

CANNOCK CHASE COUNCIL
COUNCIL
25 AUGUST 2010
REPORT OF THE CHIEF EXECUTIVE
SCHEME OF MEMBERS' ALLOWANCES 2010-2012
KEY DECISION – (NO)

1. Purpose of Report

- 1.1 To consider the report of the Independent Remuneration Panel in respect of the Scheme of Members Allowances for 2010-12.

2. Recommendation(s)

- 2.1 That Council consider the recommendations of the Independent Remuneration Panel in respect of Members' Allowances for 2010-2012 and the legal advice in this report and determine whether to:
- (i) Accept the recommendations, or
 - (ii) Accept the recommendations in part and make other determinations considered more appropriate, and / or
 - (iii) Refer some or all the recommendations back to the Independent Remuneration Panel for reconsideration, setting out those aspects of the Scheme that it wishes to be reconsidered.

3. Summary (inc. brief overview of relevant background history)

- 3.1 In accordance with the Local Authorities (Members Allowances)(England) Regulations 2003 ("the Regulations") the Council established an Independent Remuneration Panel ("the Panel") to make recommendations in respect of the allowances payable to Members under the Constitution.
- 3.2 The Panel met to receive and examine evidence relating to the allowances on 13 May 2010, 14 June 2010 and 5 July 2010. The examination was detailed and thorough.
- 3.3 The recommendations and reasoning of the Panel are detailed in their Report annexed to this report. In brief the recommendations are that:-
- a) As a general principle there should be a 5% reduction in the allowances to reflect the current financial position in particular and for reasons given in the Report;
 - b) A 5% reduction should apply to the Basic Allowance;

- c) A 10% reduction should apply to the Chairman of Planning Committee;
- d) A 5% reduction should apply to Independent Members of the Council's committees;
- e) No change to the Civic Allowances (Chairman and Vice Chairman);
- f) No change to the travel and subsistence and computer allowances;
- g) A 30% reduction to apply to the Special Responsibility Allowance for the Leader of the Council;
- h) A 5% reduction to apply to all other Special Responsibility Allowances;
- i) These reductions should be adopted by the Council with effect from 6 May, 2010 until 31 March, 2012. (Please see Legal Implications at Section 4)

The current Councillors' Allowances Scheme incorporating all the recommended changes is given in the Annex (insert annex number)

4. Key issues and Implications

- 4.1 Irrespective of the date of the report and decision, the years to which the Allowances Scheme runs are 1 April to 31 March. Schemes may last up to 4 years but the recommendation is that in view of the current economic state this scheme should only run to 31 March 2012.
- 4.2 The Council is required by Regulation 19 to have regard to the recommendations made to it by an independent remuneration panel.
- 4.3 The Regulations allow the Scheme to be amended at any time. Regulation 10(6) states that where an amendment is to be made which affects an allowance payable for the year in which the amendment is made, the scheme may provide for the entitlement to such allowance as amended to apply with effect from the beginning of the year in which the amendment is made. The Regulations thus allow the retrospective amendment of a members allowance under the scheme and it was on this basis that the Panel made recommendation (i) in their report. Further consideration has been given to the effect of the Regulations and the implications of a retrospective reduction in a member's allowance. The implications are set out in the Legal Implications section of the report. The conclusion is that a retrospective reduction in a member's allowance would not be recoverable from the member and that a decision to implement a scheme which reduces allowances retrospectively would not be effective. The Council is therefore advised that, if it decides to implement the recommended scheme or any other scheme which involves a reduction in allowances, it should implement any part of the scheme which involves a reduction with effect from the first day of the next month after the decision. Implementation of increased or new allowances (the proposed allowance for the Chairman of Health Scrutiny Committee for example) can be made retrospective to the date of appointment to the office.

5. Conclusions and Reason(s) for the Recommendation(s)

- 5.1 In view of the thoroughness of the Panel's investigation and report, and the number of meetings by the Panel to date, it would be difficult to justify a referral back to the Panel.

- 5.2 Following the decisions of the Council with regard to amendments to the Councillor's Allowances Scheme, Regulation 16 requires the decision to be published and made available to the public and the publicity is to contain a statement confirming that the Council has complied with its duty under Regulation 19 to have regard to the recommendations of the Panel

6. Report Author Details

Deborah Hudson, Solicitor.

SCHEDULE OF ADDITIONAL INFORMATION

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Section 1

Contribution to Council Priorities (i.e. CHASE, Corporate Plan)

None

Section 2

Contribution to Promoting Community Engagement

None

Section 3

Financial Implications

The original budget for Members' Allowances for Basic Allowances; Consumables; Special Responsibility Allowances and Civic Allowances amounts to £395,580 excluding National Insurance and Superannuation contributions.

Council at its meeting of the 30 June 2010 considered a Resolution from Cabinet in terms of an Interim General Fund Revenue Budget for 2010-11 to 2013-14 that, amongst other issues to enable a balanced budget to be provided in year, proposed a reduction in Member Allowances of £18,400 per annum, subject to the consideration of the report of the Independent Remuneration Panel.

Council however resolved that, subject to consideration of the Panels report, Special Responsibility Allowances be reduced by 30% generating full year savings of £57,900.

The recommendations of the Panel, after taking into account the revised Cabinet and Committee structure agreed in May 2010, this proposal to amend allowances and legal advice not to back date allowance reductions, results in a core cost 2010-11 of £380,720 resulting in a full year saving of £14,790 or £16,640 including on costs. The requirement to provide an in year balanced budget as above has been met by instigating a Council job vacancy filling freeze until further notice.

The proposal to maintain allowances at the 2010-11 recommended level will provide an annual core saving of £29,640, an additional saving of £10,050 as compared to the 2011-12 draft budget which included an inflation uplift for Members Allowances in that year.

Section 4

Legal Implications

The Council is required by Regulation 19 to have regard to the recommendations made to it by an independent remuneration panel.

Irrespective of the date of the report and decision, the years to which the Allowances Scheme runs are 1 April to 31 March. Schemes may last up to 4 years but the recommendation is that in view of the current economic state this scheme should only run to 31 March, 2012.

The Regulations allow the Scheme to be amended at any time. Regulation 10(6) states that where an amendment is to be made which affects an allowance payable for the year in which the amendment is

made, the scheme may provide for the entitlement to such allowance as amended to apply with effect from the beginning of the year in which the amendment is made. No problems arise from amending the scheme to create a new allowance for a new position and making it retrospective, otherwise it would be impractical for the Council to create a new committee at the Annual Council Meeting as the Chairman could not be paid for any period prior to the Council amending the scheme having considered a report from the Panel. No legal problems appear to arise from a retrospective increase provided there is budgetary provision. However, it is considered that despite Regulation 10(6), backdating a reduction may be open to legal challenge.

The law regarding retrospective reductions in wages arising from a contract of employment is reasonably clear and in the absence of an express contractual condition and the employees consent would be unlawful. The rights protecting an employee from unlawful deductions are contained in the Employment Rights Act 1996. Claims by employees for unlawful deductions are to the Employment Tribunal. The Act does not protect an employee from deductions of overpayments of wages from later payments of wages. Councillor's allowances are treated as earnings for tax and pension purposes but members are not employees of the Council and have no contract of employment. The Employment Rights Act does not apply to Councillor's Allowances and members could not rely on the Act to prevent deductions from their allowances but nor could the Council rely on the Act as authority to deduct overpayments of allowances because of a retrospective reduction. Any legal action by the Council to recover overpayments resulting from a retrospective reduction or by a member to challenge a recovery by the Council of such overpayments from subsequent allowance payments would not be in the employment tribunal but in the civil courts.

The general rules on recovery of overpayments in the civil courts are that overpayments may be recovered if they are due to a mistake of fact (such as a clerical error) but not if due to a mistake of law (such as a mistaken belief that the employee was entitled to a higher salary). The courts will also consider whether it is just and reasonable to recover overpayments. The court will balance the potential unjust enrichment of the employee against the hardship that might be caused by recovery. An employee who receives a substantial overpayment which he ought reasonably to know he was not entitled to will not be protected by the court from his employer recovering it. An employee who genuinely and reasonably believes he has been correctly paid and who acts to his detriment by spending the money or entering into commitments will be protected. In the case of a retrospective reduction in member's allowances there has been no mistake of fact or law. There was no clerical error. Both the member and the Council believed, at the time the allowances were paid, that they were paid in the correct amount and this is evidenced by the Scheme in force at the time. The members were clearly lawfully entitled to the allowances at the time they were paid and it was lawful for the Council to make the payments. Members receiving the allowances could not have known that a subsequent amendment to the scheme would reduce the allowance and would not be unreasonable in acting as if the allowances were properly paid. It is difficult to see how the member could be said to have been unjustly enriched by payments which were not overpayments at the time they were made.

In conclusion, even if Regulation 10(6) allows retrospective reductions, making a scheme for member's allowances which had the effect of creating debts retrospectively which the Council is unlikely to be able to recover would be an unreasonable decision and the clear legal advice is not to make a scheme which has the effect of retrospectively reducing allowances.

Section 5

Human Resource Implications

There are no direct human resource implications to this report.

Section 6

Section 17 (Crime Prevention)

Not applicable

Section 7

Human Rights Act Implications

Article 1 of Part II The First Protocol of the Human Rights Act 1998 may apply to recommendation quoted in i) if there is any illegality in the backdating.

Section 8

Data Protection Act Implications

There are no data protection implications to this report.

Section 9

Risk Management Implications

There are no risk management implications to this report.

Section 10

Equality and Diversity Implications

There are no equality and diversity implications to this report.

Section 11

List of Background Papers

Section 12

Report History

Council Meeting	Date

Annexes to Report

The Members' Remuneration Panel report

The amended Councillors' Allowance Scheme

CANNOCK CHASE DISTRICT COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL

The Panel held three meetings on Thursday 13 May, Monday 14 June and Monday 5 July, 2010 in the Civic Centre, Beecroft Road, Cannock

The Panel consisted of Mrs. E. Nelmes, Mrs. M. Roberts and Mr. J. Derry. Also present at the meetings of the Panel were Mr. A. Welch, Monitoring Officer and Miss. J. Tunnicliffe, Senior Committee Officer

Consideration was given to the Scheme of Members Allowances.

The Panel held their first meeting on Thursday 13 May, 2010 and requested that in order to assist them with developing a scheme of Members' allowances for the forthcoming year; they would like to undertake interviews with a cross section of Members of the Council.

The Panel then met on Monday 14 June, 2010 and interviewed a cross section of Members of the Council. Those Members interviewed were:-

- Councillor N.K. Stanley (Liberal Democrat Group Leader and Leader of the Council)
- Mr. R. Betteridge (Chairman and Independent Member of the Standards Committee)
- Councillor Mrs. A.F. Bernard (Conservative Group Leader)
- Councillor D. Thomas (Labour Group Leader and Leader of the Opposition).
- Councillor Ms. W. Yates (Cabinet Member for the Health and Wellbeing Portfolio and Independent Member)

Following the interviews the Panel requested further information for the next meeting in order to help them formulate their recommendations. The Panel requested information in respect of car allowances, comparative information from other Local Authorities regarding their Members' Allowances Schemes and information regarding the number of planning applications being received by the Planning Control Committee following the delegation of decision making to Officers.

The Panel also referred to the previous questionnaire forwarded to all Members of the Council in respect of the hours spent on numerous duties as a Councillor, and asked if this could be circulated and the responses formulated for the next scheduled meeting.

The Panel then met on Monday 5 July, 2010 and responses to the questionnaire forwarded to all Members were circulated. The Panel had also received the documents relating to the other information they had requested.

The Panel was advised by the Monitoring Officer that a report would be submitted to the Council meeting on Wednesday 25 August, 2010 detailing the Panel's recommendations. The Panel were also advised that they were independent of the Council and if they were aware of

the resolution passed by the Council on 30 June, 2010 they should disregard it and arrive at their own independent conclusions.

The Panel considered the current scheme and whether there was anything that should be amended, excluding at this stage the amounts of the allowances. The Panel gave consideration to the current scheme and also the opinions of the Members recently interviewed. Following discussions, the consensus of the Panel was that the scheme, apart from the amounts of the allowances, should remain unchanged.

The Panel then considered the amount of the allowances. They took into account the views expressed by Members during the interviews and the current financial position in local government which had been referred to by Members. The Panel considered that, as a general principle, the allowances should be reduced by 5% to reflect the current financial position of the Council and the likely future position following recent announcements from central Government.

The Panel then considered the detail of the allowances and whether the 5% reduction should apply equally to all allowances.

The Panel then considered the Basic Allowance and agreed they should recommend that the Basic Allowance of £5,339 be reduced by 5% to £5,072.

The Panel considered that the Special Responsibility Allowances should all be reduced by 5% with the two exceptions set out in the following paragraphs.

It was considered that the Special Responsibility Allowance for the Leader of the Council was disproportionate when compared with (i) other district Council Leaders allowances and (ii) other Special Responsibility Allowances paid by Cannock Chase District Council. The Panel accepted that a direct comparison with other Councils should not be the only determining factor as each Council was different and the responsibilities taken on by each Leader was different, but they considered that the substantial difference between the allowance paid by Cannock Chase District Council and other Councils could not be justified. They also considered that the differential between the Leader's allowance and those paid to other Members who held positions of responsibility in the Council was too great. The Panel therefore agreed to recommend that the Special Responsibility Allowance for the Leader of the Council should be reduced by 30% to £20,166.

The Panel also considered that the workload and responsibilities of the Chairman of the Planning Control Committee had reduced with increasing delegation of decisions to officers and agreed that a reduction of 10% should be recommended in respect of that allowance.

The Panel agreed that the 5% reduction should also apply to the allowances for independent members of the Council's Committees.

The Panel considered whether the 5% reduction should apply to the Civic Allowances but decided that the different nature of these allowances meant that no reduction should be made but that there should be no increase in these allowances. The Panel agreed to recommend this.

The Panel considered the allowances for travel and subsistence and computers. These allowances are reimbursement of expenses which were affected by inflation and that their real

value had in effect reduced with rising costs. The Panel therefore considered and agreed to recommend that these allowances should not be reduced but that in the current economic climate they should not be increased.

The Panel was advised that the Council at its Annual Meeting had established a separate Health Scrutiny Committee. The Panel considered the appropriate allowance for the Chairman of that Committee and agreed to recommend that the allowance for the Chairman of the Health Scrutiny Committee should be the same as those paid to the Chairmen of Policy Development Committees, Licensing and Public Protection Committee and Audit and Governance Committee.

The Panel then considered how long the scheme should be implemented for. They were advised that the scheme could last for up to four years and that they could recommend an annual increase in line with an index. They considered that in the current period of change in local government the scheme should last no longer than 2 years. It was not considered that an indexed increase was appropriate in the current economic climate. They agreed to recommend that the scheme be backdated to the date of the elections in 2010 and remain in place until the 31 March, 2012.

The recommendation of the Panel is that the Councillor's Allowances set out in the Appendix to this Report should be adopted by the Council with effect from 6 May, 2010 until 31 March, 2012.

Mrs. E. Nelmes
Mrs. M. Roberts
Mr. J. Derry

PART 6
SECTION 50

COUNCILLORS'
ALLOWANCES
SCHEME 2010-12

Councillors' Allowances

This document contains the scheme for Councillors' Allowances as approved by the Council for the period until 31 March 2012. Any amendments to the scheme require the approval of the Council.

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Councillors' Allowances Scheme

1. INTRODUCTION

- 1.1 This scheme, which may be cited as the Cannock Chase Council Councillors' Allowances Scheme, was approved by Cannock Chase Council at its meeting on 25 August 2010 in exercise of the powers conferred by the Local Authorities (Councillors' Allowances) (England) Regulations 2003.
- 1.2 This scheme replaces all previous Councillors' Allowances Schemes.
- 1.3 The Allowances mentioned in this scheme shall be implemented with effect from 6 May 2010 and shall run until 31 March 2012.
- 1.4 Any amendments to the Scheme will be solely determined by the Council, following receipt of recommendations from the Independent Remuneration Panel.

2. EXPLANATION OF TERMS

- 2.1 In this scheme,

“Councillor” means a Councillor of Cannock Chase Council who is a Councillor

“Year” means the 12 months commencing from the Council’s Annual General Meeting

3. BASIC ALLOWANCE

- 3.1 Subject to paragraph 6, for each year a basic allowance shall be paid to each Councillor, in accordance with the table at Schedule 1 to include a notional allowance for the provision of telephones, fax facilities and indemnity insurance.

4. SPECIAL RESPONSIBILITY ALLOWANCES

- 4.1. For each year a special responsibility allowance, comprising component elements to be agreed by the Council, may be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in Schedule 1 to this scheme provided that a signed request form has been received by the Chief Executive from the Councillor confirming their wish to receive a special responsibility allowance.
- 4.2. Subject to paragraph 6, the amount of each such element shall be the amount specified against that special responsibility in that schedule.
- 4.3. With the exception of those Councillors in receipt of a Civic Allowance, Councillors shall be entitled to only one special responsibility allowance, with the single highest

allowance being paid. Those Councillors in receipt of a Civic Allowance shall also be entitled to a special responsibility allowance, where appropriate.

5. RENUNCIATION

- 5.1. A Councillor may give notice in writing to the Chief Executive to elect to forego any part of his entitlement to an allowance under this scheme.

6. PART-YEAR ENTITLEMENTS

- 6.1. The provisions of this paragraph shall have effect to regulate the entitlements of a Councillor to basic and special responsibility allowances where in the course of a year, this scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility is payable.

- 6.2. If an amendment to this scheme changes the amount to which a Councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:

(a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or

(b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year, the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.

- 6.3. If an amendment to this scheme changes the duties specified in schedule 2 to this scheme, the entitlement to an allowance shall be to the payment of the amount of the allowance under the scheme as it has effect when the duty is carried out.

- 6.4. Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.

- 6.5. Where this scheme is amended as mentioned in sub-paragraph 6.2, and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph 6.2(a), the entitlement of any such Councillor to a basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which his term of office as a Councillor subsists bears to the number of days in that period.

- 6.6. Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- 6.7. Where this scheme is amended as mentioned in sub-paragraph 6.2, and a Councillor has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph 6.2(a) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

7. LOCAL GOVERNMENT PENSION SCHEME

- 7.1 Councillors shall be entitled to membership of the Local Government Pension Scheme in accordance with a scheme made under Section 7 of the Superannuation Act 1972. Both the basic allowance and the special responsibility allowance may be treated as amounts in respect of which such pensions are payable in accordance with the scheme.

8. SUSPENSION OR PARTIAL SUSPENSION OF COUNCILLORS

- 8.1 Where a Councillor or Independent Member is suspended or partially suspended from responsibilities or duties as a member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of the allowance payable (including travel and subsistence allowances) in respect of the period of suspension or partial suspension may be withheld by the Council.
- 8.2 Where payment of any allowance has already been made in respect of any period during which the member is concerned is:
- (i) suspended or partially suspended from responsibilities or duties as described above;
 - (ii) ceases to be a Member of the Council; or
 - (iii) is in any other way not entitled to receive the allowances in respect of that period,

the Council may require that such part of the allowance as they relate to any such period be repaid to the Council.

9. TRAVEL AND SUBSISTENCE

- 9.1. Payment of allowances for travel and subsistence are not payable under this Scheme, but Councillors shall be entitled to receive payments by way of travelling allowance or subsistence allowance under the provisions of Section 174 of the Local Government Act, 1972 in connection with performing any of the approved duties set out in Annex 1

to this Scheme. The amounts of such payments and limits and conditions relating to them are set out in Annex 2 to this Scheme.

10. TRAVEL AND SUBSISTENCE OUTSIDE THE U.K.

- 10.1. Payment of travel and subsistence allowances for official duties outside the United Kingdom are not payable under the Scheme, but travelling and subsistence allowances are payable under Section 174 of the Local Government Act, 1972 and are detailed in Annex 3.

11. CLAIMS AND PAYMENTS

- 11.1 Payments shall be made: -

- (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme on the 25th of each month (20th December) by bank credit transfer (BACS);
- (b) in respect of travel and subsistence expenses, on the 25th of the month (20th December) following submission by a Councillor provided that submission is made by the 7th day of that month.

Where the 25th/20th falls on a non-banking day, payment will be made on the last banking day before.

- 11.2 Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the Councillor receiving more than the amount to which, by virtue of paragraph 6, he or she is entitled, the payment shall be restricted to such an amount as will ensure that no more is paid than the amount to which he or she is entitled.

12. PUBLICITY

- 12.1. Details of this scheme will be publicised within the Authority's area as soon as possible after the Council has agreed or amended the scheme.
- 12.2. As soon as practicable after the end of the year the Authority shall make arrangements for the publication, within the Authority's area, of the total payments of each allowance made to Councillors in accordance with Regulation 15 of the Local Authorities (Councillors Allowances) (England) Regulations 2003.

Schedule 1

Basic, Special Responsibility and Other Allowances

Basic Allowance

The Basic Allowance is £5,072 of which £1,224 is included in this sum for the purchase of consumables by Councillors, such as ink cartridges, stationary, postage and the provision of indemnity insurance for work on outside bodies, which shall be arranged by each individual Councillor as they see fit.

Special Responsibility Allowances

Special Responsibility Allowances shall be paid as follows:

Leader of the Council	£20,166
Deputy Leader of the Council	£11,730
Councillors of Cabinet	£10,165
Leader of the Opposition	£8,601
Chairman of Scrutiny Committee	£8,601
Chairman of Planning Control Committee	£5,186
Councillors of Shadow Cabinet	£2,347
Chairmen of Policy Development Committees	£2,347
Chairman of Licensing & Public Protection Committee	£2,347
Chairman of Audit & Governance Committee	£2,347
Chairman of Health Scrutiny Committee	£2,347
Chairman of the Standards Committee (Independent Councillor)	£359

Civic Allowance

The nature of the allowances payable to the Council Chairman and Vice-Chairman are different in nature from the other allowances payable, due to the very much different role played by these Councillors as civic leaders. These are thus payable as “cash” sums, rather than the more salary-like basis of most other allowances.

The Civic Allowance for the Chairman of the Council is £8,980, with the Vice-Chairman’s Civic Allowance at £3,525.

Independent Councillors

The payment to independent Councillors with decision-making powers, such as those on the Standards Committee and the Independent Remuneration Panel, is £209 per annum.

Computer Allowance

Councillors shall be provided with a “thin client” computer workstation by the Council to use for Council business. Where this method of computer access does not meet their needs, Councillors are entitled to receive an allowance to provide their own computer for use with Council business, provided that they are eligible under the Scheme.

Following their (re-) election, Councillors will determine whether they would wish to be provided with a “thin client” workstation or purchase their own computer which will be used for Council business. This arrangement is fixed until the end of the Councillor’s current term in office, unless he/she has exceptional circumstances for wanting to change to the alternative option under the scheme, which must be agreed by the Chief Executive.

The following terms and conditions will apply to those Councillors who opt to provide their own computer for use with Council business:

- (i) In addition to providing their own computer Councillors must also provide their own printers, broadband link, software and consumables. The Council will not provide any equipment or technical support in such circumstances.
- (ii) An allowance of £1,200 will be paid to Councillors in their year of (re) election, followed by £400 per annum for each of the following three years. This will be paid as a £800 lump sum on (re-)election followed by monthly payments of £33.33 for the remainder of their current term in office. All payments are subject to tax.
- (iii) Councillors shall be required to produce a receipt for the expenditure incurred in purchasing the equipment, with the amount payable being fixed irrespective of whether the receipt for the equipment is greater or less than the allowance payable.
- (iv) No access will be provided to the Council’s internal systems. However e-mails, minutes and agendas are accessible via the Council’s website.
- (v) Other than setting up access to e-mails and providing basic training in respect of e-mail and accessing committee papers on-line, Councillors will not be provided with any technical support by the Council.
- (vi) Councillors must certify on an annual basis that their computer meets the Council’s technical specification for the purposes of conducting Council business.
- (vii) Those Councillors who are also County Councillors will be able to opt for either a “thin-client” computer, purchase their own computer or use their County Council computer to access District Council information, such as e-mails. Those Councillors who opt to use their County Council

computer will not be entitled to a computer allowance under this scheme.

Carers Allowances

Councillors shall be reimbursed for the actual costs incurred as a result of providing care for:

- (i) Children under the age of 14, which will be reimbursed at actual cost subject to a maximum hourly rate equivalent to the maximum wage applicable to the age of carer; and
- (ii) Persons over the age of 60 and people with disabilities or learning difficulties will normally be reimbursed at the same level as for children, except where professional care is required the hourly limit should increase to the rate chargeable by the County Social Services Department for the provision of a Community Care Worker.

The person to be cared for should be someone who normally lives in the claimant's household who cannot be left unsupervised. In addition, the carer employed should not be someone who normally lives with the claimant. The allowance is payable for approved duties only as defined in the Members Allowances Regulations 2003.

Schedule 2

Approved Duties

Approved duties are prescribed as:-

- (a) Attendance of appointed Councillors at meetings of the Council, Cabinet, Committees Select Committees, and other Council meetings.
- (b) Attendance of appointed Councillors at Special Meetings.
- (c) Attendance of invited Councillors at meetings.

Note: A payment shall be made only to Councillors invited to attend to participate by the Chairman of the Committee, Select Committee etc prior to the meeting and whose names are recorded in the Minutes as being present with an indication of the Chairman's reasons for permitting participation.

- (d) Attendance at meetings that relate to the business of the Council i.e. presentations and events whereby all Councillors of the Council are invited to attend.
- (e) Attendance of at least two Group Leaders (or, where only one Group Leader exists, two Councillors) at meetings called by the Chief Executive.
(Refer to Schedule 2(b))
- (f) Attendance of Councillors appointed to deputations, site visits or like business, where prior approval by the Council/Committee has been granted

Note: Eligible provided that the duty for which the attendance is paid shall have had prior approval by the Committee requiring the duty to be undertaken or, in exceptional circumstances, by the Chief Executive after consultation with the Chairman of the Council.

- (g) Attendance at meetings by Councillors of the Cabinet in their capacity as Portfolio Leader.
- (h) Attendance at:-
 - (i) Bodies of national, regional or county standing which carry out directly related Council functions. The Councillor appointed to these bodies must be appointed to 'act' on behalf of the Council, which must form part of the list of bodies approved by Council and Cabinet.

Note: Although not part of this Scheme, attendance at approved Conferences will also qualify for payment of travelling expenses and subsistence under Section 175 of the Local Government Act, 1972. The approved Conferences are:-

- (A) Local Government Association:
Leader of the Council and Chief Executive
- (B) Chartered Institute of Public Finance and Accountancy:
Leader for Resources and Director of Governance
- (C) Chartered Institute of Housing:
Leader for Housing and Head of Housing
- (D) LGA Economic Regeneration Conference:
Leader for Economic Development and Head of Planning and Regeneration
- (E) Standards Board for England:
Chairman of Standards Committee and Monitoring Officer (or nominees)
- (F) Institute of Leisure and Amenities Management or Institute of Sport and Recreation Management:
Leader for Leisure and Director of Organisational Improvement

Annex 1

Travel and Subsistence Allowance

Approved duties for the purposes of payment of travelling and subsistence allowances under Section 174 of the Local Government Act, 1972 shall be payable in respect of the following:-

- (a) All Approved Duties for the purposes of Councillors' Allowances Scheme referred to in the Second Schedule to the scheme.
- (b) Attendance of Chairman/Vice-Chairman of the Council, Cabinet, Committees or Select Committees for Agenda discussion or on business of the Council, Committee or Sub-Committee.
- (c) Attendance of Councillors at Council offices on the business of the Council.
- (d) Attendance of Councillors on courses or seminars approved by the Council, Committee or Sub-Committee.
- (e) Bodies of local standing generally having statutory backing carrying out functions of a consultative nature but not necessarily being directly or indirectly related to local authority work.
- (f) The Executive Committee of the Staffordshire Parish Councils' Association.
- (g) In pursuance of any Standing Order requiring a Councillor or Councillors to be present while Tenders are opened or the Council's seal is affixed to any document.

Annex 2

Travel and Subsistence Allowances

TRAVEL

The new rates are set out below, effective from 1st April 2007:

	451 – 999cc	1000 – 1199cc	1200 – 1450cc
per mile	42.9p	46.9p	58.7p

- (a) If Councillors use a taxi regularly to attend meetings and they live within easy access to a convenient bus route then reimbursement will only be made at the appropriate bus fare rate.
- (b) Journeys from the place of Council meetings to the place of work are considered to be for the purpose of attending work and reimbursement of travelling allowance will not be paid.
- (c) When refreshments/meals are provided at meetings subsistence should not be claimed.

SUBSISTENCE

The rate of subsistence allowance shall not exceed (as at 1 July 2007):

- 1) In the case of an absence, not involving an absence overnight, from the usual place of residence;
 - a) Of more than 4 hours, or where the authority permits, a lesser period, before 11.00am, (breakfast allowance) £5.75;
 - b) Of more than 4 hours, or where the authority permits, a lesser period, including the period between 12 noon and 2pm (lunch allowance) £7.91;
 - c) Of more than 4 hours, or where the authority permits, a lesser period, including the period 3pm to 6pm (tea allowance) £3.12;
 - d) Of more than 4 hours or where the authority permits, a lesser period, ending after 7pm, (evening meal allowance) £9.80.
- 2) In the case of an absence overnight from the usual place of residence £93.31 and for such an absence overnight in London, or for the purpose of attendance at an annual conference (including or not including an annual meeting) of the Local

Government Association or such other association of bodies as the Secretaries of State may for the time being approve for the purpose £106.43.

- 3) For the purpose of this paragraph, London means the City of London and the London Boroughs or Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth & Westminster.
- 4) Any rate determined under paragraph 2 above shall be deemed to cover a continuous period of absence of 24 hours.
- 5) The rates specified in paragraph 1 shall be reduced by an appropriate amount in respect of the meal or the period to which the allowance relates.
- 6) Where main meals (i.e. breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to a day subsistence allowance, the reasonable cost of the meals (including VAT), may be reimbursed in full, within the limits specified below. In such circumstances, reimbursement for the reasonable cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.

The limitations on reimbursement are:

- a) for breakfast, an absence of more than 4 hours, or where the authority permits, a lesser period, before 11am;
- b) for lunch, an absence of more than 4 hours or where the authority permits, a lesser period, including the period between 12 noon and 2pm;
- c) for dinner, an absence of more than 4 hours, or where the authority permits, a lesser period, ending after 7pm.

Note: Claims for travel and subsistence will not be approved unless accompanied with appropriate VAT receipts as proof of the expense being incurred.

Annex 3

Travel and Subsistence Allowances Outside The U.K.

- 1.1 For approved duties within the U.K. there are a series of subsistence allowances approved by the Secretary of State, dependent on the location, duration and purpose of the duty.
- 1.2 However, the Secretary of State has no jurisdiction to determine subsistence rates abroad and each Local Authority must pay whatever it considers appropriate.
- 1.3 Accordingly, the Council has adopted the following scheme for the payment of subsistence on official duty outside the U.K.:
- 1.4 Councillors of the Council and Officers required to undertake official duties outside the U.K. shall be entitled to the following travel and subsistence allowances:
 - (i) Full cost of all travel (to the extent that it is not met directly by the Council) from the Councillor's/Officer's home or office as appropriate to the place of duty, all necessary travel whilst engaged on the duty and return, such costs to be supported by appropriate receipts.
 - (ii) Full cost of accommodation for the duration of the duty (to the extent that it is not met directly by the Council), such costs to be supported by appropriate receipts.
 - (iii) The reasonable cost of all meals purchased (not including alcoholic beverages) such costs to be supported by appropriate receipts.
 - (iv) The commission charged on the necessary exchange of sterling into the appropriate foreign currency and the commission charged on the necessary exchange of the appropriate foreign currency back into sterling, such costs to be supported by appropriate receipts.
 - (v) The monetary loss as a consequence of differing exchange rates as a consequence of the exchange of the appropriate foreign currency into sterling, as identified on the exchange receipt and calculated by the Director of Resources.
 - (vi) The sum of £10 per day or part thereof to meet incidental, unidentified expenses.

The sterling equivalent of costs arising under (i), (ii) and (iii) above, when not in sterling, will be calculated using the exchange rate identified on the "out of sterling" currency exchange document.

Annex 4

National Insurance Contributions

1. If a Councillor is paid Councillors' Allowance equalling or exceeding the lower earnings limit £453 per month (correct as at 6/4/08 – however, increases in line with the Chancellor's Annual Budget). As from 6th April, 1997, there is a liability for Class 1 (earnings related) contributions.
2. The contributions are payable whether or not the Councillor has other employment or self-employment. There is an annual maximum for contribution liability for people with more than one job and in some instances a Councillor in this position may be entitled to a refund of contributions; alternatively, a Councillor may be able to apply to defer payment of contributions in his capacity as a Councillor. An explanatory leaflet (NP28 - People with more than one job) is available from social security offices. In addition, leaflet NP18 is available for people who pay Class 1 contributions and are also self-employed.
3. Certain Councillors may be exempt from National Insurance either by virtue of age or already on the maximum rate elsewhere. If this is the case, the Councillor will need to provide the Director of Resources with an exemption certificate.

Further, advice can be sought from the Head of Financial Management.

Annex 5

Social Security Contributions and Benefits

1. Payment of allowances will count as earnings for social security purposes. Councillors can be affected, therefore, both as contributors to the social security scheme and as beneficiaries. The above allowances will be chargeable to Schedule E for income tax and accordingly will give rise to liability for national insurance contributions unless the payments fall below the lower earnings limit.
2. These contributions can, of course, give rise to pension entitlement. As regards social security benefits, a number are subject to earnings rules, and can therefore be affected by the receipt of attendance allowance. A Councillor who is receiving a particular benefit and is in doubt about how it may be affected is recommended to make enquiries at the local offices of the Department of Social Security.

Annex 6

Statutory Sick Pay

1. The provisions of the above came into force for 'Employees' on the 6th April 1984. It has now been stated in a circular issued by the Department of the Environment that Councillors who are in receipt of Councillors' Allowances are considered to be 'employed' by their authority and will also be included where they meet the conditions of the scheme. The reasoning behind this is that these payments are subject to National Insurance contributions where they are greater than the lower earnings limit and consequently there may be an entitlement to State Sickness Benefit from the Department of Social Security. As Statutory Sick Pay replaces State Sickness Benefit, Councillors whose allowances attract National Insurance contributions may qualify for this payment. The regulations are complex and wide-ranging, and although it is unlikely that the provisions of Statutory Sick Pay (SSP) will have any widespread relevance to Councillors of this Authority, it is felt, nevertheless, that all Councillors should be aware of the entitlement. Further details will be made available upon request.
2. Where a Councillor wishes to make a claim for payment of SSP it is essential that there is a notification on the first day of absence due to sickness to the Human Resources Division.
3. Further advice and documentation will then be issued.