

CANNOCK CHASE COUNCIL

COUNCIL

5 DECEMBER, 2007

REPORT OF THE DEPUTY CHIEF EXECUTIVE

MEMBERS' ALLOWANCES

1. Purpose of Report

- 1.1 To consider a supplementary report of the Independent Panel for the Assessment of Members' Allowances in respect of payments to certain Members for Local Area Agreement (LAA) and Local Strategic Partnership (LSP) work.

2. Recommendation

- 2.1 That Members consider the report of the Independent Panel for the Assessment of Members' Allowances.
- 2.2 That subject to acceptance of the report as referred to in 2.1 (above) approve a supplementary estimate of £27,370 for 2007-08.

3. Background

- 3.1 In May 2007 the Council considered a report setting out recommendations for Members' Allowances in 2007-08. The proposed scheme was accepted, but payments for LAA/LSP work were not paid immediately, and the Panel were asked to re-visit their recommended amounts later in the year when the work was more established.
- 3.2 The Panel were also asked to bring forward a review of the Members' travel and subsistence scheme.
- 3.3 The Panel's report is attached. The Council is not obliged to accept the recommendations of the Panel, but if a different resolution is made there is a requirement to publish both the Panel's recommendations and the Council's resolution in the local press.
- 3.4 Members should note that any additional payments agreed would be backdated to the Council's AGM in May 2007.

4. Legal Implications

- 4.1 The Council is obliged under the Local Government Act 2000 ("the Act") to have regard to the report of an Independent Panel before considering and setting Members' Allowances.
- 4.2 The Independent Panel report must adhere to the requirement of the Act.
- 4.3 Failure to comply with the provisions of the Act could lead to any Members' Allowances set being challenged through litigation.

5. **Financial Implications**

- 5.1 The budget for Members' Allowances for the current year is £328,250. The costs of the allowances due to be paid this financial year are expected to be £344,420 (£ in a full year) requiring a supplementary estimate of £16,170 to be approved.
- 5.2 The supplementary estimate can be financed from the provision of £50,000 that remains within working balances. Members will recall that part of such balances were earmarked for the cost of implementing the Local Government White Paper and the Local Area Agreement arrangements, as referred to in the report of the Deputy Chief Executive to Cabinet on 22 February 2007 entitled General Fund Revenue Budget 2007-08 – Reserves and Balances.

# **Recommended Members Allowances for 2007-08**

**Report to Cannock Chase Council  
by the Independent Panel for the Assessment of Members Allowances**

# **Independent Panel for the Assessment of Members Allowances**

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## **Introduction**

The Local Government Act 2000 requires each Council to have regard to the report of an Independent Panel before setting a scheme for the payment of allowances to its members.

This report has been compiled by such a Panel, constituted by Cannock Chase Council, with the following terms of reference:

- o To act as an Independent Panel for the assessment of members allowances and related matters in accordance with the requirements of the Local Government Act 2000.
- o To prepare reports to the Council recommending:
  - a) Schemes of members allowances, and,
  - b) How those schemes should be maintained in future years
- o To consider and report on items referred to the Panel from time to time by the Council on allowances payable to councillors or related matters.

## **The Panel**

The Panel is constituted as five members, reflecting the interests of the public, the voluntary sector and businesses in the District. The Panel met during November 2007 to consider the outstanding issues from the May 2007 Council meeting.

## **Issues for Consideration**

When the Council considered the Panel's report in May 2007, it determined that it would ask the Panel to reconsider its proposals regarding payments for Local Area Agreement work once there was more evidence available regarding the level of input required from Council members.

In addition, the Council also asked if the Panel could reconsider the members' travel and subsistence scheme and make recommendations for the future of the scheme.

## **Questionnaire Returns**

A questionnaire was sent to members of the Cabinet, Shadow Cabinet, and Select Committee Chairmen seeking information on the time they

spent on their activities supporting the LAA/LSP and, as this was the first year of operation, their expectations for a full year.

Positive returns were received from most Cabinet members, but, with one exception, Shadow Cabinet members and Chairmen either made no return or submitted a nil return.

## **Recommendations re LAA/LSP Work**

In view of the nil returns and lack of returns from Shadow Cabinet members and Chairmen, the Panel determined that, in most cases, it was too early for this work to have really got underway. The Panel therefore decided that it would not be appropriate to make any payment for this work in 2007-08, however the Panel wished to express their thanks for the work that those members had and would undertake during the current period.

This situation was expected to change in future years, when the LAA will be more established, so the Panel decided to undertake a further review of the situation as part of their remit for 2008-09.

As far as Cabinet Members and the Leader were concerned, the Panel considered that enough information was available to enable a payment to be recommended for 2007-08, but again these should be comprehensively reviewed for 2008-09.

Based on the returns from members, the Panel recommends payments to Cabinet members who are also LAA block leads at a level of 50% of that originally recommended in the May report. This is equivalent to 25% of the normal Cabinet Allowance. For the Leader, the Panel recommends payment at 70% of that recommended in May, which is equivalent to 35% of the two cabinet allowances that the Leader would normally receive.

In accordance with the Council's May decision, these allowances should be backdated to the date of its Annual General Meeting.

## **Travel and Subsistence**

The current scheme pays Members' travel and subsistence costs related to "Approved Duties". These include:

1. Attendance at Council committee meetings as a member of the committee
  - o Attendance at Council committee meetings when invited by the Chairman.
  - o Attendance of committee chairmen/vice-chairmen at meetings relating to the business of their committee.
  - o Attendance at meetings that relate to the business of the Council, i.e. Member presentations.

- Meetings called by the Chief Executive where at least two Group Leaders (or where only one Group Leader exists, two Members) are present.
- Attendance of Members appointed to deputations, site visits or like business, where prior approval by the Council/Committee has been granted.
- Attendance at national, regional and county bodies, which carry out functions directly and indirectly related to the Council's functions. The Council has a pre-determined list of such outside bodies.
- Attendance at outside bodies where Members are appointed; (i) as the Council's representative to carry out the Council's functions or, (ii) at the request of an outside body, such as a board of governors.
- Attendance at conferences, which have been determined by the Council.
- Attendance of Members on courses or seminars approved by the Council or a Committee.

There are a number of disadvantages with the current scheme. In particular, it involves a large amount of work to maintain the scheme for the relatively small amount of money paid out each year. In addition, the scheme pre-dates the current Cabinet form of administration and it does not provide for payment in a number of circumstances, such as a Portfolio Leader attending certain outside meetings.

The Panel were presented with two potential ways of improving the scheme. The first was a method of "fixing" most of the payments under the scheme, thereby reducing significant amounts of administration for members and officers. The second was an updating of the rules of the current scheme which, while it would not reduce administration, would remove a number of current anomalies.

Option One would pay members:

- A basic allowance of £85.00 per Member per annum to cover travelling and subsistence for all purposes, other than Council Committee meetings, within a 25 mile radius of the Civic Centre.
- For Council committee meetings, Members would be paid an annual travel allowance to be determined each year and included within the overall Scheme of Members' Allowances.
- Their entitlement would be calculated using the following factors:

- **Their position** (i.e. Cabinet Member, Committee Chairman, Member of Planning Committee and Other). Members would automatically fall within the position that gave them the highest level of entitlement.
- **A “Meetings Factor” related to above categories** (Cabinet = 50, Committee Chairman = 40, Planning Committee Member = 40, Other = 25).
- **The approximate distance of their Ward from the Civic Centre (round trip)**
  - Cannock North, East, South and West = 2 miles
  - Hawks Green, Heath Hayes East & Wimblebury = 4 miles
  - Hednesford Green Heath, Hednesford South, Hednesford North, Rawnsley and Norton Canes = 6 miles
  - Brereton & Ravenhill, Etchinghill, Western Springs, Hagley = 12 miles
- **Mileage rate of 38.7p** (the same as casual car user allowance for officers)
  - As an example, this would mean that a Committee Chairman representing a Hednesford ward would receive, per annum, an £85 basic allowance plus  $40 \times 6 \times 38.7p = £92.88$  mileage allowance, a total of £177.88, paid in equal monthly instalments.
  - Meetings directly related to the role of a member held outside a 25 mile radius of the Civic Centre would be paid in addition to the above allowance on completion of a mileage/subsistence form. This would include meetings attended by Portfolio Leaders which fall within the scope of their Portfolio, or those attended by other members, which have previously been agreed by the Council or the Chief Executive.
  - Subsistence could only be claimed for meetings held outside of the 25 mile radius and would be paid on the basis of receipts produced by the Member.

The advantages and disadvantages of Option One were seen to be:

### **Advantages**

- No requirement for Members to complete mileage/subsistence forms, unless claiming for meetings outside 25 mile radius.

- Savings in officer time as a result of not having to check and process claim forms.
- No requirement to ensure lists of approved duties are kept up-to-date.
- All Members would receive a travel and subsistence allowance as part of their overall allowance.
- The scheme would be simplified, with Members clear about the amount of travel and subsistence they could expect to receive.

### **Disadvantages**

- Not all Members live in the Ward that they represent – this could result in anomalies in their calculated allowance.
- Tax and National Insurance would be payable on the whole of the annual allowance.
- For some Members the allowance could be significantly different to the costs incurred, including payments to members who did not attend meetings.

Option Two would largely result from a revision to the definition of "Approved Duties". The revised provisions would be:

- Approved duties to include:
  - Attendance at formal Council Committee meetings.
  - Attendance at national, regional and county bodies, which carry out directly related Council functions. The Member appointed to these bodies must be appointed to 'act' on behalf of the Council. The Council at its annual meeting would determine the list of such outside bodies.
  - Attendance at meetings as a Portfolio Leader of the Cabinet.
  - Attendance at approved conferences, previously determined by the Council. Any additions or deletions to the list to be approved by Council.
- Subsistence would be paid on the basis of receipts produced by the Member.
- Members appointed to outside bodies whose functions do not directly relate to acting on behalf of Council, would not be entitled to claim for travel and subsistence. The Council at its annual meeting would determine the list of such outside bodies

The advantages and disadvantages of Option Two were seen to be:

## **Advantages**

- The scheme would be simpler than the existing scheme.
- Members who attend meetings not included within the current scheme would be entitled to claim.

## **Disadvantages**

- Members would still be required to complete mileage and subsistence claims.
- Significant officer time would still be taken up in checking and processing claim forms and the need to ensure lists of outside bodies are kept up-to-date.
- Members appointed to outside bodies that do not relate to the Council's functions would not be entitled to claim for travelling and subsistence.
- Under this option, in a small number of cases, Members may not be entitled to claim for meetings that they currently receive a payment for.

On balance, the Panel decided to recommend Option Two to Council Members for consideration with two amendments:

- All references to "Portfolio Leaders" should be extended to cover Shadow Cabinet Members and Committee Chairmen, providing that the purpose of their journeys were to carry out those roles.
- Claims should only be paid for travel and subsistence incurred within the previous three months.

The Panel recognised that the Council could chose to follow these recommendations, chose to implement a different scheme, or chose to retain its existing scheme.

## **Conclusions**

The recommendations of the Panel are contained throughout the report. The Panel noted that their recommendations, if implemented, could be met within the Council's current budget provision, as supplemented by the reserve set aside for the implementation of the White Paper and LAA.

The Panel re-iterated the importance of members completing returns to enable it to undertake its role effectively.

Finally, the Panel would like to thank the Council's Deputy Chief Executive, Les Trigg, and Principal Committee Officer, Matt Challoner, for their assistance and support for the Panel's work.

M Mellor  
Chairman  
10 May 2007

Panel Members:

Mr M Mellor  
Mr J Derry  
Mrs E Nelmes  
Mrs M Roberts  
Mr D Tiff