



Report for:
ACTION

Item Number:7

Contains Confidential or Exempt Information	NO
Title	Ealing Council Members' Allowances Scheme 2014 and amendments to the constitution
Responsible Officer(s)	Helen Harris, Director of Legal and Democratic Services
Author(s)	Karen Widdowson
Portfolio(s)	Leader
For Consideration By	Council
Date to be considered	10 June 2014
Implementation Date if Not Called In	Not applicable
Affected Wards	None
Keywords/Index	Members' allowances

Purpose of Report:

This report sets out proposals for the revised Members' Allowances Scheme, which takes into account the London Councils Independent Remuneration Panel findings which were published 1 June 2014. The report proposes a number of new special responsibility allowances. The report also recommends constitution changes to take account of changes to cabinet portfolios and responsibilities.

1. Recommendations

That Council:

- 1.1 Notes the 2014 report of the Independent Panel on the Remuneration of Councillors in London, as set out in appendix 3 of this report,
- 1.2 Adopts the Members' Allowances Scheme for 2014/15, as set out in appendix 1 of this report, subject to the 1% increase taking effect only if and when a corresponding increase for officer pay is implemented, and
- 1.3 Authorises the Director of Legal and Democratic Services to amend the constitution to take account of the revised cabinet portfolios set out in appendix 2

2. Reason for Decision and Options Considered

- 2.1 It is best practice for the council to consider its Members' Allowances Scheme annually.
- 2.2 Councils are required to establish and maintain an independent remuneration panel to provide advice on their own schemes and amounts to be paid. The 2003 Regulations provide for an independent remuneration panel to be established by London Councils to produce reports for authorities generally and the Council

must have regard to its advice. The Panel last reported in 2010 under the chairmanship of Sir Rodney Brooke and assisted by Anne Watts CBE and Professor Drew Stevenson OBE.

Sir Rodney Brooke was the chairman again in 2014 and assisted by Anne Watts CBE and Steve Bundred.

- 2.3 The conclusions of the 2014 review and recommendations are shown in the report attached at appendix 3 entitled 'The Remuneration of Councillors in London'. The allowances scheme proposed for adoption includes the 1% uplift recommended by the Panel.

3 Key Implications

- 3.1 The review of Councillors allowances includes a proposal to uplift the level of allowances, in line with the Local Government Pay Award proposal for officers.

Proposed changes to the 2014 / 15 scheme are shown within appendix 1. However, it is recommended that the 1% uplift only takes effect if and when the officer proposal is accepted and implemented. Appendix 1 therefore shows allowances with and without the 1% increase applied.

- 3.2 The council faces significant budgetary challenges over the next four years and major changes will be needed to the services the council provides and the way they are provided. This means a major transformation of the council will be required over the next four years.

This means that additional capacity will be required in the council's cabinet in order to take a large number of decisions about the diverse range of council services. This will mean an extra cabinet member is recommended.

It is also important that these decisions are rigorously scrutinised to ensure that changes achieve savings whilst continuing to provide good service to local residents.

It is therefore recommended that an additional specialist scrutiny panel is created to allow rigorous scrutiny to take place. This will increase the number of specialist scrutiny panels to four. The topic and scope of the panel will be set at the upcoming scrutiny conference which will take place on the 12th June 2014. This will mean an additional specialist scrutiny chair allowance will be created in addition to the three current allowances.

- 3.3 It is proposed that support provided directly to members through the members' services team is reduced, and details of proposals will be brought forward at a later date as part of the budget review process. Members will be encouraged to become more self-sufficient. Improvements to the council's IT infrastructure and other improvements will allow members to carry out more functions themselves.

- 3.4 In order to help support members additional special responsibility allowances will be created. The following allowances will be created:

- Allowance for an additional cabinet portfolio holder
- Allowance for an additional shadow cabinet portfolio holder
- Allowance for an additional scrutiny review panel chair
- Allowance for an additional deputy whip (education) position
- Allowance for the existing position of chair of Licensing Committee

- Allowance for the existing position of chair of Audit Committee
- Allowance for the existing position of Deputy Mayor
- Allowance for the existing position of vice-chair of Regulatory Committee

4. Financial

Financial impact on the budget

4.1 The total Members' Allowances budget for 2014/15 is £1.048m. This figure does not include the additional £47k required to fund the additional new cabinet / shadow cabinet portfolio holders, additional scrutiny review panel chair and the additional first time allowances detailed in 3.4 above. There will also be an estimated increase of £7k for increased NI Contracted In costs, resulting in a total additional requirement of £54k.

4.2 The proposed increase in line with a Local Government Pay Award of 1% will add a further £11k to the cost of allowances, in addition to the £54k required for additional positions of special responsibility, totalling £65k. These additional costs will need to be met initially from reserves, until such time as the budget review process can identify alternative provision.

5. Legal

5.1 Section 18 of the Local Government and Housing Act 1989 (as amended by section 99 of the Local Government Act 2000) makes provision in relation to basic, special responsibility and dependents' carers' allowances for members of local authorities. The Local Authorities (Members' Allowances) (England) Regulations 2003, which have been made under these provisions provide that it is for each local authority to decide its own scheme and the amounts paid under that scheme.

6. Value For Money

Members Allowances are monitored for value for money through comparisons with other London Councils and through the Association of Democratic Services Officers.

7. Sustainability Impact Appraisal

None required as there will be no impact upon sustainability issues.

8. Risk Management

It is important to fairly remunerate councillors, or it may prove difficult to recruit high calibre candidates in the future.

9. Community Safety

No issues.

10. Links to the 5 Priorities for the Borough

Councillors still represent excellent value for money.

11. Equalities, Human Rights and Community Cohesion

No equalities impact assessment is required as no changes are proposed by this report.

12. Staffing/Workforce and Accommodation implications:

None.

13. Property and Assets

None.

14. Consultation

No public consultation has been carried out in relation to the proposals.

15. Timetable for Implementation

If approved, the proposals will be implemented from 11 June 2014. The 1% increase will be implemented if and when an equivalent increase is implemented in relation to officers' pay.

16. Appendices

Appendix 1: Proposed Members' Allowances Scheme for 2014/15 (proposed revisions highlighted in green).

Appendix 2: Revised cabinet portfolios

Appendix 3 : Independent Panel on the Remuneration of Councillors in London

17. Background Information

Ealing Council constitution, part 6:

http://www.ealing.gov.uk/downloads/download/922/council_constitution_part_6-members_allowances_scheme

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
	Finance	Tony Murphy		Throughout
	Legal	Helen Harris		Throughout
External	No external parties consulted – N/A			

Report History

Decision type:	Urgency item?
Non-key decision	No
Report no.:	Report author: Karen Widdowson
	Job title : Members' Services Manager

APPENDIX 1

Members' Allowances Scheme

MEMBERS' ALLOWANCES SCHEME 2014/15

1. Introduction

This Members' Allowances Scheme has been made having regard to the recommendations of The London Councils' Independent Panel and in accordance with the regulations made under the Local Government and Housing Act 1989 and the Local Authorities (Members' Allowances) England Regulations 2003 No. 1021 (as amended). Any future changes to the scheme will be discussed by the Regulatory Committee and ratified by Full Council. The Monitoring Officer will make minor changes to the scheme, such as annual uplifts.

2. Types of allowance

There are six different types of allowance that may be paid to members:

- Basic allowance
- Special responsibility allowance
- Travel allowance
- Carers allowance
- Subsistence allowance
- Co-opted Member Allowance for the Chair of Standards Committee.

3. Basic allowance

Basic allowance is paid equally to all members at the rate set out in appendix A. If a member wishes to waive their right to receive a basic allowance or receive a lower sum they must notify the Monitoring Officer in writing. Where the term of office of a member begins or ends during a municipal year their basic allowance entitlement will be paid in proportion to the number of days as a member. It is paid monthly.

The basic allowance includes:

- Intra borough travel and subsistence costs
- An allowance for basic office and associated costs
- Registration for Data Protection.

4. Suspension or withdrawal of allowances

If payment of any allowance has already been made in respect of any period during which the member concerned:

- a. Is suspended or partially suspended from his responsibilities or duties as a member of an authority;
- b. Has ceased to be a member of the authority; or
- c. Is in any way not entitled to receive the allowance in respect of that period then the allowance or relevant part of it will be repayable to the council.

If a member of the council does not serve as an elected member for the whole of the 12-month period or becomes disqualified, they will only be entitled to pro-rata payments for the period(s) during which they are actually a serving member of the council.

Our Standards Committee can withdraw allowances in whole or in part in the event of a member being suspended or partially suspended.

All allowances will be withheld for the period of total suspension and in the case of partial suspension the basic allowance shall continue to be paid (though it would be expected that a member voluntarily abates their claim according to the extent to which they are able to continue to perform the functions of a non-executive member) and to the extent that the partial suspension makes it impossible or impractical for the member to undertake activities in respect of which a special responsibility allowance was payable. If there is a need to appoint another member to undertake the functions concerned they would become entitled to the allowance.

5. Special Responsibility and Co-opted Member Allowances (chair of Standards Committee)

The council has decided to pay special responsibility allowances (SRA) to those members whom it considers have special responsibilities for the discharge of the functions of the council. The list of SRAs payable is set out in Appendix A. SRA is paid monthly. If a member wishes to waive their SRA or receive a lower sum, they must notify the Monitoring Officer in writing.

The chair of the Standards Committee shall receive an annual allowance (details in Appendix A). The chair may claim travel expenses in the same way as councillors (details in Para 5 of this paper and also shown in Appendix B). The chair may not claim subsistence costs.

6. Maternity/paternity/adoption or long term sick leave

In the event of a member taking leave for any of the above they will continue to receive their basic allowance. However, where a member is in receipt of Special Responsibility Allowance (SRA) they are encouraged to claim any state entitlement as the SRA will only be paid to any substitute accepted by full council as carrying out the role for a specified period and only to the extent that additional funding is not required.

7. Electing to forgo allowances

If a member does not wish to claim an allowance they should provide notice in writing to the Monitoring Officer electing to forgo his/her entitlement or any part of their entitlement to allowances.

8. Travel Allowance

Travel expenses incurred in the performance of "approved duties" (see paragraph 11 below) may only be claimed from the council for meetings held outside the borough subject to the conditions set out in appendix B.

Please note that all claims for travel must be accompanied by receipts as a proof of payment. This is required by Audit.

9. Carers' Allowances

Members may claim this allowance as reimbursement of costs they incur for carers looking after children or elderly, infirm or sick relatives while the Member is carrying out an "approved duty" (see paragraph 8 below).

Members are entitled to claim the allowances for periods starting up to an hour after it finishes in order to allow for essential travelling time. The Member is responsible for making the care arrangements and the council can accept no responsibility for anything that might happen as a result of those arrangements.

Carers' allowances are not payable for carers who are normally resident in the member's home or are under 16 years of age. Payment will only be made after the member has submitted a statement of claim for each use of a carer.

10. Subsistence Allowances

Details on subsistence allowance are set out in appendix B. These allowances are **not** payable where the council has made arrangements for meals and/or accommodation for an approved duty.

Please note that all claims for subsistence must be accompanied by receipts as proof of payment. This is required by Audit.

11. Approved Duties (for the purpose of travel, subsistence and carers allowance only)

An "approved duty" for a member means:

- (a) Attendance at a meeting of the council or of any committee of the council or of any other body to which the council makes appointments or nominations, or of any committee or sub-committee of such a body provided they are a member of the body concerned;
- (b) Any other meeting convened by the council (but not by an officer of the council).

Provided that, when the council is divided into more than one political group, it is a meeting to which members of more than one political group have been invited; or in any other case, to which at least two members of the council have been invited.

- (c) A meeting of any association of authorities or body of that association of which the council is a member;
- (d) Single member duties i.e. individual Cabinet member decisions, sealing, opening tenders etc.

The following are **not** "approved duties".

- (a) Attendance at any conference in relation to which there is entitlement to payment of an allowance under Section 175 of the 1972 Act; or:
- (b) If such payment would be contrary to a provision of any enactment or instrument.
- (c) Attendance at college and school governing bodies.
- (d) Members' surgeries.
- (e) Political group meetings.

12. National Insurance

The Inland Revenue requires national insurance contributions to be deducted where the allowance for a month exceeds £476

Members may be entitled to an exemption from national insurance contributions if they are over the statutory age of retirement. Contact the Department of Work and Pensions for further information.

If a member is employed elsewhere and earns more than £43,875 they should send the relevant HMRC form (CA2700) to the payroll team so that only the 1% deduction is made.

13. Claims and Payment

Basic allowance and SRA are automatically paid monthly through the council's payroll system (on 26th of each month) for as long as the councillor remains in office and holds a post of responsibility. Other allowances should usually be claimed within two months of being incurred and in all cases, other than the serious illness/death of a member, the allowance for a financial year **must** be claimed by **30th June** following.

14. Other authorities from which allowances may be claimed

Payment of allowances can only be made by statutory prescribed bodies. The council is a prescribed body and so are many other authorities and boards. Other statutory bodies may have their own schemes through which members can claim attendance. Members may claim attendance allowance from more than one organisation in a 24-hour period, although only one allowance per approved duty may be claimed from each organisation.

15. Review

The Council has decided that

- (a) the level of travel and subsistence payments as set out in appendix B should reflect allowances for staff;
- (b) the level of basic allowance and SRA will not be raised automatically annually in line with the local government pay settlement prior to May 2014.
- (c) the carers' allowance shall reflect the National Minimum Wage as at 1st April each year

16. Records of Allowances

In accordance with the regulations a detailed record will be kept of the amount and nature of each payment made. This will be available for inspection at all reasonable times or copies supplied following the payment of a reasonable fee.

As soon as is reasonably practicable after the end of the municipal year to which the scheme relates the total sum paid to each recipient in respect of basic allowances, special responsibility allowance, dependant carers allowance and travelling and subsistence allowance will be published on the Ealing website.

17. Attendance Records

Each year, along with the record of allowances, the council will publish a record of attendance by all Ealing councillors at formally convened meetings of the council.

18. Independent remuneration panel

Ealing has had regard to the recommendations made by the London councils Independent Panel on remuneration for councillors in developing its Members Allowances Scheme. If the Panel recommends any changes they will be considered by the Council with a decision made by Regulatory Committee ratified by full council.

The Council is obliged to ensure that they discuss and consider the Panel recommendations before setting a new or amended scheme.

The Council is not obliged to accept or implement the Panel's recommendations but it must pay regard and consider when agreeing changes to the scheme.

19. Advice and assistance

Members who require advice or assistance regarding their claims or access to the pension scheme should use the following contacts:

Director of Legal and Democratic Services (Monitoring Officer)

Helen Harris

Tel: 020 8825 5000

Harrish@ealing.gov.uk

Members' Services Manager

Karen Widdowson

Tel: 020 8825 8737

widdowsonk@ealing.gov.uk

Payroll and Pensions Manager

Jane Lynham

Tel: 020 8825 7093

janelynh@ealing.gov.uk

SCHEDULE OF ALLOWANCES		month	year	month (with proposed 1% pay award)	year (with proposed 1% pay award)
(June 2014)		£	£	£	£
Basic allowance		801	9,612	809	9,708
Allowance for the Chair of the standards Committee		83	1,000	84	1,008
Special responsibility allowance					
<u>Responsibility</u>	<u>Band</u>				
Leader of the Council	4	2,649	31,788	2,675	32,100
Deputy Leader of the Council	3A	1,764	21,168	1,782	21,384
Chair of Overview & Scrutiny	3	1,323	15,876	1,336	16,032
Cabinet Members x 6	3	1,323	15,876	1,336	16,032
Leader of the Opposition	3	1,323	15,876	1,336	16,035
Chief Whip	3	1,323	15,876	1,336	16,032
Chair of Regulatory	3	1,323	15,876	1,336	16,032
Chair of Planning Committee	3	1,323	15,876	1,336	16,032
Mayor	3	1,323	15,876	1,336	16,032
Opposition Chief Whip	2A	687	8,244	694	8,328
Deputy Leader of Opposition	2A	687	8,244	694	8,328
Scrutiny Standing Panels Chair (x 1)	2A	687	8,244	694	8,328
Chair of Audit Committee	2	519	6,228	524	6,288

SCHEDULE OF ALLOWANCES		month	year	month (with proposed 1% pay award)	year (with proposed 1% pay award)
(June 2014)		£	£	£	£
<u>Responsibility</u>	<u>Band</u>				
Shadow Cabinet Members (x 6)	2	519	6,228	524	6,288
Scrutiny Review Panel Chair (x 4)	2	519	6,228	524	6,288
Deputy Mayor	1A	345	4,140	348	4,176
Chair of Licensing Committee (payable to the deputy chair, where the chair also holds an second post of special responsibility)	1A	345	4,140	348	4,176
Vice-chair of Planning Committee	1A	345	4,140	348	4,176
Vice-chair of Regulatory Committee	1	174	2,088	176	2,112
Leader of 2 nd Opposition Party	1A	345	4,140	348	4,176
Deputy Chief Whip	1A	345	4,140	348	4,176
Deputy Whip (Education)	1	174	2,088	176	2,112
Opposition Spokesperson (Planning & Regulatory) (x2)	1	174	2,088	176	2,112

1. Travel allowances (from 11 June 2014)

A member's private motor vehicle (or one they have use of) may be used where its use:

- The cost of equivalent travel by public transport should be claimed for other than local journeys; the “public transport rate” for such journeys is 28.1p per mile. A “local journey” is one undertaken within the Greater London area or within a radius of 20 miles of Ealing Town Hall. Car mileage is not paid for journeys into central London.

⊙	Up to 999cc	36.9p per mile	13.7p per mile
⊙	Over 1000 cc	40.9p per mile	14.4p per mile

The rate is:

(c) Bicycle

The rate is 20p per mile

Only where this is necessary the actual cost of hiring will be paid.

The rate for travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare. Where more than one class of fare is available members may claim first-class fares but wherever possible claim standard class fares.

The following additional expenditure may also be reimbursed:

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Oyster Cards

Councillors wishing to use oyster cards for bus and tube travel are reminded to register their oyster cards with Transport for London so that proof of journey can be submitted with any claim. This is a new and necessary audit requirement.

(f) Taxi or mini-cab

The rate shall not exceed

- ⊙ In cases of urgency or, where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity paid; and
- ⊙ In any other case, the amount of the fare for travel by appropriate public transport.

(g) Air travel

The rate for air travel shall not normally exceed the lower of the actual fare or the rate applicable to the alternative means of transport.

(h) Subsistence allowance (from 11 June 2014)

There is no fixed maximum amount. Reasonable expenses will be reimbursed for claims supported by receipts for meals, hotel accommodations and other necessary expenses.

(i) Carers' allowance

- ⊙ The minimum wage per hour
- ⊙ Reimbursement of the babysitter's/carers' travelling expenses may be claimed

APPENDIX 2 : REVISED CABINET PORTFOLIOS

Portfolio	Role and Service Responsibilities and Functions
Leader of the Council, Policy Overview portfolio	<ul style="list-style-type: none"> • Policy Overview • Community development • Economic development • Neighbourhood governance • Property and estates • Regeneration strategy • Land charges • Civil protection • Member Development • Elections • Local Development Framework • Building and development control • Tourism • Gunnersbury Park • Public toilets • Pitzhanger Manor • Local Area Agreement • Marketing and Communications • All executive functions not allocated to any other portfolio
Health and Adult Services	<ul style="list-style-type: none"> • Health improvement and health protection • Commissioning -adult social care • Assessment and care services for older people and adults with needs arising from disabilities and mental health • Accommodation and Day Activities • Promoting independence • Safeguarding adults • Supporting people • Disability facilities grants, handyperson scheme and

Portfolio	Role and Service Responsibilities and Functions
	other grants
Children and Young People	<ul style="list-style-type: none"> • Fostering and adoption • Child protection • Children's Homes • Home/ school transport • Looked after children • Nursery education and child care • Play Service • Post 16 education • Primary and secondary education • School library • Special Educational Needs • Youth Service • School improvement
Transport and Environment	<ul style="list-style-type: none"> • Recycling, refuse, waste disposal • Street cleansing • Street lighting • Environmental enforcement • Roads and footways • Road safety • Traffic and congestion • Parking and enforcement • Transport strategy and policy • Highways • Controlled parking zones • Transport for London relations and LIP funding • Parks and countryside
Finance, Performance and Welfare	<ul style="list-style-type: none"> • Budget • Capital resources • Councillors' allowances • Income

Portfolio	Role and Service Responsibilities and Functions
	<ul style="list-style-type: none"> • Investment and external funding • Central government grants • Performance management • Risk management • ICT and facilities management • Property and asset management • Strategic Procurement • Human Resources, internal training and skills • Employee relations • Benefits • Legal Services

Portfolio	Role and Service Responsibilities and Functions
Housing, Skills and Employment	<ul style="list-style-type: none"> • Housing allocations • Temporary accommodation • Housing advice • Sheltered housing • Homelessness • Housing management • Estates regeneration and new supply • Housing strategy and policy • Private sector supply and leasing • Leaseholder services • Apprenticeships • Skills • Employment
Deputy Leader, Community Services and Safety	<ul style="list-style-type: none"> • Community safety (including anti-social behaviour, drugs action, and crime prevention) • Police liaison (including safer neighbourhood teams and PCSOs) • Emergency Services • CCTV • Youth Offending • Community cohesion • Disabilities • Equality and diversity • Refugees and asylum seekers • Regulatory Services (environmental health, trading standards, licensing, and community health and safety) • Volunteering and community sector (including corporate voluntary sector grants) • Halls and community centres • Town twinning

Portfolio	Role and Service Responsibilities and Functions
Leisure, Culture and Customer Services	<ul style="list-style-type: none"> • Sport and leisure centres • Sports development / Active Ealing • Olympics and Paralympics (legacy) • Customer services, (receptions and telephony) • Complaints • Registrars • Libraries • Heritage • Arts and museums • Adult education