

MEMBERS' ALLOWANCES SCHEME

Independent Remuneration Panel

Review of Members' Allowances for Financial Year 2016/2017

Introduction

1. Each local authority is required to establish and maintain an Independent Remuneration Panel to make recommendations to full Council about the allowances to be paid to elected members in the following financial year.

Review of Allowances

2. In undertaking this review, the Panel has had regard to guidance issued by the former Office of the Deputy Prime Minister and also considered the allowances paid by other authorities in the region. During the course of the review, the Panel considered a number of written representations received from elected members and interviewed the Deputy Leader of the Council, Deputy Leader of the Majority Opposition Group and a Project Lead member. The Panel also received officer briefings on the role of Project Leads and on proposals in respect of the Council's Scrutiny arrangements.
3. Written representation was received regarding the demands on the time of Councillors, with a request that the level of basic allowance be reviewed. The Panel was mindful that the allowance should be at a level that recognised the time and costs expended by members and did not discourage individuals from a wide range of backgrounds from applying to be Councillors, however, it considered that the current level was appropriate and therefore did not propose to recommend any change. Written representation was also received in respect of the Fostering Panel, regarding which it was suggested that there should be scope for appointment of an additional member in view of the significant workload and importance of this area. Whilst the Remuneration Panel did not consider it appropriate to recommend that this be reflected in the scheme at this stage, it recognised the importance of this area of work and recommended that further information be compiled for future review regarding the level of demand and responsibility associated with this role.
4. A written representation was also received in respect of travel expenses which pointed out that in some cases it could be cheaper to reimburse private mileage both ways when a friend or family member drove a member to their destination, rather than reimburse the cost of a taxi. However the Panel considered that this was an area where the cost and administrative expense of checking whether the cheapest option was being used in each case would outweigh any flexibility built into the scheme and therefore it was not recommended that any change be made to the provisions for recovery of expenses.
5. Reference was also made to the number of Special Responsibility Allowances under the Scheme, with some suggestions of areas where this could be reviewed, however, the Panel considered that the allowances appropriately reflected the relevant responsibilities. Whilst the overall cost of the Members' Allowances Scheme was not something for the Panel's consideration, it also

noted the consistent message received from Members that the cost of the Scheme should not increase.

6. Reference was also made to the role of Project Leads and the Panel found it very helpful to interview one of the Members who held this position and who provided information regarding the areas of work with which they were engaged and the demands upon their time. Whilst the Panel considered that the level of allowance remained appropriate, it noted that representations had been received in previous reviews regarding these roles and the Panel reiterated their previous recommendation that greater efforts be made to raise awareness within the Council of the value added by these positions. The Panel noted that annual reports were prepared regarding Area Committees and Scrutiny work and suggested that the Council may wish to consider putting in place arrangements to inform the wider membership of the work undertaken by Project Leads.
7. Whilst the Panel did not consider that any changes were required to the current Scheme if the Council's executive and committee structure remained as at present, the Panel was advised that there was a proposal to be taken to Scrutiny Committee and full Council regarding changes to Scrutiny arrangements. The Panel was briefed on the outcome of a recent Scrutiny Review undertaken by The Centre for Public Scrutiny and was advised that a proposal was to be put forward for there to be one overarching Scrutiny Committee, supported by three thematic Scrutiny Committees which would deal with areas relating to Health and Wellbeing, Children and Education and Economic Prosperity and Skills. The formal overarching Scrutiny Committee would have a co-ordinating function in relation to the broad strategic issues which may fall within the remit of more than one service based Scrutiny Committee. In addition, the three thematic committees would have the role of scrutiny of services within the broad Sunderland Partnership Strategic Priorities. The Panel was advised that the proposed structure would strengthen capacity, particularly through the establishment of three Vice-Chair roles for the thematic Committees. It was envisaged that there would be increased emphasis on critical analysis of service delivery and assessment of performance with a closer, earlier and more ongoing engagement of Scrutiny in mandating, shaping and overseeing delivery of improvement activity.
8. The Panel was advised that it was proposed that the recommendations would be implemented in shadow format as soon as possible and that, subject to Council approval, the formal Committee structure would be put in place with effect from the Annual Council meeting in May 2016. No change was proposed by the Panel to the SRA applicable to the Coordinating Committee Chair and Vice chair. However, in light of the proposed creation of additional formal Scrutiny Committees and the changed emphasis in the Scrutiny role, the Panel believed that a small increase may be appropriate in the SRA applicable to the Chairs of the new thematic Committees as compared to the role of Scrutiny Lead under the current arrangements.

However, the Panel recognised that the new arrangements were still emerging and in the circumstances, recommended that no increase be made at this time, but confirmed that the Panel would be happy to reconsider the level of allowance once the new arrangements were in place and embedded. The

Panel therefore recommended that should the proposals be approved by the Council, the allowance paid to the Chair and Vice Chair of the overarching Scrutiny Committee remain as at present and the allowance paid to the Chair and Vice Chair of each of the thematic committees be set at £5179 and £2590 respectively, to take effect from implementation of the proposals. In the meantime, the current level of allowances in respect of the Scrutiny Lead roles should continue. The Panel requested that if the proposals were implemented, further information be provided at the next review regarding the operation of the new committees.

9. In addition, the Panel noted that there were a number of areas of the detailed Guidance document that applied to the Allowances Scheme which required updating to reflect legislative and administrative changes, including:
 - a) Changes to Pension entitlement, which now provide that Councillors who were members of the Local Government Pension Scheme on 31st March 2014, will retain access to the Scheme up to the end of their then current term of office (or to age 75 if earlier).
 - b) That elements of the mileage allowance are currently taxable, although HMRC have indicated that this may change in future years.
 - c) Relevant timescales for submission of claim forms (to be completed and claimed in retrospect one month in arrears) and the relevant Departments/Service areas to which claim forms should be sent.
 - d) Removal of the reference to suspension of payment of allowances whilst members are suspended from office, as the legislation giving the Council the power to suspend members has been repealed.

Recommendations

10. The recommended allowances for 2016/2017 are set out in the attached appendix.
11. The Panel also recommend that the Head of Law and Governance, in consultation with the Leader and Interim Head of Paid Service and Director of Finance, update the Guidance document as appropriate to reflect legislative and administrative changes.

John Anderson CBE (Chair)
John Cuthbert
Karen Straughair

December 2015

Appendix

Type of Allowance	Amount per annum £
Basic Allowance	8,369
Special Responsibility Allowances	
Leader of the Council	37,667
Deputy Leader of the Council	25,111
Cabinet Secretary	25,111
Leader of Majority Party in Opposition	12,566
Leader of the Minority Party in Opposition	6,277
Deputy Leader of Majority Party in Opposition	8,369
Deputy Leader of the Minority Party in Opposition	4,184
Cabinet Member with Service Portfolio	20,716
Project Lead	12,556
Chairman of the following:	
Scrutiny Committee	12,556
Area Committee	10,350
Regulatory Committee	8,369
Licencing Committee	8,369
Planning and Highways Committee	6,277
Development Control Sub-Committees	6,277
Where the same person chairs the Licensing and Regulatory Committees, only one allowance will be payable but increased by a factor of 50%	
Vice Chairman of the following:	
Scrutiny Committee	6,277
Area Committee	6,277
Other Special Responsibility Allowances -	
Scrutiny Lead Member	5,179
Membership of Adoption and Permanency Placement Panel (to be paid to up to 2 Members)	4,184
Fostering Panel	4,184
Revised Scrutiny Arrangements	
Subject to full Council approving the establishment of an Overarching Scrutiny Committee, with three Thematic Scrutiny Committees, the following is recommended:	
Chair of Overarching Scrutiny Committee	12,556
Vice Chair of Overarching Scrutiny Committee	6,277
Chair of a Thematic Scrutiny Committee	5,179
Vice Chair of a Thematic Scrutiny Committee	2,590
(to take effect from appointment to formal Thematic Committee under proposed new arrangements)	

Co-optees' Allowances

Port Board	15,000
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Audit and Governance Committee

Chairman	6,277
Independent member	3,139

Mayoral

Mayoral Allowance	17,205
Deputy Mayoral Allowance	5,735

Carer's allowance to remain at up to £7.22 per hour

Travel Allowances (for elected members and co-optees)

Motor Cycle allowance	24p per mile
Bicycle Allowance	20p per mile
Car Allowance	45p per mile for first 10,000 mile and 25p thereafter

Passenger Supplement 5p per mile for the passenger (not exceeding 4)

The above rates match Her Majesty's Revenues and Customs authorised mileage rates and will be updated when HMRC publishes revised allowances

Subsistence Allowances (for elected members and co-optees)

In the case of absence from the usual place of residence for a continuous period which exceeds 4 hours but does not involve an overnight absence, subsistence is payable as per the table set out below:

Breakfast Allowance	£6.22
Lunch Allowance	£8.55
Tea Allowance	£3.37
Evening Meal Allowance	£10.59

The subsistence rates shall be reduced as shown below in respect of meals provided free of charge by any authority or body during the period to which the allowance relates.

Reduction of Subsistence Allowance for Meals Provided Free of charge:

Reduction for Breakfast provided	£6.22
Lunch provided	£8.55
Tea provided	£3.37
Dinner provided	£10.59

Overnight Accommodation

The allowance will not be claimable as an allowance as such, rather reasonable costs of an overnight stay (including breakfast) will be met for business class accommodation (3 star or 4 star) within and outside of London. Unless there are exceptional circumstances the Council will book the accommodation direct selecting the most economic option available and utilising the established procurement arrangements in

place. Where exceptional circumstances exist, these will be approved in advance by the Director of Finance and reasonable costs will be reimbursed subject to submission of receipts.

Grant payable for Use of Rooms or Halls for Ward Surgeries	£15 maximum per occasion
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Telephone Calls Allowance	£15 per quarter
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Broadband – actual costs to be reimbursed up to a maximum of £15 per month with a contribution from each Member of £3 per month where private use is made for the facility.