

**Report to Council on 28 February 2013 by the
South Cambridgeshire District Council (SCDC)
Independent Remuneration Panel (IRP); 2012/2013
Review of SCDC'S Members' Allowances Scheme**

Introduction

1. SCDC's IRP comprises 3 members without political affiliation to the Council; Simon Harris, Graham Jagger and Kevin McIntyre (a member of Teversham Parish Council). The IRP's methodology in undertaking its review of the Members' Allowances Scheme consisted of:
 - a) surveying all councillors as to their views on the current scheme with follow-up invitations made to all Councillors both to submit written comments as evidence to be considered by the IRP and to meet with IRP members to discuss their concerns and views on where changes need to be made to the current Scheme; and
 - b) the collection and review of benchmarking information on national, regional and local comparator District Council practice on Member allowances and expenses, and consideration of national reviews of Local Authority remuneration practice including that of the 2010 Scottish Local Authority Remuneration Committee; the House of Commons Communities and Local Government Committee; and the Councillors Commission reports on Members' remuneration.
2. We are grateful to all those Councillors who contributed to the information and evidence gathering of the IRP and we are indebted to the invaluable support of Council Officers in enabling completion of this review and report. The conclusions and recommendations of the IRP with respect to changes to SCDC's current Members' Allowances Scheme are set out in the remaining sections of this report; a copy of the current Scheme is attached in **Appendix B** and the current SCDC Council Membership profile is set out in **Appendix C**.

Key issues, Conclusions and Recommendations

3. This review has been undertaken during a period of national public sector pay freeze/ restraint and Local Authority cost reduction which will be on-going for the foreseeable future and which in practice represents a major political and economic constraint to making any significant changes to the level and distribution of allowance payments in 2013. A guiding consideration for the IRP in arriving at its conclusions and recommendations on the level and distribution of allowances is that any changes recommended should not increase the current allowance cost envelope in 2013 by more than the equivalent cost of any pay award to Council staff which may be agreed by the Council later this year. Any necessary adjustments to the current level and distribution of allowances will need to be achieved by changing and reallocating allowances within the existing cost envelope.

Basic and Special Responsibility Allowances (SRAs)

4. The Local Authorities Regulations (Members' Allowances) (England) Regulations 2003 provided for allowances being set at levels which enable Councillors to undertake the duties required of them, (attending committee/ working group meetings, chairing meetings, participating in training and development etc.) by covering the incidental costs of undertaking these duties and taking account of some of the time commitment involved. Allowances are not wages or a substitute for wages and the Government has recently reiterated that Council work should be regarded in the first instance as unpaid voluntary work on behalf of the community, but with allowances and expenses being set at levels which ensure that Councillors are fully reimbursed for the costs of carrying out their Council duties; which reasonably reflect Councillors time input as far as this is possible; and which do not deter members of the Community from standing for Council elections. In this respect

(see Appendix C) the gender and age profile of SCDC councillors broadly reflects the national average for English District Councils.

5. Benchmarking against comparator English and local District Councils shows that in 2011-2 SCDC's current Basic Allowance, (£4,627pa) was 6.5 % higher than the national average for English District Councils and is 2.1 % to 13.7% higher than the Basic Allowances paid by other Cambridgeshire District Councils. The only Cambridgeshire Authority paying a higher Basic Allowance is Peterborough City Council which is an exceptional outlier. However, the SRA entitlements of SCDC councillors are generally lower than those paid by other Cambridgeshire District Councils.
6. The IRP received divergent views from councillors as to the levels at which allowances should be set, their impact and distribution in relation to the work of councillors. There is a minority view that the Basic Allowance should be increased by the reallocation of reduced or withdrawn SRA payments from current holders; others think that the Basic Allowance is adequate, with another minority view expressed that the allowance should be substantially reduced or withdrawn altogether, (other than for payment of expenses) because it deflects from the essential voluntary, community service nature of the Council's work and encourages the notion of it being paid work.
7. There was no hard, quantitative evidence provided to the IRP to support the contention that the current level of Basic Allowance was in itself the main or a significant deterrent to community involvement in council work as against other factors eg the time commitment involved, the image of council work and competition for active volunteers from other agencies and organisations. Nonetheless there has been no adjustment to the Basic Allowance for 4 years.

Recommendation 1: It is recommended that the allowances be increased by the equivalent % amount as the Council agrees to apply to the pay rates of Council staff, to become effective from 1 April 2013.

8. Both Basic Allowances and SRAs are paid as lump sum cash payments and since 2003 the same Basic Allowances have been paid to all Councillors regardless of their actual individual time input to Council business. From the representations made to the IRP by a majority of Councillors there is a general perception that generally some councillors commit more time than others to Council business; that the current Allowance scheme does not adequately reflect the time commitment needed by members of committees, the Planning Committee in particular; and that a means should be found to fund a scheme which better recognises the commitment made by councillors to membership of particular committees. This would require more than simply redistributing existing SRAs, but could be achieved by adjusting the current balance of allowances by lowering the Basic Allowance with savings reallocated to new SRAs and /or by combining this by reallocation of elements of current holders' SRAs to ordinary committee members. An example, is given in **Appendix D** of the types of adjustments that could be made under this approach both to enable the introduction of new SRAs for committee members weighted to reflect the different time commitments involved in membership of, the Planning, Scrutiny and Licensing Committees, and to enable adjustments to be made to the SRAs for the Chairs of Corporate Governance, Civic Affairs, Employment and Licensing Committees. It is envisaged that payment of allowances would be made on a pro rata basis quarterly in arrears, but the IRP needs to undertake further work to develop and to be able to recommend to the Council a workable scheme which enables a fairer, more appropriate distribution of Member Allowances whilst ensuring no increase in costs.

Recommendation 2: To amend the current Members' Allowances Scheme on the principles outlined above and proposed in Appendix D to take effect from 24 May 2013, the day following the Annual Council meeting.

Recommendation 3: Remove from the current Members' Allowances Scheme the paragraph stating that 'No councillor may receive more than one special responsibility allowance' and replace with 'Councillors may receive more than one special responsibility allowance, with the exception of the Cabinet members responsible for Planning and Licensing if they become voting members of those particular committees'.

Other Allowances and Expenses

9. The current Basic Allowance includes £646 towards expenses incurred by councillors for which they are not entitled to claim reimbursement such as travel to parish council meetings and telephone calls from home. Reducing the Basic Allowance but reimbursing at cost some of the expenses currently covered by the Allowance would result in councillors paying less tax whilst receiving payments appropriate for the expenses they occur, (eg councillors with several parish councils would receive more expenses than those with a single local parish council).
10. Subject to Council approval, the IRP proposes to work with councillors and officers to identify and monitor the types of expense which are currently non-recoverable, but which could be reimbursed at cost in the future to ensure that if the Basic Allowance is reduced in this way that expenses payable do not exceed the total reduction in Basic Allowance; and that such a change in the way expenses are paid does not place an undue administrative burden on councillors or officers.

Recommendation 4: The IRP recommends that current arrangements for paying expenses remain unchanged for 2013/14.

Recommendation 5: Requests that further consideration be given by the IRP to make recommendations for amendments to Schedule 2 of the Members' Allowance Scheme for the period 2014/15 in January 2014.

11. Members' subsistence allowances have not been updated in line with those applying to Council staff. Councillors should receive the same travel and subsistence allowances as Council officers.

Recommendation 5: It is recommended that Councillors' subsistence allowances are increased in line with those payments made to staff:

	Existing	Proposed (as per staff)
Breakfast	£6.07	£6.88
Lunch	£8.30	£9.50
Tea	£3.31	£3.76
Evening Meal	£10.38	£11.77

Reference to a sandwich allowance should be deleted from the Scheme.

Appendices

- B. Current Members Allowance Scheme**
- C. SCDC Councillors age, gender and employment profile**
- D. Illustrative example of adjustments through reallocation of Basic and Special Responsibility Allowances**

Graham Jagger
 Chairman of the Independent Remuneration Panel
 February 2013