

CHESHIRE EAST COUNCIL

COUNCIL

Date of meeting: 30 July 2008
Report of: Governance and Constitution Committee
Title: Members' Allowances Scheme

1.0 Purpose of Report

- 1.1 To advise the Shadow Council 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 report and recommendations of the Independent Remuneration Panel and to consider the Governance and Constitution Committee's recommendations concerning the appropriate rates and application of allowances for payment from 2 May 2008.

3.0 Financial Implications for Transition Costs

- 3.1 The impact on transition costs cannot be finalised until the Shadow Council has considered and, as appropriate, approved the recommendations, 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 Committee's recommendation is £650K for the Shadow period.

4.0 Financial Implications 2009/10 and beyond

- 4.1 There are no financial implications associated with this report for 2009/10 and beyond, as these recommendations cover the Shadow period only. The Council will need to constitute a permanent Independent Remuneration Panel to consider and advise on an allowances scheme for 2009/10 and succeeding years.

5.0 Legal Implications

- 5.1 This report and the recommendations of the Independent Remuneration Panel have been produced under the provisions of the Cheshire (Structural Changes) Order 2008 and the Members' Allowances Regulations. Formal adoption of the Shadow Scheme by the Council is required in order to authorise the payment of allowances to Members as set out in the report.

6.0 Risk Assessment

- 6.1 No risks arise from the adoption of an Allowances Scheme for Members, as this is provided for in the Implementation Order and the financial implications have been estimated as far as possible.

7.0 Background and Options

- 7.1 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.
- 7.2 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 for the Shadow period.
- 7.3 The Remuneration Panel met on four occasions and 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 report and recommendations for the application of the County Scheme as attached were considered by the Governance and Constitution Committee on 9 June and 14 July.
- 7.4 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.
- 7.5 The Governance and Constitution Committee's recommendations are as follows:-
- “1. That the report and recommendations of the Independent Remuneration Panel be received and the Panel be thanked for their work.
2. The Shadow Council be recommended to adopt the County Council's Allowances Scheme, as set out in the Independent Panel's report, subject to:
- a. A proportion of the County Council's Basic and Special Responsibility Allowances being applied to the Shadow Council in the following sums:

	£ (per annum)
Basic Allowance	£4,800
Council Chairman	£4,000
Vice Chairman	£1,500
Council Leader	£15,000
Deputy Leader	£10,000
Cabinet Member	£7,500
<i>Committees (excluding Joint Liaison Committee)</i>	
Chair	£4,000
Vice Chair	£1,500
Spokesperson	No SRA to apply at present but it be noted that this role will develop with time
<i>Panels (Cabinet Advisory and other Panels)</i>	
Chair	£2,000
Vice Chair	£1,000
Spokesperson	No SRA to apply at present but it be noted that this role will develop with time
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

- b. The number of Special Responsibility Allowances which may be claimed by any individual Member of the Shadow Council be limited to one.
- c. Travelling and Subsistence Reimbursement Allowances and Dependents' Carers' Allowances be paid in accordance with the County Council's arrangements at the rates and in respect of the duties as indicated in the Scheme.
- d. The County Council's Nominated Member Duties allowances provisions should form part of the Shadow Council's Allowances Scheme, so as to enable the Chairman and Vice Chairman, Party Group Leaders and Deputy Leaders and Party Group Whips to claim travel and subsistence allowances for attendance, as required, at the Headquarters buildings of Cheshire County Council, Macclesfield Borough Council, Congleton Borough Council and Crewe and Nantwich Borough Council.

- e. Payment of all of the above allowances be applied retrospectively as appropriate from May 2008.”

8.0 Conclusion

- 8.1 The Council is invited to consider and, as appropriate, adopt the recommendations of the Governance and Constitution Committee for the Members’ Allowances Scheme for the Shadow period.

For further information:

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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

**Report of Cheshire County Council's
Independent Remuneration Panel**

**Shadow Unitary Councils' Allowances Scheme
June 2008**

Introduction

1 The Implementation Order for Unitary Local Government in Cheshire applied Cheshire County Council's Scheme of Member Allowances to the Shadow Unitary Councils for the period May 2008 - March 2009 inclusive. The County Scheme was adopted on 18 May 2006 and has subsequently been uprated for annual inflation (summary details are attached). Once the two Unitary Councils become fully functional from 1 April 2009, a new Scheme will need to be brought forward by a newly constituted Independent Panel, whose work would be separate from the interim scheme for the Shadow period.

2 Both Cheshire East and Cheshire West and Chester Implementation Joint Committees invited this Panel to review the County Council's Scheme and to advise on it's application to the Unitary Councils in the Shadow period only.

3 The Panel consists of the following Members:-

Helen Carey (Chair)
Rev. Christopher Burkett
Simon Cussons
Basil Jeuda
Ron Lewis
David Routs

4 The Panel met on 4 occasions (18 April, 6 & 9 May, and 5 June) and this report sets out the Panel's recommendations for consideration by the Shadow Unitary Councils.

The Panel's Approach

5 The Panel was very conscious of the exceptional nature of the task, bearing in mind the short and clearly defined period which the Shadow arrangements would cover. The Panel sought to achieve a balance in considering the allowances which should apply between the major developmental task facing the new Councillors, and the fact that the Unitary Councils would not be fully functionally during the shadow period. The Panel therefore decided to focus on the following broad issues:-

(a) the exceptional circumstances of Shadow Authorities operating for a period of only eleven months and progressively developing their structures including the political management arrangements

(b) the fact that the Shadows would not be “functional” Councils delivering services during this period

(c) the nature of the roles and responsibilities which Members would undertake during this period eg:

(i) the significant responsibilities of Executive Members and Committee Chairs in leading on and developing the new Councils, including the Corporate Plan and budget for 2009/10

(ii) the role of Scrutiny in Shadow mode

(iii) the “constituency” role of local members in Shadow mode, bearing in mind there are three Members per Ward

(iv) the prime responsibility placed on all Members to participate fully in Induction and the personal development required to take on challenging new areas of responsibility by April 2009

(v) the fact that some Shadow Councillors may be serving on two or three Councils during the Shadow period, whilst others will be entirely new Members.

6 The Panel was particularly keen to seek the views of Councillors from both Joint Committees on these issues, and any other relevant considerations which Members felt should apply. Accordingly discussions took place with representative groups of Members from the Joint Committees, and written comments were also submitted and taken into account.

7 In addition, further information and evidence was received which helped the Panel to reach their conclusions, including:-

- (a) the expectations of the Government for the new Unitary Councils, (as set out in a letter from John Healey MP)
- (b) comparative information on the allowances currently paid to Members in similar Unitary Councils.
- (c) the likely development of the political management structure during the Shadow period, and the roles to be progressively undertaken by Members.

Conclusions

8 The Panel was of the view that as the Implementation Order applied the County Council’s Scheme in full, any recommendations should only focus on those aspects which the Panel felt were clearly in need of variation. However, the Panel was mindful in relation to Special Responsibility Allowances (SRA’s) that the County Council had not implemented the Panel’s original recommendations in full for 2008-9. Accordingly the Panel based their advice for SRA’s in the Shadow Councils on the higher amounts proposed in

the Panel's original report of March 2006, rather than the County Council's actual SRA's for 2008-9.

9 The Panel's approach on SRA's has been to recommend the appropriate level of allowance to all relevant posts in the structure, leaving it to the Councils to decide which posts should receive these allowances.

10 The SRA's as proposed for Committees and Panels can be applied to any new such bodies as may be constituted by the Councils in future.

11 The Panel recognises that in recommending SRA's, it would be possible for individual Members to receive more than one SRA. The Panel has left it to the Councils to determine their policy on whether SRA's should be limited to one per Member or otherwise. 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.

12 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 allowance arrangements.

13 Given that it was not possible to produce this report until after the Shadow elections and the initial meetings of the Unitary Councils, the Panel recommends that the allowances scheme, as approved, should be applied retrospectively.

14 Bearing in mind the exceptional nature of the arrangements required for the Shadow period, the Panel recognises that a newly-constituted Remuneration Panel in considering the arrangements to apply for 2009-10 and beyond may reach different conclusions on any aspect of the future Allowances Scheme.

Recommendations

15 Summary 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 concerning Basic Allowance and SRA's:

	£ (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
<i>Committees (excluding Joint Liaison Committee)</i>	

Chair	4,000
Vice Chair	1,500
Spokesperson	1,500
<i>Panels (Cabinet Advisory and other Panels)</i>	
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

Helen Carey
Chair
Independent Remuneration Panel

Mike Flynn
County Secretary
(Secretary to the Panel)

MEMBERS' ALLOWANCES SCHEME

2008/09

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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.

Schemes must include a basic allowance payable to all Members of the 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. Full details of these Allowances are set out in Appendix 3.

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.

Taxi and bus fares are reimbursed on an actual basis on production of a receipt (if £5.00 or over).

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.

‘Nominated Member’ Duties

The Chairman and Vice-Chairman of the Council, Party Group Leaders, and Deputy Leaders and Party Group Whips are able to claim travel and subsistence allowances for attendances at the Headquarters building (County Hall) in order to carry out their particular responsibilities.

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.

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Appendix 2

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

Motorcycle

For the first 1,500 per annum

126-250cc
27p

251-500cc
35.5p

500cc+
39.2p

Moped

For the first 1,500 per annum

Up to 50cc
12.4p

Up to 125cc
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.
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