AGENDA ITEM 17

# **SCHEME OF MEMBERS’ ALLOWANCES 2019/20**

## Summary: In accordance with the Local Authorities (Members’ Allowances) (England) Regulations 2003, as amended, the Board is required to operate a Members’ Allowances Scheme based on that offered by local authorities.

**Recommendation: That the Board approves a Scheme of Members’ Allowances for 2019/20.**

**Officer Ref:** Nigel Adams, Monitoring Officer

## Background

1. The Board reviews its scheme of Members’ Allowances on an annual basis.

2. By way of background, the Board chose not to implement any increase and to retain allowances at their 2008/09 levels for 2009/10 and 2010/11. For 2011/12, the Board endorsed the recommendation of the Executive Committee that a cut of 7.5% against the then current scheme be applied. No changes were made for 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 or 2017/18 (notwithstanding a nationally-agreed pay award for local government of 1% for those last two years).

3. At its Meeting on 22nd March 2018, having approved a revised member structure, the Board also revised its scheme of allowances as follows:-

* To increase the basic allowance to £300 per annum per Board member
* To increase the special responsibility allowance for the Chairman of the Board/Executive Committee to £2,700 per annum
* To increase the special responsibility allowance for the Vice-Chairman of the Board/Executive Committee to £1,800 per annum
* To increase the special responsibility allowance for each member of the Executive Committee (excluding Chairman and Vice-Chairman) to £600 per annum
* To increase the motor car mileage rate to 45p per mile for the first 10,000 business miles in the tax year; and 25p per mile for each business mile over 10,000 in the tax year (in line with HMRC approved rates).

4. A summary of the current scheme is attached as **Appendix ‘A’**.

**Cotswold District Council Independent Remuneration Panel**

5. In formulating a view on this matter over the years, the Board has had regard to any recommendations from CDC’s Independent Remuneration Panel. In its work, the Panel has regard to comparative allowances data from other authorities; the various inflationary figures over previous years; and the position in respect of local government employees.

6. The CDC Panel has met for the coming year. The Panel was generally content with the structure of, and methodology used for, the scheme. However, a major concern was the fact that the level of Basic Allowance (£4,000 per annum per councillor) had fallen well behind the local government average, having remained unchanged since 2008/09. Against this background, the Panel believed that an increase was now critical; and considered that any continued freeze would only exacerbate the position and make future increases more difficult.

7. The Panel’s recommendations insofar as the Basic Allowance was concerned were as follows:-

2018/19

£4,500 per annum per councillor (backdated to 1/4/18)

2019/20

Minimum of £5,000 per annum per councillor (the Panel believed that an increase to £5,500 could be justified)

2020/21, 2021/22, 2022/23

To be increased annually in line with an agreed measure - CPI or staff pay awards - subject to a light-touch annual ‘sense-check’ of the allowances; and a comprehensive review in the final year of the Council term.

8. The Panel acknowledged that, on some occasions in the past, councillors had felt unable to award themselves any increases when staff were the subject of a pay freeze. However, staff had benefitted from pay increases from 2016, and a further award has been agreed for 2019/20. Furthermore, since April 2008, the average RPI figure had increased in the region of 3.2% per annum; and CPI had increased by around 2.3% per annum.

9. In the event, there was no unanimity of view amongst the councillors, and a decision was deferred until after the May 2019 elections.

**Other Allowances**

10. The CDC Scheme also includes provision for a Child Care Allowance and a Dependent Care Allowance. The latter element is something that Defra has recently expressed support for; but both may be factors when someone is considering whether to seek appointment to the Board.

11. If Members are supportive of these additions, the scheme wording could include the following:-

 *Child Care Allowance*

 *A Member is able to seek reimbursement of actual expenditure incurred on caring costs whilst attending official Meetings or other approved duties, up to a maximum sum per hour. The allowance is paid not only in respect of the duration of attendance at a particular Meeting by a Member but also in respect of “door to door” travel time to and from approved duties.*

 *The allowance is payable to any Member with a child or children under the age of 14 years who is/are, at the time, part of the claimant’s household living with him/her and who would normally be looked after by him/her. The carer must not be someone who also ordinarily lives with the claimant as part of the household.*

 *The claimant must produce a receipt/return certified by the carer to validate any claim. (N.B. A separate claim form is available in the respect).*

 *Dependant Care Allowance*

 *A Member is able to seek reimbursement of actual expenditure incurred on caring costs whilst attending official Meetings or other approved duties, up to a maximum sum per hour. The allowance is paid not only in respect of the duration of attendance at a particular Meeting by a Member but also in respect of “door to door” travel time to and from approved duties.*

 *The allowance is payable to any Member with a dependant relative or relatives who would normally be looked after by him/her. The carer must not be someone who ordinarily lives with the claimant as part of the household.*

 *The claimant must produce a receipt/return certified by the carer to validate any claim. (N.B. A separate claim form is available in the respect).*

12. One further aspect, which has also been the subject of communications with Defra, relates to the payment of particular travel costs associated with the needs of members who are disabled and/or have other special needs, over and above the standard allowances. It is recommended that the Director be given delegated authority to approve any additional/exceptional expenditure in such circumstances.

13. If approved, it is expected that the financial implications of the above allowances can be met from existing budgets.

**Possible Way Forward**

14. The CDC review highlighted the issues faced by continually freezing allowances. However, whilst the principles are relevant, the values are considerably different between CDC and the Board, as are the overall requirements of Members.

15. The CDC position will not be known for some months. Given this, and the fact that the Board’s allowances were increased for 2018/19, an option would be for the Board’s current allowances to remain unchanged for 2019/20 and for a further review to occur at this time next year having regard to the outcome of the CDC ‘debate’. This approach is supported by the Director; who has drawn attention to the fact that no concerns have been expressed regarding allowance levels during the year. The Board’s views would still be welcome in respect of the introduction or otherwise of the additional allowances identified within paragraphs 10-13 above.

16. It should also be remembered that any Board Member can elect to forego all or part of any of the allowances to which they are entitled.

**Supporting Paper:**

**Appendix ‘A’ - Current Scheme of Members’ Allowances**