

Name of meeting: Corporate Governance and Audit Committee

Date: Friday 10 March 2017

Title of report: Report of the Members Allowances Independent Review Panel 2016/17

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Is it in the Council's Forward Plan?	No
Is it eligible for "call in" by Scrutiny?	No
Date signed off by <u>Director</u> & name Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance? Is it also signed off by the Assistant Director - Legal Governance and Monitoring?	Yes – 13 February 2017
Cabinet member portfolio	Cabinet Member responsible for the Resources Portfolio, namely Councillor Graham Turner

Electoral [wards](#) affected: All

Ward councillors consulted:

Public or private: Public

1. Purpose of report

To recommend Council to approve the Members' Allowances Scheme for 2017/18, that takes account of recommendations proposed by the Members' Allowances Independent Review Panel regarding certain allowances.

2. Key points

A meeting of the Members' Allowances Independent Review Panel has taken place to consider the Members' Allowances Scheme and make recommendations to the Council on certain allowances within the Scheme. The report of the Panel is attached at Appendix A and puts forward recommendations that:-

- (i) The current basic allowance be increased by 1% with effect from 1 April 2017
- (ii) All special responsibility allowances (SRAs) be retained at their current rate and banding for 2017/18 unless otherwise referred to below
- (iii) Current arrangements for the allowances payable to Group Business Managers is retained
- (iv) Section 12 of the Scheme be amended as set out in Appendix B.

The draft Members Allowances Scheme for 2017/18, which takes account of the recommendations of the Panel, is attached at Appendix B.

3. Implications for the Council

This Members' Allowances Scheme is made under the Local Authorities (Members' Allowances) (England) Regulations 2003, and the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003.

In making this scheme the Council has regard to the recommendations of its Members' Allowances Independent Review Panel which met on 18 November 2016.

4. Consultees and their opinions

The Allowances Panel have been consulted on the contents of the attached report and agree it as a correct record of their deliberations and recommendations. The following have also been consulted with regards to the contents and proposals contained therein:

The Leaders of the political groups on the council

Adrian Lythgo, Chief Executive

Debbie Hogg, Assistant Director for Financial Management, IT, Risk and Performance

Julie Muscroft, Assistant Director of Legal, Governance and Monitoring

5. Next steps

Following consideration by the Corporate Governance and Audit Committee, this report will be referred for consideration by Full Council at its meeting on 22 March 2017

6. Officer recommendations and reasons

That Corporate Governance and Audit Committee:

- (i) Notes the recommendations of the Members' Allowances Independent Review Panel as set out in Appendix A;
- (ii) Recommends that Council approves and adopts the Members' Allowances Scheme for 2017/18 (Appendix B) with effect from 1 April 2017.

7. Cabinet portfolio holder recommendation

That Corporate Governance and Audit Committee recommends that Council approves and adopt the Members' Allowances Scheme for 2017/18 (Appendix B) with effect from 1 April 2017.

8. Contact officer and relevant papers

Contact Officer:

Carl Whistlecraft
Head of Governance and Democratic Services
Carl.whistlecraft@kirklees.gov.uk
Tel: 01484 221000

Background Papers:

Report of Members of Allowances Independent Review Panel

9. Assistant director responsible

Julie Muscroft, Assistant Director of Legal, Governance and Monitoring

Report of The

**Kirklees Council
Members' Allowances
Independent Review
Panel**

18 November 2016

Carl Whistlecraft
Head of Governance and Democratic Services
Civic Centre3,
Huddersfield, HD1 2TG
01484 221000

1 Panel Membership

The Members of the Independent Review Panel are as follows:

Andrew Taylor (Chair)
Ian Brown
Chris West
Lynn Knowles
Stephen Thornton
Fiona Weston

The meeting of the Independent Review Panel took place on 18 November 2016.

The following officer attended the Panel meeting:

Carl Whistlecraft, Head of Governance and Democratic Services

2 Terms of Reference

The Panel's Terms of Reference are:

- (a) To advise Council on what would be the appropriate level of remuneration for Councillors having regard to the:
 - Roles Councillors are expected to fulfil
 - Varying roles of different Councillors
 - Practice elsewhere and other Local Authorities.
- (b) To consider schemes of Members Allowances for Town and Parish Councils as and when required.
- (c) To make recommendations and provide advice to the Council on any other issues referred to the Panel by regulation or by the Council.
- (d) Council retains its power to remove a discredited Panel Member.
- (e) The Panel can appoint its Chair from amongst its Members.

3 Constitutional Issues

- (a) Term of Office

It was agreed that the current Panel membership be retained and that all relevant terms of office be renewed for a further one year term.

Andrew Taylor – November 2017
Ian Brown – March 2017
Lynn Knowles – September 2017
Stephen Thornton – November 2017
Chris West – September 2017

Fiona Weston – September 2017

(b) **Election of Chair of Independent Review Panel**

Andrew Taylor was re-elected Chair of the Independent Review Panel.

4. Members Allowances Scheme 2017-18

The Panel considered any changes to the Members allowance scheme for 2017/18. In particular the Panel considered the following:

- (a) Special Responsibility allowance paid to the Group Business Manager of small groups;
- (b) Basic Allowance and Special Responsibility Allowances (SRAs)

(a) **Special Responsibility Allowance paid to the Group Business Manager of a small group**

The panel received a submission from Councillor Cooper (Leader, Green Group) requesting that the Allowances Panel consider the case for revisiting the arrangements in place for the remuneration of Group Business Managers of small Groups. Current arrangements mean that an allowance is payable in circumstances where a Group has seven members or more.

Councillor Cooper made reference to the following points in support of his proposal;

- The comparable amount of work and levels of responsibility involved for Group Business Managers of small groups;
- The important role played by small groups in a hung council and the responsibility that follows in such circumstances.

In consideration of the information the Panel recognised that there will be a need to reconsider the approach to Special Responsibility Allowances across the wider scheme. This should include the rationale and thinking behind the respective cut off points for group-based responsibilities. Such work should not take place until such a time as the Kirklees Democracy Commission has completed its work and reported its findings. To make specific changes now would have implications for the wider architecture of the scheme. **The Panel recommends that** the arrangements currently in place for the remuneration of Group Business Managers should continue. Any changes will be considered as part of a wider review of all SRAs following the completion of the work of the Kirklees Democracy Commission.

(b) **Basic Allowance and Special Responsibility Allowances (SRAs)**

The Panel noted that significant work had taken place twelve months ago to review the scheme. This included consideration of the rates payable for both the basic allowance and the suite of SRAs. In light of this the Panel was not minded to undertake any detailed reconsideration on the scheme and its component parts.

Furthermore, the Panel recognised that the Kirklees Democracy Commission is currently in the process of leading the work to redesign local democracy in Kirklees in the context of a new Council. The outcomes of this work will strongly inform the roles of councilors in the future and the consequent implications for the Allowances Scheme. In light of this **the Panel recommends:**

- (i) The current basic allowance be increased by 1% with effect from 1 April 2017;
- (ii) The maintenance of all special responsibility allowances (SRAs) at their Current level for 2017/18

5. Consequential Changes to the Scheme

The Panel considered advice in respect of the wording of Section 12 of the Scheme relating to Suspension of Allowances. **The Panel recommends that** the wording is amended to bring it into line with legislative changes.

Report produced on behalf of the Members Allowances Independent Review Panel
by:

Carl Whistlecraft, Head of Governance and Democratic Services, November 2016

Appendix B

Kirklees Council Members' Allowances Scheme 2017-2018

This Members' Allowances Scheme is made under the Local Authorities (Members' Allowances) (England) Regulations 2003, and the Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003. In making this scheme the Council had regard to the recommendations of its Members' Allowances Independent Review Panel, which met on 18 November 2016.

1. The Members' Allowances Scheme will apply from 1 April 2017 to 31 March 2018.

2. Basic allowances for ward duties

2.1 The amount allocated per annum to each elected councillor for ward duties is £13,099.

2.2 The role of councillor is dynamic and the expectations and responsibilities associated with the role are constantly changing. This is an ongoing consideration in determining the basic allowance which recognises the level of responsibility, time devoted and expenses incurred in dealing with their constituents, political group and cross party discussions on a ward basis.

No additional payment will therefore be made for travel and subsistence costs for duties within the Kirklees district.

2.3 Basic allowances will be paid calendar monthly in arrears to each elected councillor in equal monthly instalments.

2.4 Where the term of office of a councillor begins or ends otherwise than on the 1 April 2017 or 31 March 2018 his/her entitlement to the allowance will be pro-rata.

3. Special responsibility allowances

3.1 The amounts allocated per annum to councillors of specific duties, which are additional to the basic allowance are:-

	£ per year
Leader	25,155
Deputy leader	18,866
Band A	
Cabinet member	12,274
Band A1	
Chair of Overview and Scrutiny	11,047
Group Leader (30+ councillors)	11,047

Band B	
Group Leader (7-29 councillors)	9,820
Business Manager (30+ councillors)	9,820
Band B1	8,592
Band C	
Business Manager (20-29 councillors)	7,365
Band C1	
Chairs of Planning Committees	6,138
Lead members of Overview and Scrutiny Panels	6,138
Overview and Scrutiny Management Group Member	6,138
Chair of District Committee	6,138
Band C2	
Police and Crime Panel Members	6,000
Band D	
Business Manager (7-19 councillors)	4,911
Chair of Licensing and Safety Committee	4,911
Band D1	
Group Leader (2-6 councillors)	3,684
Deputy Group Leader (12+ councillors)	3,684
Chair of Appeals panel	3,684
Band E	
Chair of Corporate Governance and Audit committee	2,454
Band E1	
Adoption Panel member	1,227
Fostering Panel member	1,227

Chairs of Overview and Scrutiny Ad-Hoc Panels will receive £38.37 day split into half day sessions (2 x 4 hours) to commence at the start of formal meetings to their conclusion. The Overview and Scrutiny Management Committee will place a time allocation on the work of the ad-hoc panel.

- 3.2 The special responsibility allowance recognises the additional time and expenses incurred by those councillors effectively performing additional special responsibilities.
- 3.3 Special responsibility allowances will be paid calendar monthly in arrears to the appropriate councillor in equal monthly instalments.
- 3.4 Where the term of office entitling a councillor to a special responsibility allowance begins or ends otherwise than on the 1 April 2017 or 31 March 2018 his/her entitlement to the allowance will be pro-rata.
- 3.5 No councillor shall receive more than one special responsibility allowance.

4. Renunciation of allowances

- 4.1 A councillor may, by giving notice in writing to the Assistant Director – Legal, Governance and Monitoring, elect to forego any part of his/her entitlement to an allowance payable under this scheme.

5. Travel and subsistence outside the district

- 5.1 Travel and subsistence allowances for approved duties outside the district can be paid only:

- * approved duties are those as described in paragraph 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003.
- * any other duty approved by the body, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the body, or of any of its committees or sub-committees
- * for approved duties previously authorised by the appropriate body (Cabinet or Overview and Scrutiny Management Committee) and Assistant Director – Legal, Governance and Monitoring. The approval must precede the performance of the duty and not be given retrospectively.

Claims for expenses must be made and received by the Assistant Director – Legal, Governance and Monitoring within two months of the expense being incurred.

- 5.2 Attendance at conferences: The Head of Governance and Democratic Services has delegated powers to determine councillor attendance at conferences etc.
- 5.3 Attendance at training and development events: The council will reimburse a councillor for travel and subsistence costs, at the approved rates, for training and development events. The appropriate Business Manager will approve councillor attendance.
- 5.4 The council will book accommodation on behalf of councillors to a maximum of the rates given in Appendix 1, subject to availability. Councillors requiring overnight accommodation may claim daytime meal allowance(s) in the usual way.
- 5.5 The authority will pay car mileage at HMRC rates and daytime subsistence allowances at the same rates determined for officers by the National Joint Council for Local Government Officers. The allowance rates are given at Appendix 1.
- 5.6 The rate of travel by public transport shall not exceed the amount of an ordinary fare or any available cheap fare and wherever possible should be arranged through Councillor Support to maximise available discounts and concessions.

Tickets or receipts must always accompany travel and subsistence claims for over £8.

- 5.7 Councillors' use of private motor vehicles should demonstrate either a substantial saving of the councillors' time, or being in the best interests of the council.
- 5.8 The rate of travel by taxicab will not normally exceed the fare for travel by appropriate public transport. In cases of urgency or where no public transport is reasonably available, the council will reimburse the amount of the actual fare and any reasonable gratuity. Taxi receipts more than £8 must support the claim.
- 5.9 Travel by any other hired vehicle is limited to the rate applicable had the vehicle belonged to the member who hired it unless prior approval to the actual cost of hiring.
- 5.10 The rate for travel by air should not exceed the rate applicable to travel by any appropriate alternative means of transport together with the equivalent saving in subsistence allowance.

Where the saving in time is so substantial as to justify payment of the fare for air travel the amount paid will not exceed:-

- (i) the ordinary fare or any cheap fare, or
- (ii) where no such service is available or in case of urgency the fare actually paid by the councillor.

6. Pensions

With effect from 1 April 2014, any Councillor who is not an active member of the Councillors pension scheme will no longer have access to the pension scheme. Councillors who are currently contributing to the pension scheme will only be allowed to remain in it, until the end of their current term in office. Councillors elected after April 2014 will not be entitled to access the pension scheme.

7. Dependants' carers' allowance

Councillors who need to engage carers to look after dependants whilst undertaking duties specified in regulation 7 of the Local Authorities (Members Allowances) (England) Regulations 2003 may receive a carers' allowance. The criteria are given at Appendix 2.

8. Support for a councillor with a disability

Even though local councillors are not explicitly covered by the Disability Discrimination Act Part II (employment provisions), it is an expectation on councils that they will make every reasonable effort to meet the individual needs of disabled councillors. The council will provide support for disabled councillors, where appropriate, by actively discussing an individual's needs and putting in place the necessary support mechanisms wherever practicable.

9. Information technology

Each councillor is offered a PC or laptop to be used in their homes through a broadband link and/or a smart device to assist them in the discharge of their functions as a councillor. Use of a smart device abroad is restricted to Council business only and councillors are encouraged to connect to wifi wherever possible.

10. Publicity

- 10.1 The regulations place certain duties on local authorities in connection with publicising the recommendations made by their independent remuneration panel, their scheme of allowances and the actual allowances paid to councillors in any given year:

The regulations require, as soon as reasonably practicable after the end of a year to which the scheme relates, that local authorities must make arrangements for the publication in their area of the total sum paid by it to each recipient, in respect of each of the following:

- Basic allowance
- Special responsibility allowance
- Dependants' carers' allowance
- Travelling and subsistence allowance

11. Sickness and holiday

The scheme recognises the right of councillors to holiday and entitlement to sickness absence.

An entitlement is made for 28 days of holiday. During periods of sickness a councillor is not expected to make up any hours lost as a result of that illness.

12. Suspension of Allowance

Where a Member, since election has been convicted of any offence and has had passed on them a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine, the Council shall suspend any part of any allowance payable from the date of sentence. Such suspension shall remain in force until such time as section 80

of the Local Government Act 1972 (disqualification for election and holding office as member of a local authority) takes effect.

13. Education appeals panel members

Members of Education Appeals Panels (who are not elected councillors of Kirklees Council), will receive an allowance of £114 for a full day meeting and £65 for meetings less than four hours. Periods of adjournment will not be included in the allowance payment.

APPENDIX 1

Travel and subsistence rates from 1 April 2017 (for approved duties performed outside Kirklees only)

1. Motor mileage rates

Car

First 10,000 business miles in the tax year: 45p per mile
Each business mile over 10,000 in the tax year: 25p per mile

Bicycle or other non-motorised forms of transport: 20p per mile

Motor cycle (for journeys less than 10,000 miles per year): 24p per mile

Passenger supplements: The supplement remains unchanged; an increase in the above rates by 5p per person per mile not exceeding four passengers.

(Subject to change by HMRC)

Members of the council shall be entitled to an official parking permit for use when undertaking official council duties and otherwise used in accordance with the rules relating to their use, and specifically to take account of the contribution to parking permits in line with any residents charge as agreed by Council on 19 February 2014.

2. Day subsistence

Breakfast allowance £6.06
(more than 3 hours away from normal place of residence before 11.00 a.m.)

Lunch allowance £8.37
(more than 3 hours away from normal place of residence to include the period 12.00 noon - 2.00 p.m.)

Tea allowance £3.29
(more than 3 hours away from normal place of residence to include the period 3.00 p.m. - 6.00 p.m.)

Evening meal allowance £10.35
(more than 3 hours away from normal place of residence ending after 7.00 p.m.)

3. Overnight accommodation costs up to:

London/LGA annual conference £105.00
Outside London £90.00
(maximum room/bed-breakfast rates per person per night, but subject to availability)

4. Meals on trains

Where **main meals (i.e. breakfast, lunch or dinner) are taken on trains** during a period for which there is an entitlement for a day subsistence allowance, the reasonable cost of meals (including VAT) may be reimbursed in full. This reimbursement would replace the entitlement to the day subsistence allowance for the appropriate meal period. Councillors are asked to submit receipts for meals when claiming.

Kirklees Council

COUNCILLORS' ALLOWANCES

Criteria for dependants' carers' allowance

1. Councillors who care for children or dependants can claim a carer's allowance paid at the rate of the national minimum wage for age 21 and above (currently £6.70 per hour), subject to paragraph 3 below.
2. Payment is claimable in respect of children aged 14 years or under. In respect of dependant relatives, payment is claimable subject to written medical or social work evidence.
3. The Corporate Governance and Audit Committee will determine any application by a councillor on the grounds of special circumstances for payment of dependants' carers' allowance at a higher rate than that of the national minimum wage for age 21 and above.
4. The carer must not be a member of the same household.
5. Councillors should submit their claims, using a claim form and supported by receipts and, if applicable, declare any other care payment received from another agency, to the Councillors' Allowances section each calendar month in arrears.
6. Councillors can only claim for the carers' allowance in respect of expenses of arranging for care of their children or dependants necessarily incurred for attendance at meetings and performance of duties specified in the regulations, and any other duties approved by the Council including training sessions held within the induction period following an election. **Approved duties do not include meetings with officers and constituents and attendance at political group meetings.**
7. The council's Standards Committee will consider any allegations of abuse of the scheme.
8. The dependants' carers' allowance is subject to annual review.