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**Meeting:** Executive  
**Date:** 12 January 2010  
**Subject:** Members' Allowances Scheme 2010/11  
**Report of:** Cllr Maurice Jones , Portfolio Holder for Corporate Resources  
**Summary:** This report sets out the recommendations of the Independent Remuneration Panel, which held a final meeting on 21 December 2009.

Advising Officer: Clive Heaphy, Director of Corporate Resources  
Contact Officer: Stephen Cooke, Electoral/Members' Services Manager  
Public/Exempt: Public  
Wards Affected: All  
Function of: Council  
Key Decision: Yes  
Reason for urgency/  
exemption from call-in  
(if appropriate): Not applicable

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The provision of a fair scheme of Members' Allowances is essential to the democratic process in ensuring an equal opportunity to all to become a Councillor.

### **Financial:**

The financial implications arising from the recommendations of the Independent Remuneration Panel produce a saving of £39,560 in the overall cost of the Members Allowances Scheme for the year commencing 1 April 2010 as a result of recommended changes to Special Responsibility Allowances. Further details of the cost of the Scheme are set out in section 4 of this report.

### **Legal:**

The Local Authorities (Members Allowances) (England) Regulations 2003

### **Risk Management:**

None

### **Staffing (including Trades Unions):**

None

**Equalities/Human Rights:**

The Scheme of Members' Allowances includes allowances for Dependants' Carers' to provide equality for any Member with caring responsibilities.

**Community Safety:**

None.

**Sustainability:**

None

**Summary of Overview and Scrutiny Comments:**

- Not applicable

**RECOMMENDATION(S):**

**That the Executive consider the financial implications of the recommendations of the Independent Remuneration Panel in relation to the Scheme of Members' Allowances for the year commencing 1 April 2010.**

|                                      |   |
|--------------------------------------|---|
| <i>Reason for Recommendation(s):</i> | <i>To enable the Executive to address the financial implications of the recommendations of the Independent Remuneration Panel to the Council in relation to the Scheme of Members' Allowances for the year commencing 1 April 2010.</i> |
|--------------------------------------|---|

**Executive Summary**

Whilst the adoption of a Scheme of Members' Allowances is a matter reserved to the Council, the Executive are requested to consider the financial implications of the recommendations made by the Independent Remuneration Panel.

1. As mentioned in the previous report to this meeting of the Executive, the Independent Remuneration Panel held a final meeting on 21 December to complete consideration and make recommendations as to the Scheme of Members' Allowances for the year commencing 1 April 2010.
2. Section 3 of this report provides a summary of the recommendations of the Panel and section 4 provides details of the financial implications for all allowances. A copy of the full report of the Panel, giving reasons for the various recommendations is attached as Appendix A. Details of the allowances for the current financial year and those recommended for the year commencing 1 April 2010 is attached in tabular form as Appendix B.

### 3. **Summary of the Recommendations of the Independent Remuneration Panel**

#### 3.1 Basic Allowance

That the Basic Allowance of £11,220 paid to all Members of the Council remain unchanged for 2010/11.

#### 3.2 Special Responsibility Allowances (SRA)

##### 3.2.1 Leader's SRA

That the Leader's SRA be reduced from 300% of the basic allowance to 275% of basic allowance for 2010/11.

##### 3.2.2 Assistant Portfolio Holders

That the SRA paid to Assistant Portfolio Holders be increased from 7.5% to 15% of the Leader's SRA (this equates to 25% of the SRA paid to Portfolio Holders)

##### 3.2.3 Audit Committee Chairman

That the SRA for the Audit Committee Chairman be reduced from 32.5% to 20% of the Leader's SRA for 2010/11.

##### 3.2.4 Vice-Chairman SRAs

That SRAs for all Vice-Chairman posts be abolished from 2010/11 onwards.

##### 3.2.5 Other SRAs

That no changes be made to the percentage link to the Leader's SRA for the following posts in 2010/11:

- Deputy Leader (15%)
- Portfolio Holder (60%)
- Development Management Committee Chairman (40%)
- Overview and Scrutiny Committee Chairmen (32.5%)
- General Purpose Chairman (15%)
- Standards Committee Chairman (15%)
- Licensing Committee Chairman (7.5%)
- Regulation Committee Chairman (7.5%)
- Luton & South Beds Joint Committee Chairman (40%)
- Minority Group Leaders (7.5%)

#### 3.3 Travel and Subsistence Allowances

##### 3.3.1 That the travel and subsistence allowances schemes for newly appointed staff to Central Bedfordshire Council be applicable also to Members with effect from 1 April 2010.

3.3.2 That attendance at civic events, such as the annual civic reception, be not included on the list of approved duties for travel allowance purposes.

#### 3.4 Dependants' Carers' Scheme

That:-

(a) the hourly rate allowance for child care and non-specialist care be increased to £5.80 (the national minimum wage for workers aged 22).

(b) the hourly rate for specialist care be up to 3 times the national minimum wage.

#### 3.5 Co-opted Members' Allowance

That the existing method of payment per meeting be retained for the time being and that payment remain at £75 for a meeting or training event lasting up to 4 hours and £150 for a meeting or training event lasting more than 4 hours.

#### 3.6 Civic Allowances

That the allowances for the Chairman and Vice-Chairman of the Council remain at 100% of the basic allowance for the Chairman (£11,220) and 25% of the basic allowance for the Vice-Chairman (£2805).

### 4 Financial Implications

4.1 If adopted, the recommendations of the Independent Panel would produce a reduction in the cost of the Members' Allowances Scheme and associated Member costs of £33,512 compared with the 2009/2010 revised out-turn figure.

4.2 For the financial year 2010/2011, the overall cost of the Scheme of Members' Allowances, together with employer costs, Members' ICT Allowances and Civic Allowances are estimated to be £1,306,329. This includes the sum of £25,020 for Members' ICT allowances for which a budget had not initially been provided for 2009/2010. Details of the estimated costs are as shown below:-

|   |            |
|---|------------|
| Basic Allowances                            | £740,520   |
| Special Responsibility Allowances           | £305,464   |
| Travel and Subsistence Allowances           | £63,450    |
| Dependants' Carers' Scheme                  | £2,000     |
| Co-opted Members' Allowance                 | £6,400     |
| Employers National Insurance Contributions  | £75,000    |
| Employers Superannuation Contributions      | £74,450    |
| Civic Allowance, Chairman and Vice-Chairman | £14,025    |
| Members' ICT Allowances                     | £25,020    |
| Total                                       | £1,306,329 |

- 4.3 The original budget for 2009/2010, as noted by Shadow Council on 26 February 2009 when the Scheme of Members' Allowances for 2009/2010 was adopted, was £1,318,682. This included a figure of £75,000 to cover employer costs for those Members who opted to join the Local Government Superannuation Scheme. A breakdown of the original estimate, together with revised out-turn figures, are shown below:-

|   | Original Estimate<br>2009/2010 | Revised Out-turn<br>2009/2010 |
|---|--------------------------------|-------------------------------|
| Basic Allowance                             | £740,520                       | £740,520                      |
| Special Responsibility Allowances           | £328,887                       | £339,976                      |
| Travelling and Subsistence Allowances       | £33,000                        | £63,450                       |
| Dependants' Carers' Scheme                  | £2,000                         | £1,000                        |
| Co-opted Members' Allowance                 | £5,250                         | £6,400                        |
| Employers National Insurance Contributions  | £120,000                       | £75,000                       |
| Employers Superannuation Contributions      | £75,000                        | £74,450                       |
| Civic Allowance, Chairman and Vice-Chairman | £14,025                        | £14,025                       |
| Members' ICT Allowances                     |                                | £25,020                       |
|   | £1,318,682                     | £1,339,841                    |

- 4.4 The original estimate for special responsibility allowances for 2009/2010 was based on an Executive of Leader and 8 Portfolio Holders whereas the Leader of the Council appointed an additional Portfolio Holder.
- 4.5 The original estimate for Travelling and Subsistence Allowances is clearly inadequate, based upon the costs to the end of November.
- 4.6 The sum of £25,020 has been added to the revised out-turn figures for Members' ICT Allowances, as no provision for this was made in the original budget.
- 4.7 The estimate of £1,306,329 for 2010/2011, is less than the revised out-turn figure of £1,339,841 for 2009/2010 by £33,512.

## Appendices

**Appendix A – Report of the Independent Remuneration Panel**

**Appendix B – Table setting out the recommendations of the Independent Remuneration Panel**

**Background Papers:** (open to public inspection) None

**Location of papers:** Not applicable