

READING BOROUGH COUNCIL
REPORT BY MANAGING DIRECTOR

TO:	COUNCIL		
DATE:	24 MARCH 2015	AGENDA ITEM:	7
TITLE:	COUNCILLORS' ALLOWANCES AND PENSION SCHEME FOR COUNCILLORS		
LEAD COUNCILLOR:	COUNCILLOR LOVELOCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	COUNCILLOR SERVICES	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Further to Minute 67 of the Council's meeting on 25 March 2014, this report recommends that the Council consider the findings of the Independent Remuneration Panel and to adopt a scheme of Councillors' Allowances for the financial year 2015/16.
- 1.2 The Independent Remuneration Panel meets annually to consider a scheme of allowances and to make recommendations to Council. Following a meeting, the Panel has recommended that the total budget for Councillors' allowances should stay at the same level as set for 2014/15. The overall budget should therefore be £448,597 in respect of councillors' allowances; basic allowance for all councillors should remain set at £8,220 per annum; and the remainder of the budget should be split between the Leader, Deputy Leader and recipients of special responsibility allowances as set out in paragraph 3 of this report.
- 1.3 The Panel also considered and made recommendations with regard to travel allowances (remain unchanged); subsistence allowances (keep in line with the officer scheme); Dependant Carer's Allowance (remain unchanged); Co-optees' Allowances (remain unchanged) and that councillors should have access to salary sacrifice schemes.
- 1.4 In relation to travel allowances, the Personnel Committee on 19 July 2011 agreed to increase car allowance rate for Council officers, to 45p per mile, whilst retaining the 25p per mile rate for Councillors. The Remuneration Panel did not recommend any increase for 2015/16.
- 1.5 The Remuneration Panel's Findings are attached at Appendix A. The minutes of the Remuneration Panel on 25 November 2014 are attached at Appendix B.

2. RECOMMENDED ACTION

- 2.1 Council is asked to consider the report of the Independent Remuneration Panel and to adopt a scheme of Councillors' Allowances for the period 1 April 2015 to 31 March 2016 in line with the findings of the Remuneration Panel set out at Appendix A.
- 2.2 Councillor Lovelock will move a motion at the meeting.

3. POLICY CONTEXT

3.1 The Council on 25 March 2014 agreed a scheme for Councillors' Allowances for 2014/15, with the following features:

- (i) The total amount to be spent on Councillors' Allowances in 2014/15 to be £448,597;
- (ii) The level of basic allowance to be paid to each councillor for 2014/15 to be £8,220 per annum.
- (iii) That the remaining £70,477 be spent on special responsibility allowances (SRA) to be paid at the following levels to the office holders as specified below:

Office Holder	Level of SRA pa
Leader of the Council	£7,004
Deputy Leader of the Council	£5,722
Tier One to be paid to the Lead Councillors serving on the Cabinet and to the Leader of the main opposition group.	£3,816
Tier Two to be paid to the Chairs of Committees and the Leader of the other political groups.	£2,147
Tier Three to be paid to other Councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraphs 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003 and to the independent person appointed in accordance with Section 28 of the Localism Act 2011 to carry out the functions specified in that Act in relation to the Members' Code of Conduct and Local Standards Committee	£1,074

(iv) Councillors may claim for the cost of a carer to look after children or disabled or elderly dependent relatives whilst undertaking approved duties on behalf of the Council as follows:

- Up to £7.18 per hour for childcare, up to 15 hours per week;
- Up to £7.18 per hour for the carer of a disabled or elderly dependent relative (including a disabled child), up to 15 hours per week;

and provided that the above claims were supported by a signed receipt from the carer confirming the hours and amount claimed and that the carer was not a close relative. These allowances are taxable.

(v) An approved duty is defined as follows:

- a meeting of the executive
- a meeting of a committee of the executive
- a meeting of the authority
- a meeting of a committee or sub-committee of the authority

- a meeting of some other body to which the authority makes appointments or nominations
- a meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

3.2 It was reported at the meeting of the Policy and Implementation Committee on 14 March 2000 that in future years the Council's Member allowances schemes would be uprated in line with the national pay award for Council employees. This did not happen in 2010/11 when the Annual Council meeting, on 25 May 2010, resolved to reduce by 10% the level of special responsibility allowances.

3.3 The Council, on 13 November 2001, set up an independent Remuneration Panel to review annually the Council's scheme for Councillors' Allowances and to make recommendations for a scheme of allowances to include:

- i) the amount of basic allowance to be paid to all Councillors;
- ii) the duties in respect of which Councillors should receive a special responsibility allowance, and the amount of such an allowance;
- iii) allowances for the care of children or dependants.

3.4 The Remuneration Panel was set up to include at least three and no more than five independent members appointed to represent the following stakeholders with the Council. Its membership is:

- Local trades union movement
Brian Revell, Unite
- Local voluntary sector
Francis Connolly, former CIC member
- A person with past experience of local government
Annette Hendry, former Councillor

4. THE PROPOSAL

- 4.1 The Remuneration Panel considered a 2015/16 scheme on 25 November 2014.
- 4.2 At their meetings the Panel considered:
- (1) The Council's full scheme of Councillors' Allowances - 2014-15;
 - (2) A briefing note on the Council's salary sacrifice schemes;
 - (3) A briefing note on the changes that had been made to the Local Government Pension Scheme for Councillors.
- 4.3 The Panel's findings are set out at Appendix A.

Councillors' Allowances

- 4.4 With regard to the scheme for the financial year 2015/16, the Panel has recommended that the total budget for councillors' allowances be kept at the same level as the 2014/15 allowances budget.
- 4.5 The Panel has recommended that subsistence allowances for councillors, for breakfast, lunch, tea and evening meal, should be increased in line with those for officers (if applicable).
- 4.6 The Panel also considered travel allowances which they recommended should remain unchanged for 2014/15, as should the Dependant Carer's Allowance. This report recommends that the rate for car allowances remain at 25p per mile for 2014/15, as was agreed at Personnel Committee on 19 July 2011. Although it is noted that car allowances for staff are currently set at 45p per mile.
- 4.7 The Panel also considered salary sacrifice schemes which the Council offered to its staff and recommended that the childcare vouchers, cycle to work and bus to work schemes should be included in the Scheme of Allowances.

Pensions

- 4.8 The Panel noted the changes made by the Government to the Local Government Pension Scheme (LGPS) for Councillors, which excluded any new membership from 1 April 2014 and access for existing Councillors would end with their current fixed term of office.

Information Commissioners Office (ICO)

- 4.9 The Information Commissioners Office (ICO) wrote to all Council's in January 2011 explicitly asking that all Councillors checked and understood their obligations under the Data Protection Act, as the ICO felt there was a potential personal risk exposure for many Councillors of inadequate registration in context with information held at home from carrying out their role as a representative of the residents in a ward or as an independent councillor not affiliated with any political party that would not be covered by existing Council or Political Registrations.
- 4.10 Councillors who register are able to claim the ICO £35 registration fee from the Council. Not all Reading Councillors are currently registered. To encourage uptake the ICO has now offered a bulk registration process should the Council want to address this issue on mass for all Councillors. The Council proposes to pursue bulk registration of all Councillors with the ICO on an "opt out basis" rather than "opt in" as from May/June 2015.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The provision for the payment of allowances to Councillors gives local authorities the scope to set allowances schemes to suit local needs and to help ensure that Councillors are not financially disadvantaged in serving as elected Members.
- 5.2 Ensuring Councillors are recompensed fairly for their services will help to attract candidates of high calibre and help to retain them, thereby enhancing the stability and experience of Reading's elected Councillors.

6. COMMUNITY ENGAGEMENT AND INFORMATION

None.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 An Equality Impact Assessment (EIA) is not relevant to this decision.

8. LEGAL IMPLICATIONS

Members' Allowances

- 8.1 The Local Government Act 2000 requires local authorities to set up and maintain an independent Remuneration Panel to make recommendations to the authority concerning the allowances to be paid to elected members.
- 8.2 The relevant regulations governing the payment of allowances to elected members are:
- The Local Authorities (Members' Allowances) Regulations 1991 No. 351
 - The Local Authorities (Members' Allowances) (Amendment) Regulations 1995 No. 553
 - The Local Authorities (Members' Allowances) (Miscellaneous Provisions) Regulations 2001
 - Local Authorities (Members' Allowances) (England) Regulations 2001
 - The Local Authorities (Members' Allowances) (England) Regulations 2003
 - The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003
 - The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
- 8.3 The Local Government Act 2000 (Commencement No 6), made on 15 February 2001, brought into force from 19 February 2001 all the provisions of the Local Government Act 2000 which relate to allowances except the abolition of attendance allowance which was abolished from 28 July 2001.
- 8.4 The relevant regulations came into force on 4 May 2001 and from that date local authorities have been under a duty to set up an independent Remuneration Panel. Any decision to amend, revoke or replace an allowances scheme will have to be taken having regard to the

recommendations of the Panel. This will apply to the Council's current scheme, which will expire on 31 March 2015.

- 8.5 Under Regulation 2(5) of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the adoption of the Councillors' Allowances scheme may not be the responsibility of the executive of the authority. Regulation 2(7) goes further and states that the Council may not delegate this function to a Committee or to an officer. The Council has to take all decisions relating to the adoption of its Scheme of Councillors' Allowances.

Publicity

- 8.6 The Regulations place a number of duties on a local authority in connection with publicising details on allowances paid to its elected members, including making copies of the Remuneration Panel's report available for public inspection as soon as is reasonably practicable. Members of the public are entitled to have a copy of the report on payment of a reasonable fee. The Council must publish a notice in at least one local newspaper stating the Council has received recommendations from the Panel, that the report is available for public inspection at its principal offices and describing the main features of the Panel's recommendations, including the level of allowances the Panel has recommended. The notice was published in the Reading Chronicle on 5 March 2015.
- 8.7 The Regulations also require the authority to publish two more sets of information. First, the authority must publish the scheme of Councillors' Allowances that it adopts, to the same rules as for publishing the findings of the Remuneration Panel. This will be done in April 2015. Secondly, the authority must publish the total sums paid by it to each Councillor under its scheme as soon as practicable after the end of the financial year in question: this will include dependant carers' allowance, and travel and subsistence payments.

9. FINANCIAL IMPLICATIONS

- 9.1 The 2012/13 budget for Members' Allowances was £456,400 plus NI contributions, with £7,047 in savings paid back to balances. The budget for 2015/16 has not increased.
- 9.2 The cost to the Council of employers' contributions to those Councillors who are members of the Berkshire superannuation scheme is approximately £12,000 a year.

10. BACKGROUND PAPERS

- 10.1 The Local Authorities (Members' Allowances) (England) Regulations 2003
The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003
The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014



READING BOROUGH COUNCIL

SCHEME FOR COUNCILLORS' ALLOWANCES - 2015-2016

FINDINGS OF REMUNERATION PANEL: 25 NOVEMBER 2014

Reading Borough Council has received recommendations from an independent Remuneration Panel in respect of the scheme of allowances to be paid by the authority to Councillors for the financial year 2015-2016. The Council will consider these recommendations at a future meeting.

RECOMMENDATIONS OF REMUNERATION PANEL

- (1) That, for 2015-16, the total sum for the payment of Basic and Special Responsibility Allowances to councillors remain at the same level as set for 2014-15 at £448,597;
- (2) That, within this total sum, the provision for the payment of Basic Allowance to all councillors remain at £378,125; and the Basic Allowance paid to individual councillors remain the same at £8,220 a year;
- (3) That the Special Responsibility Allowances payments remain the same, as follows:
 - (a) the amount paid to the Leader to be £7,004;
 - (b) the amount paid to the Deputy Leader to be £5,722;
 - (c) the amount paid to SRA Tier 1 to be £3,816;
 - (d) the amount paid to SRA Tier 2 to be £2,147;
 - (e) the amount paid to SRA Tier 3 to be £1,074.

No councillor shall receive more than one Special Responsibility Allowance;
- (4) That the existing categorisation of tiers should remain unchanged, as follows:
 - Tier 1 to be paid to the Lead Councillors serving on the Cabinet and to the Leader of the main opposition Group;
 - Tier 2 to be paid to the Chairs of Committees and the Leader of the other political groups;
 - Tier 3 to be paid to other councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003 and to the independent person appointed in accordance with Section 28 of the Localism Act 2011 to carry out the functions specified in that Act in relation to the Members' Code of Conduct and Local Standards Committee;
- (5) That the 2015-16 arrangements for the payment of Dependent Carers' Allowance remain as follows:

- (a) Up to £7.18 per hour for childcare for up to 15 hours a week
- (b) Up to £7.18 an hour towards the cost of a care attendant for an elderly or disabled relative (including a disabled child) for up to 15 hours a week

The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must sign a receipt to show that they have cared for the dependent during the hours claimed for;

- (6) That, subject to (8) below, the level of subsistence allowances, with the exception of overnight subsistence, remain the same as officers receive. The allowances are currently:

- Subsistence
 - Breakfast allowance £7.36
 - Lunch allowance £10.17
 - Tea allowance £4.03
 - Evening meal allowance £12.59
 - Overnight subsistence £82.21 a day outside London
£93.77 a day in London or at LGA Annual Conferences

- (7) That the level of travel allowances remain unchanged, as follows:

- Travel by councillor's own motor vehicle - 25 pence per mile
- Travel by councillor's own bicycle - 32 pence per mile
- Travel by councillor's own motorcycle - 34.5 pence per mile
- Bus travel - cost of the ordinary fare, cheap fare or portion of any weekly ticket;

- (8) That the subsistence limits referred to in (6) above be exceeded in exceptional circumstances at the discretion of the Monitoring Officer, e.g. to enable a Councillor and an officer attending a conference to stay at the same accommodation, subject to there being sufficient budget provision;

- (9) That provision for Co-optees' Allowances are payable solely to non-councillor members of the Standards Committee attending meetings of the Committee or any Sub-Committee set up by the Committee as part of its process of assessing, investigating and hearing complaints about Councillors; the allowances to be paid at the daily rate equivalent of the Councillors' Basic Allowance; the Monitoring Officer to be authorised to settle the rate to be paid on each occasion;

- (10) That the following salary sacrifice schemes be available to Councillors:

- Childcare Vouchers;
- Bus to Work;
- Cycle to Work;

- (11) That the Panel continue to review the scheme of Councillors' Allowances on an annual basis.

REMUNERATION PANEL - 25 NOVEMBER 2014

Remuneration Panel: F Connolly
A Hendry
B Revell

SCHEME OF COUNCILLORS' ALLOWANCES, 2015-2016

The Panel considered a scheme of Councillors' Allowances for 2015-16. The following documents had been circulated and were considered by the Panel as part of their deliberations:

- (1) The Scheme for Councillors' Allowances - 2014-15
- (2) A briefing note on Salary Sacrifice Schemes
- (3) A briefing note on Local Government Pension Scheme for Councillors.

The Panel noted that the Council had not accepted the recommendations the Panel had proposed for the 2014-2015 scheme and the Council's current financial position and therefore recommended no increase in the scheme of Councillors' allowances for 2015-16.

The Panel were asked to consider whether to include in the Councillors' Scheme of Allowances the salary sacrifice schemes which were currently open to staff. The Council had a number of salary sacrifice schemes which allowed employees to receive a benefit for which they 'sacrificed' part of their gross salary. Although Councillors did not receive a salary, they did receive an allowance for which part could be sacrificed in order to receive the benefits of the scheme. The schemes which were currently open to join were receiving childcare vouchers, the cycle to work scheme and the bus to work scheme. The Panel agreed to include the three salary sacrifices schemes in the Scheme of Allowances.

The Panel noted the changes made by the Government to the Local Government Pension Scheme (LGPS) for Councillors, which excluded any new membership from 1 April 2014 and access for existing Councillors would end with their current fixed term of office.

