

Report To: Lancaster City Council

From: The Independent Remuneration Panel



**Recommendations For Members' Remuneration
For The Municipal Year 2015/2016**

Report to Council on Wednesday 17th December 2014

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PANEL REMIT

- 1.1 The Lancaster City Council Independent Remuneration Panel (IRP) was established in accordance with Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.2 A local authority is required to establish and maintain an Independent Remuneration Panel to provide it with recommendations on a scheme of allowances to be paid to members and others. The authority must have regard to the recommendations of its IRP before it makes or amends its members' allowance scheme.
- 1.3 The allowances payable under a local authority scheme of allowances are as follows:
 - **Basic Allowance** (*Each local authority **must** make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority which must be the same for each member*).
 - **Special Responsibility Allowance** (*Each authority **may** also make provision for payment of special responsibility allowances for those members who have significant responsibilities e.g. leader of the council, member of the executive/cabinet, presiding at meetings of committees, acting as spokesperson for a political group*).
 - **Dependents' Carers' Allowance** (*Each authority **may** also provide for the payment of a dependents' carers' allowance to those members who incur expenditure for the care of children or other dependents whilst undertaking particular duties*).
 - **Travelling and Subsistence Allowance** (*Each authority **may** also provide for the payment of a travelling and subsistence allowance to its members, including co-opted members*).
 - **Co-optees' Allowance** (*Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees*).
- 1.4 The IRP can also make recommendations to the local authority on the backdating of allowances, annual adjustments to allowance levels and entitlements to pensions. The Regulations also set out the circumstances in which allowances can be withheld from members. The Scheme provides that any Councillor may forgo all or part of any allowance to which they are entitled.



2. PANEL MEMBERSHIP

- 2.1 There are currently four members on the panel, all of whom were appointed following a public recruitment process. The members and their terms of office are as follows:

Colin Everett is a retired Local Government Finance Officer He was appointed to the IRP in 2009 and is the Chairman of the Panel.

Unity Lawler is a Finance Manager for the family business with experience in Local Government and research in academic institutions. She was appointed to the IRP in 2010.

Pat Loryman is a retired Local Government Information Technology Officer, and previously experience in the public and private sector. She was appointed in 2010.

Janice Wilson is a qualified Cumbria Blue Badge Tourist Guide. She is a former Local Government Officer in Human Resources, specialising in Learning and Development. She was appointed to the IRP in 2010.

3. BACKGROUND TO LANCASTER CITY COUNCIL SCHEME OF ALLOWANCES

- 3.1 The current Members Allowances Scheme has been reviewed on a regular basis.
- 3.2 There were no pay increases for local government employees in 2010, 2011 and 2012. Whilst there was a 1% pay increase in 2013 an increase for members was not applied.
- 3.3 The Regulations require an authority before the beginning of each year to 'make' the scheme for the payment of allowances in that year.
- 3.4 The Regulations require an authority to publish the payment of allowances.

4.0 SUMMARY OF RECOMMENDATIONS

In accordance with its responsibilities under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Independent Remuneration Panel (IRP) has reviewed the current scheme of allowances in place for members of Lancaster City Council and makes the following recommendations, to be effective following the Lancaster City Council elections in 2015.

4.1 Basic Allowance

- a) The Panel recommends an increase to the basic allowance of slightly over 1.5% to give a new basic allowance of £3350, to take effect following the local elections to the city council in 2015.

4.2 Special Responsibility Allowances

- b) The Panel recommends the following levels and rates of SRAs

Allowance	Proposed Amount (pa)	Current Amount (pa)
Leader of the Council and Chairman of the Cabinet	£11,060	£11,060
Deputy Leader of the Council	£6,530	£6,530
Cabinet Members	£5,530	£5,530
Overview and Scrutiny Committee Chair	£4,145	£4,145
Budget and Performance Panel Chairman	£3,315	£3,315
Planning Committee Chairman	£4,285	£4,285
Licensing Regulatory Committee Chairman	£4,285	£4,285
Licensing Act Committee Chairman	£715	£715
Licensing Act Hearings Sub Committee Chairman	£435	£435
Personnel Committee Chairman	£3,270	£3,270
Audit Committee Chairman	£2,280	£2,280
Appeals Committee Chairman	£290	£290
Council Business Committee Chairman	£1,400	£1,400
Standards Committee Chairman	£1,210	£1,210
Leader of Opposition Groups (allocated on a pro rata basis)	£5,530	£5,530

- c) The Panel recommends that the Council should continue to adhere to the established conventions that no member should receive more than one SRA and that no more than 50% of elected members should receive an SRA.
- d) The Panel recommends that detailed role profiles be prepared for each role qualifying for an SRA to assist with future evaluation of responsibilities, complexity and time commitment.

4.3 Part 8 of the Constitution

The Recommended Members Allowance Scheme, amended as a result of this report is attached as Appendix 1.

5.0 SUPPLEMENTARY ALLOWANCES

5.1 Dependents' Carers' Allowances

5.2 The Panel recommends that the current levels of allowance should remain unchanged.

5.3 Travel and Subsistence Allowances

The Panel recommends that the current levels of allowance should be remain unchanged and are in line with HMRC guidelines.

<i>Type of Vehicle</i>	<i>First 10,000 miles</i>	<i>Above 10,000 miles</i>
<i>Cars and vans</i>	<i>45p per mile</i>	<i>25p per mile</i>
<i>Motorcycles</i>	<i>24p per mile</i>	<i>24p per mile</i>
<i>Cycles</i>	<i>20p per mile</i>	<i>20p per mile</i>

5.4 Cost of Vehicle Parking

5.5 The Panel stands by its previous recommendation made in the report dated 16th November 2011. This read as follows:

5.6 *'The Panel would recommend, as a starting point, that, where there are convenient public transport links, elected members should be encouraged to use public transport in appropriate circumstances.'*

5.7 *The Panel noted that the view had been expressed that the current arrangements with regard to car parking were unfair. The Panel felt that it would be fair to everyone if the member permit facility was withdrawn, and that where it is necessary for a member to travel by car, a long stay car park only should be used, and the actual cost of car parking be reimbursed on presentation of a receipt from the ticket machine.*

5.8 *The panel recommended that the Scheme be amended accordingly.'*

5.9 However, the Panel recognises that this recommendation was not accepted by Council, and that the current arrangements which give members the option of either purchasing a member permit, or receiving reimbursement on production of a valid car park ticket, will continue.

5.10 ICT

5.11 The panel is currently awaiting confirmation on future ICT provision to councillors and will not be making a recommendation at this stage.

5.12 Co-optees' Allowance

5.13 The Panel has no recommendation to make in this report.

5.14 Pensions

5.15 The Panel recommends no change in the current arrangements regarding pensions.

5.16 Financial Implications

- 5.17 The recommended allowance scheme would cost £288,460 in respect of basic and special responsibility allowances, whilst the travel and subsistence allowances totalled £6,438.92 and £4,562 in 2012/13 and 2013/14 respectively.
- 5.18 The cost of the recommended scheme, in respect of basic and special responsibility allowances, would represent 1.7% of the Council's projected budget of £16,874,000 in 2015/16.
- 5.19 These figures are based on the current position regarding holders of SRA positions. Therefore there is the potential for costs to go up or down in the course of the year.

6.0 APPROACH OF THE PANEL

6.1 Context

6.2 The Panel began its work in June 2014. One of our priorities has been to understand the context within which the Council operates and in which the Panel must undertake its review and make recommendations to the Council.

6.3 The Panel received briefings from officers on the financial climate for the Council. The 2014/15 budget approved in February 2014 sets out the challenge faced by the Council at a time of reduced funding and rising demand for services. The Council has already made savings over the period 2010-2013. The Panel recognises that future savings will need to be implemented over the next few years, as directed by central government.

6.4 The Panel has also taken account of the Council Plan and the scale of change required.

6.5 Methodology

6.6 Mindful of the operating context of the Council, the Panel undertook extensive research to enable it to fulfil its remit:

- A review of the current allowance scheme to understand its history and rationale;
- A review of comparative allowance data from peer councils and national and local data on pay trends in order to 'benchmark' the current position of the Council's allowance scheme;
- A questionnaire survey of all members to understand the time they devote to their role as city members and their special responsibility roles (where applicable). Of the 60 members surveyed, 18 responded - a response rate of 30%. In addition, all members were given the opportunity to meet with the Panel if they wished;
- Attending council to gain an appreciation of the roles performed by members in practice. Whilst cabinet and committee meetings have not been attended to date, this is likely to be included in the future.
- A review of relevant literature and reports on the role of members and their remuneration as well as consideration of the approach adopted by the Independent Parliamentary Standards Authority in their review of MPs Pay and Pensions (July 2013). Details of the most relevant material consulted are listed in Appendix 2;
- Meetings with members and members of the executive to gain a more in-depth understanding of specific roles and responsibilities and to seek views on the pros and cons of the current scheme of allowances. The individuals who met with the Panel are listed in Appendix 3 and the Panel is very grateful to them for their assistance;
- Training to ensure that it had a sound grasp of the Regulations and its responsibilities as a Panel.

6.7 Public Consultation

6.8 The Panel is considering undertaking future consultation with the public and private sectors to assist its approach to revising the members' allowance scheme. The Panel

would hope to make use of the Council's existing consultation methods, such as Voice Your Views, to gain an insight into public perception.

6.9 Principles Underpinning an Allowance Scheme

6.10 The Panel considered that it should have a broad understanding of the role of a councillor in order to establish an effective scheme of allowances. The Panel favours the view stated by the Government in its response to the Government Select Committee Report: *Members on the Frontline* published on 10 January 2013:

*“In the Government’s view, the core principles of being a councillor are those of **community service** and **volunteering**. The aim and motivation of every councillor should be to make things better for the people they represent, and the Government’s reforms to establish localism are designed to give those wishing to serve their communities the best possible opportunities for improving their local areas. The Government is quite clear **that members are and should fundamentally be volunteers and does not wish to see any move towards professionalising the role through members becoming full time salaried staff.**”*

6.11 The Panel also reviewed the various approaches over the years to produce a definitive set of principles to underpin a scheme of allowances. From this work, the Panel concluded that the following principles (taken from a submission on members’ remuneration to the Members Commission 2007-2009 chaired by Dame Jane Roberts) were appropriate for a scheme of allowances for the City Council:

- *The basic allowance should encourage people from a wider range of backgrounds and with a wide range of skills to serve as local members*
- *Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage*
- *Members should be compensated for their work and the compensation should have regard to the full range of commitment and complexity of their roles*
- *The system should be transparent, simple to operate and understand*
- *The system should not encourage the proliferation of meetings or provoke members into spending more time on council business than is necessary*
- *The level of remuneration should relate to a commonly accepted benchmark such as the median male non-manual salary.*

6.12 In addition another important principle is set out in Government Guidance document “New Council Constitutions: Guidance on Regulation for Local Authority Allowances 2002”

*“It is important that some element of the work of members continues to be **voluntary - that some hours are not remunerated**. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.”*

7.0 BASIC ALLOWANCE

7.1 Current Arrangements

7.2 All 60 Members receive a basic allowance of £3,300 per annum. In accordance with the Regulations, this allowance is intended to recognise the time commitment of members including the inevitable calls on their time such as meetings with officers and constituents. It is also intended to cover relevant incidental costs.

7.3 Review

7.4 The basic allowance has remained at £3,300 per annum since 2010.

7.5 The Panel sought the views as to the adequacy of this level of basic allowance. From the members' questionnaire survey, 39% of those who responded felt that the allowance was adequate. Of the 61% who did not feel that it was adequate their views ranged from concerns that the allowance would not attract young people into local politics and precluded full-time employment (56% of those responding to the survey were retired). A number felt that the allowance was not adequate compensation for the time spent on the role and should be raised, at least in line with inflation. Some considered that what was required was fewer but better paid members. As 70% of Members did not respond to the survey, the Panel concluded that they had no strong views about the adequacy of the basic allowance.

7.6 The Panel sought comparison peer group local authorities

7.7 In determining an appropriate rate of basic allowance the Panel also had regard to the following:

- **the overall relatively low earnings in the immediate local economy**
- **despite an increase in the national economy, this has not been reflected in pay levels**
- **the level of pay increase received by Council employees in 2013/14**
(The IRP was informed that employees received a 1% increase in pay from 1 April 2013. This followed a three year period of no increases)
- **the time commitment of members**
- **the fact that being a councillor has long been recognised as a form of voluntary public service**

7.8 Recommendation

7.9 ***That the basic allowance be increased by 1.5%, giving a new basic allowance of £3350 per annum, to take effect following the Lancaster City Council elections in 2015.***

8 SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

8.1 Current Arrangements

8.2 The current range of SRAs is as follows:

Allowance	Amount (pa)
Leader of the Council and Chairman of the Cabinet	£11,060
Deputy Leader of the Council	£6,530
Cabinet Members	£5,530
Overview and Scrutiny Committee Chair	£4,145
Budget and Performance Panel Chairman	£3,315
Planning Committee Chairman	£4,285
Licensing Regulatory Committee Chairman	£4,285
Licensing Act Committee Chairman	£715
Licensing Act Hearings Sub Committee Chairman	£435
Personnel Committee Chairman	£3,270
Audit Committee Chairman	£2,280
Appeals Committee Chairman	£290
Council Business Committee Chairman	£1,400
Standards Committee Chairman	£1,210
Leader of Opposition Groups (allocated on a pro rata basis)	£5,530

8.3 Review

8.4 The SRAs for Members have been reviewed regularly.

8.5 The Regulations specify that whilst additional responsibilities may be unique to particular members, *“it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance is recommended”* (paragraph 73, *New Council Constitutions: Guidance on Regulation for Local Authority Allowances*).

8.6 The Panel reviewed the levels of responsibility, workload and time commitment of the roles attracting SRAs. The absence of detailed role profiles for the roles receiving SRAs was of concern to the Panel and needs to be addressed.

8.7 Recommendations

8.8 ***The IRP recommends that there are no changes to Special Responsibility Allowances.***

- The Panel recommends that the Council should continue to adhere to the established conventions that no member should receive more than one SRA and that no more than 50% of elected members should receive an SRA.

- The Panel recommends that detailed role profiles be prepared for each role qualifying for an SRA to assist with future evaluation of responsibilities, complexity and time commitment.

9 DEPENDENTS' CARERS' ALLOWANCES

9.1 Current Arrangements

9.2 The Council provides for the payment of a dependents' carers' allowance to members who incur expenditure on the care of children aged 14 years and under, or other dependants whilst undertaking particular duties where there is medical or social work evidence that care is required. The duties which qualify are set out in the Regulations.

9.3 Review

9.4 The Panel noted the low level of claims in this area.

9.5 There were no significant issues raised in the members questionnaire in respect of this allowance therefore the Panel concluded that the allowance was sufficient to meet the needs of the Council.

9.6 Recommendation

9.7 ***The Panel recommends that the current levels of allowance should remain unchanged.***

10.0 TRAVEL AND SUBSISTENCE ALLOWANCES

10.1 Current Arrangements

10.2 Arrangements are in place to enable members to claim the costs of travel and subsistence associated with undertaking approved duties.

10.3 The Panel remain concerned that the Council changed the IRP recommendation on travel from outside council boundaries for meetings without due regard for its full implications.

10.4 Review

10.5 The Panel considers that the mileage rates payable for the use of cars/vans, motorcycles and cycles should remain aligned to the HMRC rates.

10.6 The Panel recommends that the list of approved duties for the payment of travel and subsistence allowances should be in the schemes of allowances.

10.7 The Panel may undertake a more extensive review of subsistence allowances at its next review.

10.8 Recommendation

10.9 That the HMRC rates of travel allowances should apply:

<i>Type of Vehicle</i>	<i>First 10,000 miles</i>	<i>Above 10,000 miles</i>
<i>Cars and vans</i>	<i>45p per mile</i>	<i>25p per mile</i>
<i>Motorcycles</i>	<i>24p per mile</i>	<i>24p per mile</i>
<i>Cycles</i>	<i>20p per mile</i>	<i>20p per mile</i>

11.0 COST OF PARKING

11.1 Current Arrangements

11.2 All members are currently eligible to purchase annual parking permits. This covers parking in any car park managed by the council, and can be used at any time regardless of whether or not the member is on council business.

A member who has purchased such a permit is not permitted to claim reimbursement for any parking authorised by the permit. However, a member who chooses not to purchase such a permit receives reimbursement of any parking fees that may be incurred in the course of approved duties.

11.3 Review

11.4 The Panel reviewed the current arrangements, the members questionnaire and sought the opinion of those members interviewed.

11.5 Recommendation

11.6 *The Panel refers members to their recommendation of November 2011:*

'The Panel would recommend, as a starting point, that, where there are convenient public transport links, elected members should be encouraged to use public transport in appropriate circumstances.

The Panel noted that the view had been expressed that the current arrangements with regard to car parking were unfair. The Panel felt that it would be fair to everyone if the member permit facility was withdrawn, and that where it is necessary for a member to travel by car, a long stay car park only should be used, and the actual cost of car parking be reimbursed on presentation of a receipt from the ticket machine.

The panel recommend that the Scheme be amended accordingly.'

11.7 However, the Panel recognises that this recommendation was not accepted by Council, and that the current arrangements which give members the option of either purchasing a member permit, or receiving reimbursement on production of a valid car park ticket, will continue.

12.0 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

12.1 Current Arrangements

12.2 There have been recent changes to councillors' remote access to the IT network, owing to the requirements that had to be met in order to comply with the government standards for connection to the Public Services Network. IT officers are currently reviewing the options for broadband connection that will be required for members, and will report to the Panel in due course.

12.3 Review

12.4 The Panel reviewed the current arrangements, the members questionnaire and sought the opinion of those members interviewed

12.5 Recommendation

12.6 ***The Panel has no recommendation to make in this report, and is awaiting the decision of officers on future ICT provision.***

13.0 CO-OPTEE'S ALLOWANCE

13.1 Current Arrangements

Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees. No appointments requiring an allowance have been made.

13.2 Review

13.3 The Panel reviewed the current arrangements.

13.4 Recommendation

13.5 The Panel has no recommendation to make in this report.

14.0 PENSIONS

14.1 Current Arrangements

14.2 The 2003 Regulations provide that, following a recommendation from its Panel, a local authority can make provision in its scheme of allowances for members to be able to join and enjoy the benefits of a pension scheme. No such provision exists in the current scheme of members' allowances.

14.3 Review

14.4 The Panel is aware that some local authorities have made provision in their schemes for some or all members to join the Local Government Pension Scheme following recommendation to that effect from their IRPs. The Panel has also been informed that

with effect from 1 April new regulations mean that members are not able to join the Local Government Pension Scheme.

14.5 Recommendation

14.6 The Panel recommends no change in the current arrangements regarding pensions.

15.0 MEMBER CHAMPIONS

15.1 Current Arrangements

15.2 The Panel are aware of the role of Member Champions within the Council, and recommended in July 2013 that the Members' Allowances Scheme be amended to permit reasonable travel and subsistence claims from Champions carrying out their role, in line with the current rates for travel within and outside the district.

15.3 Review

15.4 The Panel intends to review the role of Member Champions in a future report to Council.

15.5 Recommendation

15.6 The Panel does not have a recommendation to make in respect of Member Champions at this point.

16.0 COSTS OF RECOMMENDATIONS

16. The Scheme of Members' Allowances currently in place costs £285,460 per annum.

16.2 The Scheme of Members' Allowances now recommended by the IRP would cost £288,460 per annum.

17.0 ACKNOWLEDGEMENTS

17.1 The IRP wishes to thank Peter Baines and Sarah Taylor for their invaluable assistance and support during this review.

PART 8

RECOMMENDED MEMBERS' ALLOWANCES SCHEME

Part 8

Members' Allowances Scheme

1.0 **INTRODUCTION**

1.1 The scheme outlined in this document was adopted following a full review by the Independent Remuneration Panel in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. The Panel carried out the review between June and December 2014. This Scheme, which takes effect from May 2015, reflects the option adopted by Council on the 17th December 2014. A further review will be carried out after 4 years (i.e. for implementation no later than May 2019).

2.0 **BASIC ALLOWANCE**

2.1 Basic allowance is to be paid to all Members, and is intended to recognise a time commitment expected of all Members, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of homes and private telephones.

2.2 Each Member is entitled to £3,350 per annum, which will be paid monthly.

2.3 In addition to the Basic Allowance, all Members will be provided with a laptop and printer together with a suitable broadband connection to enable them to access the Council network. Where Members use their own broadband connection for such purposes a payment of a monthly amount equivalent to that paid by the Council for the provision of the service will be paid which can be used by the Member as payment (in part or in full) to their own Service Provider. Where a member wishes to utilise their own PC or laptop, rather than use a Council provided laptop, this must be the subject of prior agreement with the Council's Information Services Application Manager, and the Council may enable a remote access facility for that Member.

2.4 In order to comply with the requirements of Data Protection legislation the Council will, in addition, pay for the registration of each Councillor under the Data Protection Act.

3.0 **SPECIAL RESPONSIBILITY ALLOWANCE**

3.1 A special responsibility allowance will be paid in addition to any entitlement to basic allowance for those Members who have significant responsibilities.

3.2 The Members receiving special responsibility allowance and the allowances payable are as follows:-

	2015/16
Leader of the Council and Chairman of the Cabinet	£11,060

Deputy Leader of the Council	£6,530
Cabinet Members	£5,530
Overview and Scrutiny Committee Chairman	£4,145
Budget and Performance Panel Chairman	£3,315
Planning Committee Chairman	£4,285
Licensing Regulatory Committee Chairman	£4,285
Licensing Act Committee Chairman	£715
Licensing Act Hearings Sub-Committee Chairmen	£435
Personnel Committee Chairman	£3,270
Audit Committee Chairman	£2,280
Appeals Committee Chairman	£290
Council Business Committee Chairman	£1,400
Standards Committee Chairman	£1,210
Leader(s) of Opposition Group(s) (to be allocated to leaders of groups who are “in opposition”, ie who are not represented on Cabinet. The sum specified is to be divided between the leaders of any such groups which have four or more members, in proportion to the size of their respective groups.)	£5,530

3.3 No Member is entitled to more than one payment from the Scales identified above.

3.4 It will be for individual Members who would qualify for more than one special responsibility allowance to inform the Head of Governance as to which allowance they would wish to be allocated, otherwise it will be assumed that the highest allowance is to be paid.

4.0 **CARERS’ ALLOWANCE**

4.1 The Council will make reasonable payments for the reimbursement of the care of dependent relatives living with the Elected Member. Full details of the Carers’ Allowance Scheme are attached at Appendix A.

5.0 **PART PAYMENTS**

5.1 In the case of basic and special responsibility allowances, payment will only be made for the period during which a person performs the duties for which these allowances are payable. Where a member (or co-optee) is suspended or partially suspended from his responsibilities or duties as a member of the Council, in accordance with Part III of the Local Government Act 2000 or regulations thereunder, the part of basic allowance or special responsibility allowance payable to him in respect of the period for which he is suspended or partially suspended may be withheld by the Council.

6.0 **REPAYMENTS**

- 6.1 Where payment of any allowance has already been made in respect of any period during which the member concerned is suspended or partially suspended from his responsibilities or duties as a member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made thereunder, or ceases to be a member of the Council or is in any other way not entitled to receive the allowance in respect of that period, the member (or co-optee) shall repay to the Council on demand such part of the allowance as relates to any such period.

7.0 **REVOCAION**

- 7.1 Basic and special responsibility allowances will be paid automatically unless notice is received in writing from the Member concerned revoking the entitlement. All such notices should be delivered to the Head of Financial Services.

8.0 **CLAIMS**

- 8.1 Claims for travel and subsistence allowances should be submitted monthly after the end of the month in which the entitlement to the allowance arose and in any event no later than 3 months from that date. Claims must be made on the official claim form available from the Head of Financial Services.
- 8.2 Completed claim forms should be forwarded to Governance (Democratic Services). Claims will be checked on receipt in Democratic Services and, when verified, forwarded to Financial Services for payment. Those received in Democratic Services by the 20th of a month will be paid on the 15th of the following month. Claims received in Democratic Services after the 20th cannot be guaranteed to be paid the following month.
- 8.3 Payments are made net of income tax, through the PAYE system used for salaried employees. Bank details are, therefore, required for each Member. If a Member changes their bank details, the revised details should be provided to the Head of Financial Services.

9.0 **TRAVEL AND SUBSISTENCE ALLOWANCES**

- 9.1 In addition to the Members' Allowances Scheme, travel and subsistence allowances are payable.
- 9.2 A full schedule of rates payable for travel and subsistence and eligible duties is attached at Appendix B, and the approved duties for which travel and subsistence allowances are payable are set out in Annexes 1-3.
- 9.3 All such travel and subsistence payments are payable to independent and parish members of the Council's Standards Committee when attending meetings or training in connection with their duties on that committee or its sub-committees.
- 9.4 For the purposes of the payment of travel expenses, all travel will be deemed to have commenced from the Member's current address or, if this is not within the administrative area of the Council, from the address through which the Member

qualified to stand for election. However, for the purposes of attending one meeting of the full Council only and during the summer vacation only, travel from an address within the UK mainland will be reimbursed to an Elected Member who is registered as a full time student and who does not at the time of the meeting have an address within the administrative area of the Council. No subsistence or overnight allowances will be paid.

10.0 **LGA ALLOWANCES**

10.1 For those Members of the Council who have accepted political appointments on the LGA the Council's policy for the payment of Carers Allowances and Travel and Subsistence Allowances is set out at Appendix C.

11.0 **PUBLICATION**

11.1 The Council is required to publish details of the Members' Allowances Scheme and the total amounts received by each Member. The Head of Governance is responsible for this matter.

12.0 **MAYORAL AND DEPUTY MAYORAL EXPENSES**

12.1 These expenses are paid to the Mayor and Deputy Mayor to reflect the additional expenditure that arises with these positions.

12.2 The level of Mayoral allowances will be:- **2015/16**

Mayor £6,720

Deputy Mayor £1,335

13.0 **REVIEW OF SCHEME**

13.1 The Independent Remuneration Panel will review the Scheme as and when requested, and in any event before May 2019, and will consider whether any annual index-linked increases are appropriate at any time..

13.2 The Independent Remuneration Panel will monitor the Scheme.

13.3 Minor revisions are the responsibility of the Chief Executive in consultation with the Chairman of the Independent Remuneration Panel.

13.4 Any queries or matters of clarification or determination as to Members' entitlements to any provisions of this scheme shall be ultimately determined by the Chief Executive

14.0 **QUERIES**

- 14.1 Any specific queries regarding the entitlement to the scheme should, in the first instance, be addressed to the Chief Officer (Governance) (telephone 582025). Queries regarding claims and payments should be addressed to the Exchequer Payments Team in Financial Services .

CARERS' ALLOWANCE SCHEME

1.0 **Legality**

- (a) The scheme is established by the Council under the Local Authorities (Members Allowances) (England) Regulations 2003. The Carers' Allowance is payable in respect of the approved duties set out in Annexes 1-3 of Appendix B. The scheme requires Councillors claiming the allowance to demonstrate and certify that carer expenses are actually and necessarily incurred in the conduct of their official duties.

2.0 **Entitlement**

- (a) The scheme provides for payments to be made to Councillors in respect of care for "dependent relatives" living with the Member. For the purposes of the scheme, "dependent relatives" are defined as:
 - (i) children aged 14 or under;
 - (ii) elderly relatives requiring full-time care; and
 - (iii) relatives with disabilities who require full-time care.
- (b) The allowance is payable for care provided by carers registered by a Councillor with the Authority (see paragraph 6.0(b) for details). In the case of (i) above, under no circumstances will the allowance be payable to another parent, the parent's spouse or partner. In the case of (ii) and (iii) above, under no circumstances will the allowance be payable in respect of care provided by a member of the Councillor's household.
- (c) For meetings or duties within the Council's boundaries as set out in Annexes 1, 2 and 3, the allowance will be paid for the duration of the meeting or otherwise approved duty plus an allowance for up to one hour's travelling time before and after the meeting. For duties outside the Council's boundaries, the allowance will be paid for the duration of the duty plus the actual travelling time to and from the venue. In all instances, total time claimed should be rounded to the nearest half-hour.

3.0 **Rates of Allowance**

- (a) The actual cost of care will be reimbursed, up to a maximum of £8.35 per hour, irrespective of the number of dependants.
- (b) Where a dependent relative requires specialist professional care, the full cost of care will be allowed, with the prior written approval of the Head of Governance see paragraph 6 (b)).

4.0 **Claims Procedures**

- (a) Members wishing to apply for Carers' Allowance must submit an application form to the Head of Governance, declaring that:
 - (i) claims made will only be made in respect of a named dependent relative (or relatives) as defined in the scheme;
 - (ii) claims will only be made in respect of the entitlements set out in 2.0 above;
 - (iii) receipts will be provided in support of all claims; and
 - (iv) where a specialist professional carer is to be engaged, that this is a necessary expense for which full reimbursement will be claimed.
- (b) Members are required to notify Democratic Services in the event of their entitlement to Carers' Allowance ending.
- (c) All claims will be processed by Financial Services through the Council's payroll system. In exceptional circumstances, and with the approval of the Head of Financial Services, advance payments may be made in cash and subsequently adjusted through the payroll.

5.0 **Taxation and National Insurance Contributions**

Advice from the Council's taxation consultants is that payments made under such a scheme will be subject to Income Tax and NIC's unless an arrangement can be reached with the Inland Revenue and dispensation not to tax obtained on the basis that the payments are reimbursement of costs actually and necessarily incurred.

Because of the potential taxation and NIC implications, all payments must be processed through the Council's payroll system.

Negotiations are being entered into with the local Inland Revenue office with a view to agreeing the principle of a dispensation not to tax any Carers' Allowances payable.

6.0 **Administration**

- (a) The scheme is an integral element of the Council's Members' Allowances Scheme, and responsibility for supervising, maintaining and reviewing the

scheme is assumed by the Head of Governance in conjunction with the Chief Executive and the Independent Remuneration Panel.

- (b) Signed applications for registration of a carer are to be submitted by Members for approval by the Head of Governance. Approved applications will be retained by Democratic Services and a copy forwarded to Financial Services.
- (c) Claims for payment of the allowance should be submitted by Members to Financial Services on the revised standard Members' Allowances forms. All claims must be supported by a signed pro-forma receipt (in the case of care provided by a non-professional carer) or a receipted official invoice in the case of a specialist carer. Financial Services will check all claims for approval of entitlement, accuracy and reasonableness of duties and times claimed, and submission of supporting receipts and invoices.
- (d) Any queries regarding entitlement to the allowance, or individual claims, will be referred in the first instance to Democratic Services. Should a dispute arise as to the eligibility of a claim, this will be referred to the Head of Governance or Chief Executive for decision. Should agreement not be reached the matter will then be referred to the Independent Remuneration Panel for arbitration.

7.0 **Audit**

Internal Audit will review the systems for payment of Members' Allowances on a cyclical basis and include sample testing of Members' Allowances transactions in annual probity programmes.

TRAVEL AND SUBSISTENCE ALLOWANCES PAYABLE

Travelling Allowances

(A) Public Transport (except taxis and aircraft)

- (i) The rate must not exceed the ordinary standard class fare or any available saver fare, but the Council may generally or specially determine to substitute first for standard class fare.
- (ii) Supplementary allowance may be paid for expenses actually incurred on Pullman Car or a similar supplement, reservation of seats, deposit or portage of luggage and sleeping accommodation for overnight journeys, but in this last case the maximum overnight subsistence allowance is reduced by one-third.
- (iii) All long distance rail journeys and sea-travel bookings must be made by Members Services on behalf of Councillors, to seek the most cost-effective deal within current parameters.
- (iv) For journeys by public transport the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rate set out in B below.
- (v) For journeys within the Council's administrative area valid receipts must be produced.
- (vi) For journeys outside the Council's administrative area where the journey has been undertaken by car, the equivalent of a standard class rail fare as determined by Members Services on receipt of the claim shall be payable, subject to this being less than the payable rate set out in (B) below.

(B) Private Vehicle – for journeys within the City Council's administrative area:

- (i) By motor cycle 24p per mile and by motor car - 45p per mile. (The rates payable are those recommended by the HM Revenue & Customs and will be increased in line with their guidance.)
- (ii) Cycling/other non-motorised transport allowance (in all cases) - 20p per mile

For journeys outside the Council's administrative area, the lower of the above mileage allowance or the relevant standard class rail fare will be paid. However the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rates set out above.

Car parking charges may be reimbursed on production of a valid receipt. However, where a Member chooses to purchase a Member Car Parking Permit, the Council will not make any reimbursement towards the cost of parking within the district.

Supplementary payments may be made for tolls and ferries actually incurred, on production of a valid receipt.

(C) Taxis and Hire Vehicles

- (i) Taxis: in cases of urgency or where there is no reasonably available public transport, the fare plus any reasonable gratuity paid. In other cases, the fare by appropriate public transport.
- (ii) Hire Vehicles: the rate appropriate if the Member had owned the vehicles, unless the Council approves additional amounts up to the actual hiring cost.

(D) Aircraft

- (i) The rate applicable to travel by appropriate alternative transport plus any amount of attendance or financial loss or subsistence allowance saved by travelling by air.
- (ii) But if the Council generally or specially resolves that the saving in time is so substantial, then –
 - (a) the ordinary or available cheap fare by regular service; or
 - (b) where no such service is available or in the case of emergency, the fare actually paid.
- (iii) The Chief Executive has discretion to authorise air travel.
- (iv) All bookings must be made by Democratic Services on behalf of Councillors.

Subsistence Allowance

- (i) In case of an absence, other than an overnight absence from home, subsistence allowance is payable as follows –

Breakfast (when more than 4 hours away from normal place of residence)

Members on approved duties who leave home before 7.00 a.m. to attend a location outside the Council's boundary, may claim breakfast expenses as follows -

Breakfast, on production of a valid receipt	Up to £5.85
Breakfast, (in London), on production of a valid receipt	Up to £8.50
Breakfast, (in or out of London), where unable to produce a receipt	£3.20

Lunch (when more than 4 hours away from normal place of residence)

Members on approved duties outside the Council's boundary from 11.45 a.m. to 1.30 p.m. may claim lunch expenses as follows –

Lunch, on production of a valid receipt	Up to £5.85
Lunch, (in London), on production of a valid receipt	Up to £8.50
Lunch, (in or out of London), where unable to produce a receipt	£3.20

Evening Meal (when more than 4 hours away from normal place of residence)

Members on approved duties who have not returned home by 7.30 p.m. may claim an evening meal as follows –

Evening meal, on production of a valid receipt	Up to £11.45
Evening meal, (in London), on production of a valid receipt	Up to £17.00
Evening meal, (in or out of London), where unable to produce a receipt	£5.85
In the case of an overnight absence -	£90.60

For an overnight absence in Central London

£103.40

- (ii) The value of free meals must be deducted from the allowance. Where main meals are taken on trains during which there is an entitlement to a day subsistence allowance, the reasonable cost of meals (including VAT) may be reimbursed in full. In such circumstances, reimbursement for the cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.
- (iii) All accommodation bookings should be made by Democratic Services.
- (iv) Where pre-booked the cost of hotel meals will be paid by the Council.

Eligible Duties

Approved duties eligible for claiming travel and subsistence allowances are set out in Annexes 1, 2 and 3.

Approved Duties - Meetings of the Authority
Council
Committees established by Council and any sub-committees established by those Committees, currently:
Personnel Committee
Audit Committee
Appeals Committee
Licensing Regulatory Committee
Licensing Act Committee
Licensing Act Sub-Committees
Planning and Highways Regulatory Committee
Scheduled Planning Briefings
Standards Committee
Standards Sub-Committees
Council Business Committee

Cabinet
Committees established by Cabinet
Cabinet Liaison Groups established by Cabinet
Scheduled Cabinet Briefings
Overview and Scrutiny Committee
Task Groups established by Overview and Scrutiny Committee
Budget and Performance Panel
Joint Committees:
Joint Committee for Revenues and Benefits
Appraisal Panel

Approved Duties - Outside Bodies

Note: All the following bodies are currently operating with one or more Council-nominated representative.

Organisation
Arnsdale & Silverdale AONB Unit
Board of the Lancaster and District Chamber of Commerce
Board of Trustees of Skerton Charities
Board of Trustees of the Lancaster Charity
Carnforth Station and Railway Trust Company Limited
Community Safety Partnership
Court of the University of Lancaster
Crook O'Lune Advisory Committee
Dukes Playhouse Board of Directors
Forest of Bowland AONB Joint Advisory Committee
Friendship Centre Management Committee
George Fox School Educational Charity
Health and Wellbeing Partnership
Health Scrutiny Committee
Heysham Mossgate (Community Facilities) Company Limited
Heysham Nuclear Power Station Local Community Liaison Council
Historic Towns Forum
Homelessness Forum
Lancashire Leaders Meeting
Lancashire Tourism Forum
Lancashire Waste Partnership
Lancaster & District Multi Agency Forum on Domestic Violence
Lancaster & Morecambe Fairtrade District Steering Group
Lancaster & Skipton Rail User Group
Lancaster Business Improvement District (BID) Management Group
Lancaster District Children's Trust Board
Lancaster District CVS
Lancaster Ripley Church of England Education Trust
Lancaster University Council
Leeds-Morecambe and Settle-Carlisle Railway Development Partnership
LGA Coastal Issues Special Interest Group
LGA Executive
LGA Rural Commission
LGA Urban Commission
Lune Park Children's Centre
Lune Valley Transport Enterprise
Marsh Community Centre Management Committee
Morecambe Bay Partnership
Museums Advisory Panel
National Association of AONBs
North Lancashire Citizens Advice Bureaux

Organisation
North Lancashire Local Action Group Executive Group
North West Local Authority Employers' Organisation
North West Home Safety Council
North West Local Authorities Employers' Organisation
North West Rural Affairs Forum
Preston and Western Lancashire Racial Equality Council
Rainbow Centre, Morecambe
Relate Lancashire, Lancaster District
Reserve Forces and Cadets Association for NW of England and Isle of Man

Approved Duties - Other Duties
Attendance at Conferences/Seminars to which the Council or Cabinet has nominated a delegate
Media Receptions
Scheduled, Formal Meetings with Chief Executive/Chief Officers
Mayoral and other public ceremonies/launches etc approved by the Council or Committee of the Council
Scheduled, Formal Meetings with Trade Unions
Scheduled, Formal Meetings of Cabinet / Overview and Scrutiny meetings / Working Groups
Reasonable travelling expenses and subsistence to Member Champions appointed by Council in carrying out their Champion's role.

Notes:

The essential criteria for these, and any other such duties that may arise, is that they must be formally structured and diarised elements of Council business. The inclusion of other duties within this definition will be at the discretion of the Head of Governance

Appendix C LGA Scheme of Members Allowances - City Council Policy

The LGA's current scheme of members' allowances became be effective from April 2003. The main features of the scheme are:

- Members of all Executives are paid an annual lump sum 'Responsibility Allowance' reflecting both the time which might be spent and the level of responsibility involved in carrying out these posts; no other attendance allowance is paid;
- The LGA pays travel and subsistence for meetings at which a Member has been appointed in a representative role on behalf of the LGA. The City Council pays the travel and subsistence costs for other meetings.
- The LGA pays carers allowance in respect of all approved duties and to members representing the LGA on outside bodies.
- Allowances paid by the association are index-linked to the principal local government pay settlement.

Appendix 2

Background Bibliography

1. The Local Authorities (Members' Allowances) (England) Regulations 2001
<http://www.legislation.gov.uk/ukxi/2001/1280/contents/made>
2. Many of the issues addressed by the Panel are referred to in “Members on the frontline” Communities and Local Government Committee - Sixth Report January 2013
<http://www.publications.parliament.uk/pa/cm201213/cmselect/cmcomloc/432/43202.htm>
And :
Government Response to the House of Commons Communities and Local Government Select Committee Report: “Members on the frontline” Presented to Parliament by the Secretary of State for Communities and Local Government by Command of Her Majesty March 2013
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/142094/8582.pdf
3. A methodology for fixing the basic allowance and using a ‘public sector discount’ has evolved and this has been codified by Dr Declan Hall of the School of Public Policy, University of Birmingham - see Members Commission report ‘Members Remuneration – Models, Issues, Incentives and Barriers’, Department of Communities and Local Government, December 2007.
<http://webarchive.nationalarchives.gov.uk/20080910134927/http://communities.gov.uk/documents/localgovernment/pdf/584026.pdf>
4. The Panel also had access to the report “MPs’ Pay and Pensions: A New Package July 2013”
<http://parliamentarystandards.org.uk/payandpensions/Documents/10.%20MPs'%20Pay%20and%20Pensions%20-%20A%20New%20Package%20-%20Summary%20Document.pdf>
5. CACI: Paycheck: Household Income: Lancashire & Districts: 2013.
<http://www.lancashire.gov.uk/corporate/web/?siteid=6236&pageid=36486&e=e>
6. Representing the Future - The report of the Members Commission, December 2007.
<http://webarchive.nationalarchives.gov.uk/20080910134927/http://www.communities.gov.uk/documents/localgovernment/pdf/583990.pdf>



Appendix 3

Witnesses Interviewed By Panel

- Councillor Abbot Bryning (Labour)
Special Responsibility Allowance: Cabinet Member and Portfolio Holder with Responsibility for Finance, Revenues and Benefits and ICT

- Councillor Tony Johnson (Conservative)

- Councillor Paul Woodruff (Free Independent Group)

- Councillor Peter Williamson (Conservative)
Special Responsibility Allowance: Leader of Opposition Group

- Councillor Paul Gardner (Labour)
Special Responsibility Allowance: Personnel Committee Chairman

- Councillor Roger Dennison (Independent Group)
Special Responsibility Allowance: Leader of Opposition Group

- Councillor Liz Scott (Labour)