

Cheshire East Governance and Constitution Committee

Date: 9th June 2008
Report of: Governance Lead Officer (East)
Title Members' Allowances Scheme

1.0 Purpose of Report

1.1 To advise the Committee on the recommendations of the County Council's Independent Remuneration Panel concerning the Members' Allowances Scheme for the Shadow period.

2.0 Decision Required

2.1 To receive the recommendations of the Independent Remuneration Panel and, recommend the appropriate rates of allowance to the full Council for payment from 2 May 2008.

3.0 Implications for Transitional Costs

3.1 The impact on transitional costs cannot be finalised until the Shadow Council has considered and, as appropriate, approved the recommendations of the Independent Panel, noting that the adopted scheme can be applied retrospectively to the beginning of the Shadow Council period. The estimated cost of the Scheme based on the Panel's recommendation is £800k for the Shadow period.

4.0 Background and Information

4.1 The Cheshire (Structural Changes) Order 2008 applies Cheshire County Council's member allowances scheme to the Shadow Councils for the duration of the Shadow period. The Order in addition confirms that the powers to amend or revoke a Scheme under the Members' Allowances Regulations also apply.

4.2 Both the Cheshire East and the Cheshire West and Chester Joint Committees had requested the County Council's Independent Remuneration Panel to review the Scheme and make recommendations for its application and the allowances arrangements which should apply during the Shadow period.

4.3 The Remuneration Panel has met on four occasions and has consulted Members of the Joint Committees on the considerations to apply to the Scheme as an aid to producing their report. The Panel completed its work at the meeting on 5 June, and their recommendations for the application of the County Scheme are attached.

4.4 It is open to the Shadow Council to adopt in full or in part the Independent Panel's recommendations, which may result in further amendments to the County Council's scheme. Under the allowances regulations, the scheme in its final form may be applied retrospectively to the beginning of the financial year. Accordingly, it is possible for the adopted scheme to be backdated to cover the interim period (May-July), and for any necessary adjustments to be made to Members' remuneration.

4.5 It should be noted that the Shadow Council will need in the near future to appoint an Independent Remuneration Panel to consider and advise on the Scheme of Allowances to apply from Vesting Day for 2009-10 and beyond.

For further information: -

Officer: Mike Flynn, Governance Lead Officer East
Tel No: 01244 972260
Email: mike.flynn@cheshire.gov.uk

Background Documents: -

- ***The Cheshire (Structural Changes Order) 2008***
- ***The Local Authorities (Members' Allowances) (England) Regulations 2003***

Documents are available for inspection at:
Shadow Council Support Office
Town Hall
Macclesfield
SK10 1DX

CHESHIRE COUNTY COUNCIL

INDEPENDENT REMUNERATION PANEL

APPLICATION OF THE COUNTY COUNCIL ALLOWANCES SCHEME TO SHADOW COUNCILS

1. Full details of the County Council's Members' Allowances Scheme for 2008-09 are attached. The Remuneration Panel recommends the adoption of the allowances arrangements as set out in the County Scheme, subject to the following amendments:

	£ (per annum)
Basic Allowance	4,800
Council Chairman	3,000
Vice Chairman	1,500
Council Leader	15,000
Deputy Leader	10,000
Cabinet Member	7,500
<u>Committees (excluding Joint Liaison Committee)</u>	
Chair	4,000
Vice Chair	1,500
Spokesperson	1,500
<u>Panels (Cabinet Advisory and Member Development)</u>	
Chair	2,000
Vice Chair	1,000
Spokesperson	1,000
Opposition Group Leaders	4,000
Deputy Leaders	Nil
Administration Group Whip	3,000
Deputy Administration Group Whip	1,500
Opposition Group Whip	1,500
Opposition Group Deputy Whip	Nil

2. The Panel has made its recommendations based on the political management structures adopted by the Shadow Councils at their initial meetings. In relation to Special Responsibility Allowances, (SRA's), the Panel has made recommendations as to the appropriate amounts to be afforded to the various posts in the structure, leaving it to the Shadow Councils to decide whether to apply these allowances or otherwise. The rates for Committees and Panels can be applied to any new Committees or Panels which may be appointed in future.

3. In order to be consistent with its approach to the County Scheme, the Panel has left it to the Shadow Councils to determine their policy on the payment of one or more SRA's to individual Members. The Panel would, however, advise the Shadow Councils

to have regard to the public perception of Members receiving multiple SRA's, particularly where they are already in receipt of such allowance from other local authorities.

4. The Panel would also advise the Shadow Councils to recognise the importance of providing adequate support to the Minority Groups on the authority, including support through the allowances arrangements.

MEMBERS' ALLOWANCES SCHEME

2008/09

MEMBERS' ALLOWANCES

Introduction

The Local Government Act 1989 (as amended) makes provision covering the allocation and payment of basic, special responsibility and dependants' carers' allowances for Members of local authorities.

In the Local Government Act 2000 the Secretary of State was allowed to make provision in relation to the payment of travel and subsistence allowances for Members of local authorities. Previously, these allowances were set by the Government whereas the Secretary of State could now agree to them being determined locally by Councils.

The Secretary of State gave effect to these provisions in the Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations allow each Council to decide its scheme and the amounts to be paid under each allowance.

Article 11 (2) of the Cheshire (Structural Changes) Order 2008 ("the Order") provides that the Shadow Council shall be treated as if they had adopted the scheme of allowances adopted by Cheshire County Council on 18th May 2006 ("the County Scheme").

Article 11 (5) of the Order empowers the Shadow Council to amend or revoke the County Scheme.

Schemes must include a basic allowance payable to all Members of the Shadow Council. Payment of Special Responsibility Allowances and Dependants' Carers' Allowance may be provided for. Travel and subsistence allowances are also discretionary and must be included in the scheme, if paid.

Schemes may also provide for Members, who are eligible, to join the Local Government Pension Scheme if they wish to do so.

Basic and Special Responsibility Allowances

Basic

Each elected Member must be paid a basic allowance which has to be the same for each Member. This allowance recognises the time commitment of all Councillors including attending meetings, attending member learning and development events, dealing with constituency matters, representing the Council on external bodies, and the use of their homes. The rate of Basic Allowance for 2008/09 is £9,349 for each Member.

Special Responsibility (SRA)

This is payable to those Councillors who have significant responsibilities and can cover for example:

- Leader/Deputy Leader of a political group
- Executive membership
- Chairman and Vice-Chairman of Committees/Sub-Committees
- Membership of a Committee/Sub-Committee which meets with exceptional frequency or for long periods
- Representing the Shadow Council on another body
- Political Group Spokesperson on a Committee/Sub-Committee

For the County Council, SRAs are currently paid across all Groups. The SRA's in 2008/09 range from £935 to £22,746.

Dependants' Carers' Allowance

The Council's Scheme provides for the payment of such an allowance to Councillors who incur expenditure for the care of their children or dependants whilst undertaking their duties as Councillors. A claim here must be related to specific duties such as attendance at prescribed meetings or for particular duties.

The Council will reimburse the actual cost of expenses on the production of a receipt up to £5,722 per Member in any financial year. The carer must not be a member of the claimant's household. This allowance is seen as an incentive to encourage people to enter local government as Councillors and to assist them in the performance of their duties.

Travel and Subsistence

Provision has been made in its scheme for reimbursing Members for the cost of travel and subsistence in performing their duties including where non-motorised transport is used. The allowances can only be claimed in respect of meetings and duties as prescribed in the Scheme.

For car travel, payment is based on the rate per mile depending on engine size. The rates reduce considerably over 8,500 miles of travel in any one financial year. It is unlikely that any Member will reach this threshold. There is a motorcycle and bicycle allowance which is again based on a rate per mile.

For rail travel the reimbursement is based on the open standard class fare unless exceptional circumstances apply. A Member may travel first class if there is a business case to do so as outlined in the Scheme.

Subsistence payments range from up to £8.05 for a breakfast to £33.57(London only) for dinner subject to certain bandwidths and the duty must last more than four hours. Receipts are required for all claims of £5 and above.

For hotel accommodation, including breakfast, reimbursement up to £138.17 in London and up to £115.15 out of London is available subject to the production of receipts.

Reimbursement of telephone/email/fax rental costs is provided for subject to limitations.

Members' Pensions

Elected Members can become members of the Local Government Pension Scheme if they wish to do so. It is not a compulsory requirement. As it is a contributory scheme, any Member joining must contribute 6% of their basic allowance and any special responsibility allowance they receive. Details of the benefits can be supplied.

Members Surgeries

Members may claim up to a maximum of £32 for room hire in connection with the conduct of a Member's Surgery, subject to a maximum of twelve claims per annum.

Review of the Scheme

Consideration will be given as to any need to keep the Members Allowance Scheme under review and to make changes/ alterations in response to amendments to the Regulations or changes to its political structure and local circumstances.

CURRENT ALLOWANCES / REIMBURSEMENTS (as at 1/4/08)

1. Basic Allowance £9,349

2. Special Responsibility Allowances

See Appendix 3 attached

3. Travelling Reimbursement

(1) Car Rate per Mile

Miles per Annum	451 – 999 cc	1000 – 1199 cc	1200 cc+
per mile first 8,500	42.9p	46.9p	58.7p
per mile after 8,500	32.3p	13.6p	15.8p

(2) Motor cycle or moped allowance

	Rate per mile	Rate per mile
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Motorcycle

For the first 1,500 per annum

126 -
250cc
27p

251 - 500cc
35 .5 p

Moped

For the first 1,500 per annum

500cc+
39.2p

Up to 50 cc 12.4p
Up to 125 cc 18.8p

Non motorised transport e.g. bicycle

11 pence per mile

(3) Additional rate for each passenger, not exceeding 4, to whom a Travelling Allowance would otherwise be payable:

1.0 pence per mile

(4) Expenditure on tolls, ferry or car parking: Actual Amount

(5) Overnight garaging supplement, where the Member is absent overnight: Actual Amount

3. Subsistence Reimbursements

Breakfast Allowance for a duty of more than 4 hours concluding before 12 noon
£8.05

Lunch Allowance for a duty of more than 4 hours concluding after 12 noon £10.33

Dinner Allowance for a duty of more than 4 hours concluding after 6 p.m. £16.21

Dinner Allowance (London and abroad) for a duty of more than 4 hours concluding after 6 p.m. £33.57.

Overnight outside London: £115.15 (to include breakfast)

Overnight in London - £138.17 (to include breakfast).

The limitations on reimbursement are:

- (i) Absence of more than 4 but less than 8 hours, the cost of 1 main meal.
- (ii) Absence of 8 hours or more but less than 12 hours, the cost of 2 main meals.
- (iii) Absence of 12 hours or more, the cost of 3 main meals.

(Receipts should be submitted with such claims)

4. Telephone/E-mail/Fax Allowance

Telephone line:	Reimbursement of quarterly standard rental (excluding any upgrades)
Telephone calls	Nil
Fax / Email Line	Reimbursement of quarterly standard rental (excluding any upgrades)
Fax calls	Nil
Emails / On Line calls	Reimbursement (before VAT) of all calls up to a maximum of £100 per quarter upon production of a fully itemised invoice.
ISDN	Where ISDN lines have been installed in Members' homes with the prior approval of the Authority, reimbursement of the full monthly charges will be made upon production of an invoice.
Broadband Connection	Where Broadband connection has been installed in Members' homes with prior approval of the Authority reimbursement of the full monthly charges will be made upon production of a receipt.

APPENDIX 3

<u>Members Allowances from 2008 - 2009</u>	2008/09 SRA with RPI
	£
Basic Allowance	9,349
Chairman (Civic)	12,723
Deputy Chairman (Civic)	6,363
Carers Allowance	5,722
Council Leader	22,746
Deputy Council Leader	14,551
Executive	11,130
P&O - Chair	7,880
P&O - Vice Chair	3,081
P&O - Spokes	2,053
Scrutiny Select-Committee - Chair	6,534
Scrutiny Select-Committee - Vice Chair	2,723
Scrutiny Select-Committee - Spokesperson	1,813
Scrutiny Review Panel - Chair	6,534
Regulatory Committee - Chair	6,148
Regulatory Committee - Vice Chair	2,370
Regulatory Committee - Spokesperson	2,370
Organisation Committee - Chair	6,148
Organisation Committee - Vice Chair	2,370
Organisation Committee - Spokesperson	2,370
Governance Committee - Chair	6,148
Governance Committee - Vice Chair	2,370
Governance Committee - Spokesperson	2,370
Special Committees - Chair	6,148
Special Committees - Vice Chair	2,370
Special Committees - Spokesperson	2,370
Standards Committee - Chair	6,148
Standards Committee - Vice Chair	2,370
Standards Committee - Spokesperson	2,370
CCC/Wirral Jt Scrutiny Committee - Chair	1,869
CCC/Wirral Jt Scrutiny Committee - Vice Chair	935
Policy Development Panels - Chair	2,805
Policy Development Panels - Spokesperson	1,402
Opposition Leader	10,517
Opposition Deputy Leader	5,611
Whips	3,507
Deputy Whips	2,104