

Report To: Cumbria County Council

From: The Independent Remuneration Panel

**Recommendations for Councillors' Remuneration
for the Financial Year 2018/19**

Date: September 2017

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SUMMARY OF RECOMMENDATIONS

In accordance with its responsibilities under the Local Authorities (Members Allowances) (England) Regulations 2003, the Independent Remuneration Panel has reviewed the current scheme of allowances in place for members of Cumbria County Council and makes the following recommendations with effect from the Council Annual Meeting in May 2018.

Basic Allowance

Increase up to £8,405 (1%) recommended (see paragraph 4)

Special Responsibility Allowances

Leader of the Council – up to £25,500 per annum (2%)

Deputy Leader – up to £14,280 per annum (2%)

Cabinet Members – up to £10,200 per annum (2%)

Chair of Scrutiny Management Board – up to £10,200 per annum (2%)

All other SRAs to increase by 1% (see paragraph 5.3).

Dependent Carers Allowance – no change in current arrangements (see paragraph 6).

Travel and Subsistence Allowances – no change (see paragraph 7).

Co-optee Allowances – up to £6,955 (1%) (Chair of Workington Harbour Board) (see paragraph 8).

Indexation of Allowances – indexation in line with NJC award for employees for 2019/20 only (see paragraph 9).

Availability of IRP Reports - the Council should comply fully with the statutory requirements and in addition should publish an appropriate notice in each of the newspapers serving Cumbria in the interests of openness and transparency (see paragraph 11).

Overall Financial Implications

In a full year the costs of the scheme will increase by circa £11,000.

1. PANEL REMIT

- 1.1 The Cumbria County Council (CCC), Independent Remuneration Panel (the Panel) 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 Panel 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 councillors who have significant responsibilities eg 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 councillors 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 Panel can also make recommendations to the local authority on the backdating of allowances and annual adjustments to allowance levels. 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 The Panel comprises a minimum of three and a maximum of six members. There are currently five members on the panel (one vacancy) all of whom were appointed following a public recruitment process. The members and their terms of office are as follows:

- 2.2 **Mary Dowling** is human resources professional with experience as a Director of Human Resources in the NHS. She has also been a non-executive director of an NHS Trust and is now Chair of a Clinical Commissioning Group. She was appointed to the Panel for a four-year period originally expiring on 30 September 2017 and later extended to 31 March 2018.
- 2.3 **Len Gleed** is a retired human resources manager with extensive experience of remuneration practice in both the private and public sector. He was appointed to the Panel for a four-year period originally expiring on 30 September 2017 and later extended to 31 March 2018.
- 2.4 **Daniel Hartley** is a senior human resources manager specialising in reward at BAE Systems Submarines, Barrow-in Furness. He was appointed initially for a four year period in 2011 expiring in November 2015 and subsequently extended to 31 March 2018.
- 2.5 **John Lyons (Chairman)** is a retired senior manager at AXA Insurance, UK plc. He was appointed to the Panel for a four-year period originally expiring on 30 September 2017 and later extended to 31 March 2018. John has previously served as Chair of South Lakeland District Council's Independent Remuneration Panel and South Lakeland Leisure Trust.
- 2.6 **Janice Wilson** is a human resources professional specialising in learning and development and having extensive experience of remuneration practice in both the public and private sector. She was appointed to the Panel for a four-year period originally expiring on 30 September 2017 and later extended to 31 March 2018.

3. APPROACH OF THE PANEL 2018/19

3.1 Panel Recommendation to the Council for the Financial Year 2016/17

The Panel's 2016/17 recommendations to Council <http://councilportal.cumbria.gov.uk/documents/g8036/Public%20reports%20pack%2007th-Sep-2016%2010.00%20County%20Council.pdf?T=10> were considered at the Council meeting on 7 September 2016. The Panel recommended increases in some Special Responsibility Allowances with effect from 1 August 2016 and no change in the Basic Allowance. The Council resolved that:

- (i) the Council's appreciation be placed on record for the Panel's diligence in undertaking a thorough and detailed review of the Members' Allowance Scheme.
- (ii) the Council agrees that the Members' Allowance Scheme for the period 1 August 2016 to 31 March 2017 will remain unchanged and the scheme currently in place will therefore continue.
- (iii) the Council agrees to make a Members Allowance Scheme for the Financial year 2017/18 in the following terms
 - (a) from 1 April 2017 until 7 May 2017 inclusive, there shall be no change to Members' Allowances;

- (b) with effect from 8 May 2017, the scheme shall be amended in line with the recommendation by the Independent Remuneration Panel in its report dated July 2016, the detail of which is set out at page 25 of the agenda;

(iv) the Constitution be amended to reflect these changes accordingly.

<http://councilportal.cumbria.gov.uk/documents/g8782/Public%20reports%20pack%2010th-Nov-2016%2010.00%20County%20Council.pdf?T=10>

The Council amended and published its Members' Allowance Scheme accordingly with effect from 8 May 2017. The Basic Allowance for 2017/18 was set at £8,322 and the following table summarises the Special Responsibility Allowances (SRAs) in effect from 8 May 2017.

| Allowance | Amounts wef 8 May 2017 |
|---|-----------------------------------|
| Chairman of the County Council | £5,217 |
| Vice-Chairman of the Council | £1,974 |
| Leader of the Council | £25,000 |
| Deputy Leader | £14,000 |
| Cabinet Members | £10,000 |
| Chairman of Scrutiny Management Board | £10,000 |
| Chair of Overview and Scrutiny Advisory Boards (3) | £6,949 |
| Chair of Health Scrutiny Committee | £6,949 |
| Chair of Local Committee (6) | £6,949 |
| Chair of Audit and Assurance Committee | £6,949 |
| Chair of Development Control and Regulation Committee | £6,949 |
| Chair of Pensions Committee | £6,949 |
| *Leader of the Largest Qualifying Opposition Group | £12,166 |
| *Leader of the Second Largest Qualifying Opposition Group | £5,217 |

****A qualifying opposition group is one with a minimum of 8 members, ie 10% of the total number of members on the Council***

3.2 As the Council has determined that the current allowance scheme will exist until May 2018, this report from the Panel makes recommendations for members' allowances for 2018/19 in accordance with the following requests from the Council:

- (a) To consider and make recommendations to the Council for a scheme of Members' Allowances from 1 April 2018.

- (b) To consider as part of the overall options looked at the possibility of only fully reviewing the Scheme once every 4 years and in the intervening years making annual adjustments to members allowance by reference to an index.

3.3 Context

- 3.3.1 This review of the scheme of Members' Allowances has taken place against a background of "an extremely challenging time in Cumbria" (Council Plan 2016-19 page 4). Ongoing reductions in the revenue support grant from government mean that the Council must continue to make significant change to what it does and how it does it in order to achieve a further £76m of savings over the next three years. It has already reduced its workforce from 10,000 employees in 2010 (excluding schools) to just under 6,500 in 2016. Significant challenges posed by meeting the needs of an ageing population and community recovery from the devastating floods of December 2015 remain but the reported £25.1bn potential investment coming into the county over the next decade (to boost jobs and infrastructure), may help tackle some of the challenges (Council Plan 2016-19).

3.4 Methodology and Commentary

- 3.4.1 In approaching its review of the Scheme of Member Allowances 2018/19, the Panel used a methodology similar to that adopted for its previous reports. It conducted in-depth discussions with councillors and officers (Appendix 4) to address the key themes it identified for this review. The Panel thanks them for their assistance and for sharing their views and ideas. The Panel also reviewed the movement in allowances for the peer group of councils and considered the economic and earnings outlook nationally and for Cumbria.
- 3.4.2 The Panel decided not to undertake further public consultation for this review as the Member Allowance framework remains largely unchanged and the responses gained from the consultation exercise conducted in 2015 are unlikely to have altered significantly. The Panel invited serving councillors to make representations to it about any aspect of Member Allowances. A few councillors provided views on a range of issues and the Panel thanks them for their input.
- 3.4.3 Since 2014/15 the Panel has recommended a number of changes designed to streamline and update the Members' Allowance Scheme to reflect the responsibilities of councillors at all levels and has recommended what it considers to be appropriate levels of remuneration to Council. The Council decided not to implement the Panel's proposed increase in allowances for 2014/15. For 2015/16 it decided not to implement the Panel's proposals for a 2.2% increase in the Basic Allowance and increased SRAs for the Leader, Deputy Leader and Cabinet, and chose instead a 1% increase across the board. For 2016/17 the Council decided to accept the Panel's proposals but delayed their implementation until 2017/18, and left the Scheme unchanged. For 2017/18 the Scheme was amended in line with the Panel's recommendations for 2016/17.

3.4.4 After this, its fourth and final review, the Panel is strongly of the view that a unified approach to Councillor remuneration across Cumbria would be beneficial. The Panel appreciates that without significant changes in the structure of local government in Cumbria, the possibility of such an approach is unlikely in the short term. The current structure (with one county and six district councils, hundreds of councillors, some serving on more than one council, and a variety of approaches to councillor remuneration) constrains a radical overhaul of member allowances across the County. The Panel requests the Council to keep this proposal in mind as opportunities for improved local government organisation arise in the future.

3.5 Principles underpinning an allowance scheme

The Panel has reviewed the principles underpinning an Allowance Scheme which it set out in its 2014/15 Report (section 4.4) <http://councilportal.cumbria.gov.uk/documents/g7922/Public%20reports%20pack%2019th-Jun-2014%2010.00%20County%20Council.pdf?T=10> and subsequent Reports and remains satisfied that they are still relevant and appropriate for 2018/19.

4. BASIC ALLOWANCE

4.1 Current Arrangements

All 84 Councillors receive a basic allowance of **£8,322** per annum. This allowance has been in effect since 1 August 2015. In accordance with the Regulations, this allowance is intended to recognise the time commitment of members including inevitable calls on their time such as meetings with officers and constituents. It is also intended to cover incidental costs such as the use of members' homes.

4.2 Review

4.2.1 The Panel considered whether a further increase in the rate of the basic allowance was justified against the criteria it used in its previous reports. In its last Report, the Panel concluded that a further increase of 1% in the basic allowance could be justified from 1 August 2016, but it considered that it was more appropriate, in the Council's tough financial climate, to devote the available funding to increasing the allowances of those councillors who undertake significant additional responsibilities.

4.2.2 The Panel also noted:

- In comparison with the peer group of councils, the basic allowance in Cumbria continues to be below the average for the group;
- The National Joint Council for Local Government Services agreed increases of 1% in the pay of local government staff with effect from 1 April 2016 and 1 April 2017 respectively;

- The Labour Market Outlook Report for summer 2017 published by the Chartered Institute of Personnel and Development indicates that employed median basic pay increase expectations in the 12 months to June 2018 is 1%. Median basic pay increase expectations are higher in the private sector (2%) than in the public (1%) and voluntary sectors (1.4%).
- The currently available Annual Survey of Hours and Earnings produced by the Office for National Statistics indicates that for 2016 the median annual gross pay for full-time workers resident in Cumbria was £26,991 pa.

4.2.3 The Basic Allowance has not been increased since 1 August 2015. The evidence before the Panel indicated that a further increase of 1.5% to 2% is warranted in line with pay increases generally since 2015. In view of the ongoing challenges facing the Council, the continued public sector pay restraint and the cost of even a modest uplift in the basic allowance for 84 councillors, however, the Panel concluded that an increase of 1% in the Basic Allowance for 2018/19 be recommended to the Council.

4.3 Recommendation

That the basic allowance for 2018/19 be increased by 1% (from £8,322 to £8,405 per annum).

5. SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

5.1 Current Arrangements

The range of SRAs with effect from 8 May 2017 is as follows:-

| Allowance | Amount per annum |
|--|-------------------------|
| Chairman of the County Council | £5,217 |
| Vice-Chairman of the County Council | £1, 974 |
| Leader of the Council | £25,000 |
| Deputy Leader of the Council | £14,000 |
| Cabinet Members | £10,000 |
| Chair of Scrutiny Management Board | £10,000 |
| Chairs of Overview and Scrutiny Advisory Boards (3) | £6, 949 |
| Chair of Health Scrutiny Committee | £6, 949 |
| Chairs of Local Committees (6) | £6, 949 |
| Chair of Audit and Assurance Committee | £6, 949 |
| Chair of Development Control and Regulation Committee | £6, 949 |

| | |
|---|-----------------|
| Chair of Pensions Committee | £6,949 |
| Leader of the Largest Qualifying Opposition Group | £12, 166 |
| Leader of the Second Largest Qualifying Opposition Group | £5, 217 |

5.2 Review

5.2.1 SRAs are payable to Councillors who undertake significant additional responsibilities over and above those recognised by the basic allowance. The Panel has been careful to distinguish between ‘additional’ responsibilities which may arise for any councillor by virtue of their role and ‘significant’ additional responsibilities which require a level of time, commitment, expertise, accountability and/or leadership which is demonstrably beyond that required by the role of councillor. 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*).

5.2.2 The Panel’s previous reports contain the rationale for these SRAs. The Panel is pleased that the Council has largely accepted its recommendations for levels of SRAs, albeit in different timescales to that recommended by the Panel. For this review, the Panel has assured itself that the range of SRAs now in place are still warranted by the levels of responsibility and workload of the various roles and that previous anomalies identified have been rectified (e.g. Chair of Pensions Committee) and SRAs no longer considered to meet the criteria have been removed (e.g. Chair of Staffing Committee). The Panel, is however, disappointed that the preparation of role profiles for Committees and Chairs has not been completed as anticipated in its last review. This has hindered the work of the Panel. The availability of these profiles would have assisted the Panel in this review by providing additional evidence that the SRAs recommended by the Panel for the Chair roles are justified. The Panel urges the Council to have these role profiles completed in time for the appointment of the new Independent Remuneration Panel.

5.2.3 **Leader, Deputy Leader, Cabinet Members & Chair of Scrutiny Management Board**

The Council’s chosen governance model is that of Strong Leader and Cabinet. Allowances for these roles are now at more realistic levels but are still at the lower end of SRAs for similar roles among the peer group of councils (Appendix 2). This is likely to remain the situation as the SRAs approved by the Council will be in place until May 2018 (paragraph 3.1 above). It is clear from the information presented to the Panel and the requirements of the Council’s Plan 2016-19 that this leadership group will continue to have major challenges to address on behalf of the people of

Cumbria. To avoid these SRAs falling further behind the peer group of Councils (repeating the situation inherited by the Panel in 2013), and to reflect the evidence on pay trends over the next couple of years (paragraph 4.2.2 above), the Panel considers that an increase of 2% in these SRAs is warranted with effect from the Council's Annual General meeting in May 2018.

5.2.4 Other SRAs

Having reviewed all other SRAs, the Panel concluded that existing levels are appropriate given the responsibilities inherent in the remaining Chair roles and in the absence of representations that serious anomalies had arisen since the Panel's last review. To reflect the evidence on pay trends over the next couple of years (paragraph 4.2.2 above), the Panel considers that an increase of 1% in these SRAs is warranted with effect from the Council's Annual General meeting in May 2018.

5.2.5 Vice Chairs

The Council approved the Panel's recommendation that SRAs for Vice Chairs of Committees be removed and this was effected from the Annual General meeting 2015. During this review, the Panel received representations that SRAs for Vice Chairs should be reconsidered. The Panel considered the evidence available to it and whilst it recognised that Vice Chairs can and do make an effective contribution to Committees, provide assistance to the Chair and gain useful 'development' experience in the role, it was not satisfied that these roles met the criteria for SRAs. The Panel's consideration was not helped by the absence of specific role profiles for Vice Chairs. The Panel concluded that SRAs for Vice Chairs are not justified at this time.

5.3 Recommendations

5.3.1 The Panel recommends that the changes in SRAs set out in the table below should be effective from the Council's Annual General meeting in May 2018.

| Allowance | Amount per annum |
|--|----------------------------|
| Chairman of the County Council | Up to £5,269 (+1%) |
| Vice-Chairman of the County Council | Up to £1,994 (+1%) |
| Leader of the Council | Up to £25,500 (+2%) |
| Deputy Leader of the Council | Up to £14,280 (+2%) |
| Cabinet Members | Up to £10,200 (+2%) |
| Chair of Scrutiny Management Board | Up to £10,200 (+2%) |
| Chairs of Overview and Scrutiny Advisory Boards (3) | Up to £7,018 (+1%) |
| Chair of Health Scrutiny Committee | Up to £7,018 (+1%) |
| Chairs of Local Committees (6) | Up to £7,018 (+1%) |
| Chair of Audit and Assurance Committee | Up to £7,018 (+1%) |

| | |
|---|----------------------------|
| Chair of Development Control and Regulation Committee | Up to £7,018 (+1%) |
| Chair of Pensions Committee | Up to £7,018 (+1%) |
| Leader of the Largest Qualifying Opposition Group | Up to £12,288 (+1%) |
| Leader of the Second Largest Qualifying Opposition Group | Up to £5,269 (+1%) |

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

5.3.3 **The Panel strongly recommends that the outstanding profiles for roles in receipt of SRAs should be completed in time for the appointment of the new Independent Remuneration Panel.**

6. DEPENDENTS' CARERS' ALLOWANCES

6.1 Current Arrangements

The current arrangements are as set out in the Panel's 2014/15 report and updated in its 2016/17 Report. The relevant National Living Wage rate is currently £7.50 per hour.

6.2 Review

The Panel's review of these allowances concludes that current arrangements are adequate and should continue unchanged.

6.3 Recommendation

The Panel recommends that the allowance should continue at the level of the National Living Wage (currently £7.50 per hour), with an annual maximum on claims of £1,500.

7. TRAVEL AND SUBSISTENCE ALLOWANCES

7.1 Current Arrangements

The Council continues to use the HMRC mileage rates. Subsistence rates have also been in place for some time.

7.2 Review

The Panel's review of these arrangement concluded that they are working effectively and do not require amendment.

7.3 Recommendation

The Panel recommends that no change be made to either mileage or subsistence rates.

8. CO-OPTEE ALLOWANCES

8.1 Current Arrangements

The current arrangements are as set out in the Panel's 2015-16 Report.

8.2 Review

The Panel received no representations about the allowance paid to the Chair of the Workington Harbour Board which was increased by 1% following the Panel's 2015-16 Report. In line with the Panel's recommendation that a 1% increase should be applied to the Basic Allowance for councillors and a number of SRAs from May 2018, the Panel proposes that this allowance should be increased by 1% in 2018/19.

8.3 Recommendation

The Panel recommends a 1% increase in the current level of allowance for the Chair of Workington Harbour Board - £6,955 per annum from May 2018.

9. REVIEW OF ALLOWANCE LEVELS

9.1 Current Arrangements

The Regulations permit the Panel to recommend that allowances be adjusted annually in accordance with an index. If the Panel recommends an index, it may not run for more than four years before a further recommendation on it is sought from the Panel.

There is no index currently in place for the County Council Scheme; the last index recommended by a previous Panel expired in March 2012.

9.2 Review

9.2.1 The Panel did not recommend indexation in its previous reports preferring instead to review the allowance scheme on an annual basis. The approach was driven by the continuing uncertainty in Council finances and the need for it to reach optimum size and stability. In addition, the Panel did not wish to constrain a new Independent Remuneration Panel.

9.2.2 The Panel has again considered indexation in this review. It concluded that an index to run for four years after the recommendations in this review take effect (assuming Council approval) would not be appropriate as the Council is still in transition to its optimum state and such indexation would effectively mean that the scheme of allowances would not be fully reviewed for up to 5 years. Whilst an index would avoid the need for the Council to consider its scheme of allowances on an annual basis, it would also inhibit opportunities to address any anomalies that arise in allowances. The Panel's view is that regular reviews of the scheme of allowances ensures that it is 'fit for purpose' and in tune with Council priorities.

9.2.3 Whilst an index for up to four years is not considered appropriate, the Panel recommends an index for one year – 2019/2020 – only, on the basis that the current review and recommendations provide for an appropriate scheme of allowances until May 2019. The Panel considers that the appropriate index is the National Joint Council for Local Government Services annual pay agreement for local government employees.

9.3 Recommendation

The Panel recommends an index for one year 2019/2020 only. The index is the National Joint Council for Local Government Services annual pay award for local government employees for that year.

10. COSTS OF RECOMMENDATIONS

10.1 In a full year the Scheme of Members' Allowances now recommended would cost £955,340 representing 0.25% of the Council's 2017/18 net service expenditure of £375.168m approved by Council in February 2017.

11. AVAILABILITY OF REPORT

11.1 The 2003 regulations place certain statutory duties on local authorities in connection with publicising the recommendations made by their independent remuneration panel, their scheme of allowances and actual allowances paid in any given year.

11.2 The Regulations relating to publicity are shown in Appendix 4. The Panel, despite requests to the Council, has not been able to verify that the appropriate notice has been published in respect of the Panel recommendations or scheme of allowances for any of the reports submitted in 2014, 2015 or 2016. However, the Panel notes that the actual allowances paid to members are shown on the Council's website. Further, the Panel noted that:

- (a) The Independent Panel report shown on the Council website is that of 2014 rather than the latest (2016);
- (b) Trying to find reference to the IRP on the website is not easy (searching for Independent Remuneration Panel or IRP brings up the response "0 hits"). In the interests of openness and transparency, the Panel's view is that the website needs to be redesigned so that searching for Independent Remuneration Panel or IRP would take the enquirer straight to the relevant section;
- (c) The Regulations specify that local authorities are obliged to make available, on request, printed copies of IRP reports.

11.3 Recommendation

The Council should comply fully with the statutory requirements and in addition should publish an appropriate notice in each of the newspapers serving Cumbria in the interests of openness and transparency.

12. **ACKNOWLEDGEMENTS**

- 12.1 The Panel wishes to thank Lynn Harker, Senior Democratic Services Officer for her support during this review.

Members' Allowances Scheme

1 Introduction

- 1.1 The Cumbria County Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003, hereby makes the following Scheme:

2 Members' Allowances Scheme

- 2.1. This Scheme may be cited as the Cumbria County Council Members' Allowances Scheme ('the Scheme'), and shall have effect from 1 April 2017.

- 2.2. In this Scheme:

"Member" means a member of the Cumbria County Council who is a councillor;

"year" means the 12 months ending with 31 March;

"Regulations" means the Local Authorities (Members' Allowances) (England) Regulations 2003.

Basic Allowance

- 2.3 Subject to paragraphs 2.15–2.16 for each year a Basic Allowance of the amount specified in Part 1 of Schedule 1 to this Scheme shall be paid to each member.

Special Responsibility Allowance

- 2.4 For each year a Special Responsibility Allowance shall be paid to those members who hold the special responsibilities that are specified in Part 2 of Schedule 1 to this Scheme.
- 2.5 Subject to paragraphs 2.15–2.16 the amount of such allowance shall be the amount specified against that special responsibility in that Schedule.
- 2.6 No member shall receive more than one Special Responsibility Allowance. Where a member would qualify for more than one Special Responsibility Allowance then, subject to paragraphs, the member shall be paid the higher Special Responsibility Allowance.
- 2.7 Special Responsibility Allowances shall continue to be paid from the date of the four-yearly elections to the date of the annual meeting of the Council, unless the member concerned ceases to be a councillor.

Renunciation

- 2.8 A member may, by notice in writing given to the Assistant Director – Corporate Governance elect to forego any part of their entitlement to an allowance under this Scheme.

Part-year Entitlements

- 2.9 The provisions of this paragraph shall have effect to regulate the entitlements of a member to Basic and Special Responsibility Allowances where, in the course of a year, this Scheme is amended or that member becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a Special Responsibility Allowance is payable.
- 2.10 If an amendment to this Scheme changes the amount to which a member is entitled by way of a Basic Allowance or a Special Responsibility Allowance, then in relation to each of the periods:
- (a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
 - (b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year,

the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this Scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.

- 2.11 Where the term of office of a member begins or ends otherwise than at the beginning or end of a year, the entitlement of that member to a Basic Allowance shall be to the payment of such part of the Basic Allowance as bears to the whole the same proportion as the number of days during which their term of office subsists bears to the number of days in that year.
- 2.12 Where this Scheme is amended as mentioned in paragraph 2.9, and the term of office of a member does not subsist throughout the period mentioned in paragraph 2.9 (a), the entitlement of any such member to a Basic Allowance shall be to the payment of such part of the Basic Allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which their term of office as a member subsists bears to the number of days in that period.
- 2.13 Where a member has, during part of, but not throughout, a year, such special responsibilities as entitle him or her to a Special Responsibility Allowance, that member's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- 2.14 Where this Scheme is amended as mentioned in paragraph 2.9, and a member has during part, but does not have throughout the whole, of any period mentioned in paragraph 2.9 (a) of that paragraph any such special responsibilities as entitle him or her to a Special Responsibility Allowance, that member's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in

accordance with paragraph 2.9 (a) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

Payments and Withholding of Payments

- 2.15 Payments shall be made on the last working day of each month, on the basis of 1/12 of Basic Allowance and, as applicable, of Special Responsibility Allowance.
- 2.16 Where a payment of 1/12 of the amount specified in this Scheme in respect of a Basic Allowance or a Special Responsibility Allowance would result in the member receiving more than the amount to which, by virtue of paragraphs 2.8 - 2.13, he or she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.

Payment of Pensions

- 2.17 No provision is made under this Scheme for the payment of a pension to any member.

Allowances to Co-optees

- 2.18 With the exception of the position of Chair of the Workington Harbour Board, no provision is made under this Scheme for the payment of an annual allowance to any co-opted or appointed member who serves on any committee or sub-committee of the County Council. Such co-opted or appointed members shall, however, be entitled to claim travel expenses in connection with their attendance at officially convened meetings of any committee or sub-committee to which they have been appointed on the same basis as members under this Scheme. For the avoidance of doubt, "committee or sub-committee" shall include service on a Panel, Forum, Group or Appeals Panel or similar body.

Dependents' Carers' Allowance

- 2.19 A member shall be entitled to claim an allowance ("dependents' carers' allowance") in respect of such expenses of arranging for the care of their children or dependents as are necessarily incurred in the performance of any of the approved duties set out in Schedule 2.
- 2.20 Dependent relatives shall include children aged 14 or under, elderly people or people with disabilities where there is medical or social work evidence that care is required. The amounts which may be claimed must reflect the sum incurred in employing an independent carer to enable a member to carry out the duties specified above and shall be subject to a maximum of £6.25 per hour and a limit of £1,250 per annum. A payment shall not be made if a member already receives a carers' allowance.
- 2.21 All claims shall be accompanied by evidence that the amount claimed has been incurred in employing a carer. A carer may be any responsible adult who does not normally live with the member as part of that member's family.

Travel Allowances

- 2.22 Travel allowances are payable to all members who necessarily incur expenditure in the performance of an approved duty. The mileage rates are the prevailing HM Revenue and Customs limits for tax allowance purposes. Currently these are as follows:

| Type of Vehicle | First 10,000 miles | Above 10,000 miles |
|-----------------|--------------------|--------------------|
| Cars and vans | 45p per mile | 25p per mile |
| Motorcycles | 24p per mile | 24p per mile |
| Cycles | 20p per mile | 20p per mile |

- 2.23 The above rates may be increased by a sum of 5.0p per mile for each official passenger up to a maximum of four passengers, to whom a travelling allowance would otherwise be payable.

Subsistence Allowances

- 2.24 Members shall be entitled to claim the following subsistence allowances for any duty approved by the County Council as set out in Schedule 2.

(a) Day Allowance

| | |
|--|------------|
| Absence from the usual place of residence, but not involving absence overnight | 1p per day |
|--|------------|

(b) Overnight Allowance

For absence overnight from the usual place of residence for a continuous period of 24 hours the maximum sums which may be claimed for accommodation and the cost of meals on production of receipts for payment are as follows. Members may not claim the cost of alcoholic drinks.

| | |
|-----------|------|
| London | £140 |
| Otherwise | £120 |

- 2.25 Where members attend a national or regional conference for which there is a nominated delegate hotel(s), members may claim the actual cost of stay at the hotel on production of a receipt for payment. Where they are not included in the overall cost members may also claim for meals (excluding alcoholic drinks) taken on production of receipts for payment up to a maximum amount of £30 for breakfast, lunch and dinner. Where members do not stay in the nominated delegate hotel the maximum amounts payable will be those set out under paragraph 2.23 (b) above.
- 2.26 Where members make their own arrangements for overnight accommodation and meals and are unable to produce receipts an allowance of one-half of the amounts set out under paragraph 2.24 (b) shall be payable.

- 2.27 The actual cost of main meals taken on a train (i.e. breakfast, lunch or dinner) while travelling to or from an approved duty **outside the County** of Cumbria will be reimbursed on production of a receipt within the limits specified below. Such allowances will not be paid, however, where refreshments are included in the cost of a rail ticket.
- (a) £6.10 for breakfast for an absence of more than 4 hours before 11.00 am.
 - (b) £8.20 for lunch for an absence of more than 4 hours before 12 Noon and after 2.00 pm.
 - (c) £10.20 for dinner for an absence of more than 4 hours ending after 7.00 pm.

Submission of Claims

- 2.28 Claims under this scheme for the payment of travel and subsistence and carers' allowances shall be submitted electronically on a monthly basis on a form prescribed for the purpose to the Assistant Director – Corporate Governance by the fourteenth day of the following month.

Membership of Other Local Authorities

- 2.29 Where a member is also a member of another local authority, that member may not receive allowances from more than one local authority in respect of the same duties.

Approved Duties

- 2.30 The schedule of approved County Council duties can be found at Schedule 2 of this Scheme. Members of the County Council may claim a Travel and Subsistence Allowance and/or Dependents Carers' Allowances only in relation to these duties.

Schedule 1: Remuneration Allowances

Part 1

Basic Allowance

An amount of £8,322 for each year to each County Council member from 1 April 2017.

Part 2

Special Responsibility Allowances

The following are specified as special responsibilities in respect of which special responsibility allowances in the amounts set against them are payable to the County Council members holding those responsibilities:

| POSITION | 1 APRIL 2017 TO 7 MAY 2017 | ALLOWANCE WITH EFFECT FROM 8 MAY 2017 |
|---|---|--|
| Chairman of the County Council | £5,217 | £5,217 |
| Vice-Chairman of the County Council | £1,974 | £1,974 |
| Leader of the Council | £23,166 | £25,000 |
| Deputy Leader of the Council | £12,743 | £14,000 |
| Cabinet Members | £8,686 | £10,000 |
| Chair of Scrutiny Management Board | £8,686 | £10,000 |
| Chairs of Overview and Scrutiny Advisory Boards (3) | £6,949 | £6,949 |
| Chair of Cumbria Health Scrutiny Committee | £6,949 | £6,949 |
| Chairs of Local Committees (6) | £6,949 | £6,949 |
| Chair of Audit and Assurance Committee | £6,949 | £6,949 |
| Chair of Development Control and Regulation Committee | £6,949 | £6,949 |

| POSITION | CURRENT ALLOWANCE | ALLOWANCE WITH EFFECT FROM 8 MAY 2017 |
|---|-------------------|---------------------------------------|
| Chair of Staffing Committee | £1,974 | £1,974** |
| Chair of Cumbria Pensions Committee | £2,319 | £6,949 |
| Chair of Corporate Parenting Board | £1,974 | £1,974** |
| Chair of Workington Harbour Board | £6,886 | £6,886 |
| Leader of the Largest Qualifying Opposition Group* | £12,166 | £12,166 |
| Leader of Second Largest Qualifying Opposition Group* | £5,217 | £5,217 |

* ***A qualifying opposition group is one with a minimum of 8 members, i.e. 10% of the total number of members on the Council.***

** ***The Allowance for the Chairs of the Staffing Committee and Corporate Parenting Board are discontinued from 18 May 2017.***

Schedule 2: Approved County Council Duties

APPROVED DUTIES FOR THE PURPOSES OF THE PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCES

1. Attendance by members at meetings of:
 - the County Council;
 - Cabinet, Cabinet Sub-Committees, Working Groups and Panels; and
 - Committees, Sub-Committees, Forums and Panels of the County Council, and Working Groups, Working Parties, Liaison and Advisory Committees established by the Council, a committee, sub-committee or panel of which the member is a member or is entitled to attend under the Articles of the Council's Constitution and its rules of procedure.Including meetings authorised by any of the above for the purpose of:
 - inspecting sites or establishments in connection with the discharge of its functions, provided that, except for the Council and a main committee, a decision to visit a site or establishment outside the County shall be notified in advance to the Leader of the Council; and
 - formal or informal presentations or submissions about matters related to the functions and work of the Council.
2. Attendance at meetings of Joint Committees of the Council with one or more other authorities, and Joint Consultative Committees with Health Authorities.
3. Attendance at meetings of the Adoption Panel, and County Council Education Appeals Committees, and at meetings of Education Appeals Committees constituted by Voluntary Aided or Special Agreement Schools, by members who are on the Council's panel list for that purpose.
4. Attendance at meetings of:
 - Governing Bodies of Universities and Colleges (or their successors);
 - National and Provincial Negotiating bodies;
 - Regional Arts and Sports Associations; and
 - Committees or sub-committees of such bodies.
5. Attendance at meetings between representatives of the County Council and representatives of other local authorities, Government Departments and other bodies/organisations or distinguished visitors, where the holding of, or attendance at, such meetings has been authorised by the Council or by a committee, sub-committee, forum or panel or, in cases of urgency, by the Assistant Director - Corporate Governance after consultation with the Leader of the Council.

6. Attendance at public meetings concerning a County Council service, where the holding of such meetings has been authorised by the Council or by the committee, sub-committee, forum or panel responsible for that service or, in cases of urgency, by the Assistant Director - Corporate Governance.
7. Attendance:
 - (a) in pursuance of any standing order requiring a member or members to be present while tender documents are opened;
 - (b) in connection with the discharge of any function of the County Council confirmed by or under any enactment and empowering or requiring the County Council to inspect or authorise the inspection of premises; and
 - (c) in connection with arrangements made by the Council for the attendance of pupils at a school approved for the purposes of section 342 (Special Schools) of the Education Act 1996.
8. A member visiting:
 - a Corporate Director or their authorised representative on matters concerning the work of the County Council;
 - a project, site or establishment relating to the service of the County Council with a corporate director or their authorised representative.
9. Official duties undertaken by the Chairman and the Vice-Chairman of the Council or their substitutes; and official duties undertaken by the Chair and Vice-Chair of a committee, sub-committee, forum or panel, or their substitute, or by a member in receipt of a special responsibility allowance, provided the performance of the duty has the prior agreement of the Chairman of the Council.
10. Rota visits to County Council establishments authorised by a committee, sub-committee or panel insofar as not covered by paragraph 7(b) above.
11. Meetings of political groups, subject to:
 - the meetings being concerned with the discharge of the functions of the County Council;
 - the Group ensuring that members sign an attendance record and forwarding it to the Assistant Director - Corporate Governance together with the starting and finishing times of the meeting; and
 - the Group retaining a copy of the minutes of the meetings for production to the Council's external auditor if required.
12. Visits by official Council delegations to the Council's 'twin authority' Rheinisch-Bergischer Kreis, Germany.
13. Attendance at conferences and meetings to which section 175 of the Local Government Act 1972 applies, where such attendance has been approved in advance by:
 - the committee etc. concerned; or
 - in cases of urgency, by the Assistant Director - Corporate Governance.

14. Attendance at training events for members arranged or authorised by a committee or sub-committee, or arranged through the auspices of the Member Development Group or, in cases of urgency, approved by the Assistant Director - Corporate Governance.
15. Attendance by members at a 'hospitality' function, exhibition, open day at County Council premises or similar events authorised in advance as an approved duty for these purposes by the Council, a committee, sub-committee, forum or panel or, in cases of urgency, by the Assistant Director - Corporate Governance.
16. Attendance by up to four members appointed by the Corporate Director – Economy and Environment and the appropriate local member(s) if not amongst the appointees to represent the Council at official road opening ceremonies, public launches, and other similar events associated with highways and transportation.
17. Attendance at meetings of Town Councils, Parish Councils and Parish meetings within a member's electoral division.
18. Attendance as the Council's appointee/nominee at meetings of a variety of outside bodies as agreed by Council, Cabinet and Local Committees. In the event of any query contact the Democratic Services Manager:

For the avoidance of doubt:

- (a) Performance of the above duties includes, where appropriate, performance by member representatives substituting for the appointed member representatives, and
- (b) Attendance at such meetings includes meetings of committees, sub-committees or working parties of such bodies.

Appendix 2

Summary of Comparative Information

| Comparison of Peer Group Local Authorities 2017 | | | | | |
|---|------------------------|-------------------|--------------------------|--------------------|--------------------|
| Local Authority | Basic Allowance | Leader SRA | Deputy Leader SRA | Cabinet SRA | No of Cllrs |
| | £ | £ | £ | £ | |
| Cornwall | 13,910 | 25,734 | 19,300 | 18,014 | 123 |
| Nottinghamshire | 13,190 | 32,608 | 22,822 | 21,739 | 67 |
| Derbyshire | 10,371 | 34,369 | 27,414 | 20,599 | 64 |
| Devon | 10,970 | 25,000 | 20,000 | 16,455 | 62 |
| Lancashire | 10,466 | 29,886 | 20,920 | 16,437 | 84 |
| Lincolnshire | 10,425 | 33,031 | 21,677 | 18,580 | 77 |
| Shropshire | 11,514 | 23,028 | 14,393 | 11,514 | 74 |
| Staffordshire | 9,313 | 36,128 | 27,096 | 18,064 | 62 |
| North Yorkshire | 9,221 | 25,328 | 15,830 | 14,242 | 72 |
| Norfolk | 9,216 | 27,495 | 17,872 | 13,747 | 84 |
| Cumbria | 8,322 | 25,000 | 14,000 | 10,000 | 84 |
| North Lincolnshire | 6,874 | 16,779 | 11,127 | 10,162 | 43 |
| Average | 10,316 | 27,865 | 19,371 | 15,796 | 75 |
| Source: Peer Group Local Authority Constitutions, as available at 8 September 2017 | | | | | |

Source: Public Information as at June 2017

Appendix 3

The Panel held discussions with the following:

Stewart Young – Leader of the Council/Leader of the Labour Group

Ian Stewart – Deputy Leader of the Council/Leader of the Liberal Democrat Group

James Airey – Leader of the Conservative Group

Katherine Fairclough – Chief Executive

and Councillors L Fisher, A McGuckin, E Weir and R Worth.

Publicity

The 2003 Regulations place certain duties on local authorities in connection with publicising the recommendations made by their independent remuneration panel, their scheme of allowances and the actual allowances paid to members in any given year.

The Regulations require that as soon as reasonably practicable after receiving a report from their panel which sets out the panel's recommendations, local authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after they receive the report publish a notice in at least one newspaper circulating in their area which:

- states that the authority have received recommendations from an independent panel about their scheme of allowances;
- states that copies of the report detailing the panel's recommendations are available for inspection at their principal office at all reasonable hours;
- states the address of their principal office;
- describes the main features of the panel's recommendations including the amounts of allowances the panel has recommended should be payable to elected members.

The 2003 Regulations also require that members of the public may take copies of the panel's report on payment of such reasonable fee as the local authority may determine.

In respect of a local authority's scheme of allowances the regulations require that as soon as reasonably practicable after determining a scheme of allowances, local authorities must ensure that copies of the scheme are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after determining the scheme publish a notice in at least one newspaper circulating in their area which are:

- states that the authority has adopted a scheme of allowances and the period for which that scheme has effect;
- states that copies of the scheme are available for inspection at their principal office at all reasonable hours;
- states the address of their principal office
- describes the main features of the scheme including the amounts of allowances payable to elected members under the scheme;
- states that in determining the scheme the authority had regard to the recommendations of an independent remuneration panel
- describes the main features of the panel's recommendations including the amounts of allowances the panel has recommended should be payable to their elected members;
- describes any responsibilities or duties in the scheme which would merit the payment of special responsibility allowance and travelling and subsistence allowance.

Local authorities must ensure that such a notice is published every 12 months even if the scheme has not been amended since the last notice.

The 2003 Regulations also require that members of the public may take copies of the scheme on payment of such reasonable fee as the local authority may determine.

The final publicity requirement in the regulations is that as soon as reasonably practicable after the end of a year to which a scheme relates, local authorities must make arrangements for the publication in their area of the total sum paid by it to each member in respect of basic, special responsibility, travelling and subsistence, co-optees' and dependants' carers' allowances.

All these publicity requirements are statutory minimum requirements. Local authorities should publicise more widely the report from their panel, their scheme of allowances and the sums paid to each member. This should include, where possible, publishing this information on their web site and in the council's own newspaper (where they have one). Local authorities may also wish to consider including in their notice some detail about the responsibilities of elected members and the duties and time commitment which the basic allowance is intended to remunerate.

Background Bibliography

1. Many of the issues addressed by the Panel are referred to in “Councillors 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: “Councillors 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
2. 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 Councillors 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>
3. Cumbria Intelligence Observatory, CACI: Paycheck: Household Income: Cumbria & Districts: 2016.
<http://www.cumbriaobservatory.org.uk/elibrary/Content/Internet/536/675/4356/41094151055.pdf>
4. CIPD Labour Market Outlook Spring 2017.
https://www.cipd.co.uk/Images/labour-market-outlook_2017-spring_tcm18-22353.pdf