



## **Independent Remuneration Panel (IRP) review of members' allowances scheme**

### **FOREWORD**

This report has been produced for Craven District Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The membership of the Panel was John Boumphrey, Roger Millin and Greg Robinson.

Members' allowances and expenses can be a controversial subject. There will inevitably be some who will be critical of any payments of allowances to members and particularly at any proposals to increase those payments. There is also an inevitable reluctance amongst members themselves to take decisions on increasing allowances which might be seen as self-serving, particularly during times when financial savings are being sought. However, being an elected member can be a very demanding role and it is important, not least in order to attract potential new members, that they are adequately compensated for their time and effort.

**John Boumphrey**  
**Chair of Independent Remuneration Panel**

## Executive Summary of Recommendations

### Recommendation 1

That the level of Members' Basic Allowance is increased from £4,300 p.a. to £4,560 p.a. The proposed increase reflects local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

### Recommendation 2

That a Special Responsibility Allowance is introduced for the Chairman and Vice Chairman of Licensing Committee. The level of allowance is recommended to be at the same level as other Committee Chairmen and Vice Chairmen.

### Recommendation 3

That Special Responsibility Allowances are increased to reflect local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

**Please note:** Special Responsibility Allowances are valued as a quantum of the Basic Allowance. The Special Responsibility Allowance is the Basic Allowance multiplied by the quantum given.

The table below shows the current and proposed allowances:

	Number of Positions	Current allowance £	Proposed allowance £	Quantum of Basic Allowance
Basic	30	4,300	4,560	
Leader of the Council and Chairman of Policy Committee	1	8,170	8,660	1.9
Deputy Leader of the Council and Deputy Chairman of Policy	1	4,300	4,560	1.0
Committee Chairman: Audit and Governance Licensing Planning Select Standards	5	2,150	2,280	0.5
Committee Vice Chairman (As above)	5	430	460	0.1
Group Leader	4	860	910	0.2
Lead Members	6	1,075	1,140	0.25

**Recommendation 4**

That Travel Allowances follow HMRC approved mileage rates and is amended automatically to reflect changes in the HMRC rate.

Current HMRC Mileage Rates:

	<b>First 10,000 business miles in the tax year</b>	<b>Each business mile over 10,000 in the tax year</b>
Cars and vans	45p	25p
Passengers	5p per person	5p per person
Motor cycles	24p	24p
Bicycles	20p	20p

**Recommendation 5**

That the amounts of subsistence allowance should be the same as that paid to staff.

	<b>CDC staff scheme £</b>	<b>Basis of Payment (as staff scheme)</b>
Breakfast	7.77	when a journey commences before 7.30 am.
Lunch	10.71	when a journey commences before 12.00 noon and continues after 2.00 pm.
Tea	4.21	when the absence commences before the end of the working day and continues after 6.30 pm.
Evening Meal	13.29	when absence commences before the end of the working day and continues after 8.30 pm.
		Tea and dinner allowances are not paid consecutively. Under NO circumstances will re-imburement be made for alcohol beverages.

**Recommendation 6**

That the allowances of the Chairman and Vice Chairman of Council are increased to reflect local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

	<b>Number of Positions</b>	<b>Current allowance £</b>	<b>Proposed allowance £</b>	<b>Quantum of Basic</b>
Chairman of the Council	1	3,400	3,650	0.8
Vice Chairman of the Council	1	430	460	0.1

**Recommendation 7**

We recommend that the proposals are backdated to 1 April 2019 following which the Basic and Special Responsibility Allowances should be updated as a matter of course to match local government pay settlements from the date of implementation of those settlements.

## **1. Introduction**

This report presents the findings from our review of the Council's Members' Allowances Scheme and our recommendations for changes to be backdated from 1 April 2019.

In undertaking our review, the Panel took account of the statutory guidance governing Members' Allowances, specifically, the Local Authorities (Members' Allowances) (England) Regulations 2003.

## **2. Methodology**

The review was supported by a survey of other similar councils across the country included in the CIPFA 'Nearest Neighbours' group.

Elected Members and Corporate Leadership Team (CLT) were invited to submit any comments that they had on the current Members' Allowances Scheme.

## **3. CIPFA Nearest Neighbours Model**

The Chartered Institute of Public Finance and Accountancy (CIPFA), groups together local authorities with similar profiles for the purposes of comparison and benchmarking, e.g. population, budget, urban / rural mix. These are termed 'nearest neighbour' groups. The group belonging to Craven District Council includes:

- Eden District Council
- Ryedale District Council
- Derbyshire Dales District Council
- West Devon Borough Council
- Cotswold District Council
- Ribble Valley Borough Council
- Babergh District Council
- South Hams District Council
- Mendip District Council
- Stratford on Avon District Council
- Fylde Borough Council
- Hambleton District.

## **4. Basic Allowance**

Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members. The allowance must be the same for each member. Basic allowance is intended to recognise the time commitment of all members, including, meetings with constituents and attendance at political group meetings.

The average Basic Allowance of 'nearest neighbour' authorities, is £4,524. The Panel's recommendation is that the basic allowance is increased from £4,300 p.a. to £4,560 p.a. This is slightly above the average figure for 'nearest neighbour' authorities.

**Recommendation 1**

That the level of Members' Basic Allowance is increased from £4,300 p.a. to £4,560 p.a. The proposed increase reflects local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

**5. Chairman and Vice Chairman of Licensing Committee**

The current Members' Allowances Scheme does not include a Special Responsibility Allowance for the Chairman and Vice Chairman of Licensing Committee. Due to a significant increase in workload and taking into account the number of licensing and appeals hearings, this was considered to be an area in need of review.

**Recommendation 2**

That a Special Responsibility Allowance is introduced for the Chairman and Vice Chairman of Licensing Committee. The level of allowance is recommended to be at the same level as other Committee Chairmen and Vice Chairmen.

**6. Special Responsibility Allowance**

The table in the recommendation below shows the Independent Remuneration Panel's assessment of the quantum for each position and the proposed allowance.

**Recommendation 3**

That Special Responsibility Allowances are increased to reflect local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

**Please note:** Special Responsibility Allowances are valued as a quantum of the Basic Allowance. The Special Responsibility Allowance is the Basic Allowance multiplied by the quantum given.

	<b>Number of Positions</b>	<b>Current allowance £</b>	<b>Proposed allowance £</b>	<b>Quantum of Basic Allowance</b>
Basic	30	4,300	4,560	
Leader of the Council and Chairman of Policy Committee	1	8,170	8,660	1.9
Deputy Leader of the Council and Deputy Chairman of Policy Committee	1	4,300	4,560	1.0
Committee Chairman: Audit and Governance Licensing Planning Select Standards	5	2,150	2,280	0.5

Committee Vice Chairman (As above)	5	430	460	0.1
Group Leader	4	860	910	0.2
Lead Members	6	1,075	1,140	0.25

#### Recommendation 4

That Travel Allowances follow HMRC approved mileage rates and is amended automatically to reflect changes in the HMRC rate.

Current HMRC Mileage Rates:

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Passengers	5p per person	5p per person
Motor cycles	24p	24p
Bicycles	20p	20p

#### Recommendation 5

That the amounts of subsistence allowance should be the same as that paid to staff.

	CDC staff scheme £	Basis of Payment (as staff scheme)
Breakfast	7.77	when a journey commences before 7.30 am.
Lunch	10.71	when a journey commences before 12.00 noon and continues after 2.00 pm.
Tea	4.21	when the absence commences before the end of the working day and continues after 6.30 pm.
Evening Meal	13.29	when absence commences before the end of the working day and continues after 8.30 pm.
		Tea and dinner allowances are not paid consecutively. Under NO circumstances will re-imburement be made for alcohol beverages.

### 7. Chairman and Vice Chairman allowances

#### Recommendation 6

That the allowances of the Chairman and Vice Chairman of Council are increased to reflect local government pay settlements since adoption of the Members' Allowances Scheme by Council in October 2015.

	Number of Positions	Current allowance £	Proposed allowance £	Quantum of Basic
Chairman of the Council	1	3,400	3,650	0.8
Vice Chairman of the Council	1	430	460	0.1

### 8. Timescale

#### Recommendation 7

We recommend that these proposals are backdated to 1 April 2019 following which the Basic and Special Responsibility Allowances should be updated as a matter of course to match local government pay settlements from the date of implementation of those

settlements.