
Constitution Vice-Chair	6	Y	N	Y	N	N	Y
Audit & Governance Chair	5	Y	Y	Y	N	Y	Y
Audit & Governance Vice-Chair	5	Y	Y	Y	N	Y	Y
Cabinet Member/ Portfolio Holder	13	Y	Y	Y	Y	Y	Y
Cabinet Support Member	13	N	N	N	N	N	N