

Item 8 - Members Allowances

Amendment from Cllr Count

To replace recommendation (a) with the following:

It is recommended that Full Council

- (a) Having considered the proposed scheme of allowances contained in appendix 1 to the report, rejects it and approves as an alternative, the scheme listed below to take effect from the 19th July 2017.**

Substitute Allowances Scheme proposal

Elected members of Cambridgeshire County Council may claim the following allowances as specified in this Scheme:

- Basic allowance;
 - Special responsibility allowances; and
 - Travel and subsistence allowances.
- Financial loss allowance is not available to Councillors.

- 1.1 The basic allowance and special responsibility allowances will be paid in equal monthly instalments and will be subject to tax and national insurance deductions where appropriate. The scheme to take effect from 19th July 2017 with no indexation and to last for a period of four years or until the next review whichever is soonest.

2. Basic Allowance

- 2.1 The basic allowance is £10,315.

3. Special Responsibility Allowances

- 3.1 No member may receive more than one special responsibility allowance. No allowances other than the basic allowance and special responsibility allowances are payable.

Role	Allowance
Group Positions	
Leader of the Council	£31,745
Deputy Leader of the Council	£20,627
Leader of the Main Opposition (12 Seats or more)	£10,234
Deputy Leader of the Main Opposition (12 Seats or more)	£1,790
Leader of Minor Opposition (Based on 4 seats to 13 any allowance proportionally based on 7 seats = 100%)	£3,825
Deputy Leader Minor Opposition (Based on 17.3% of their leadership)	£662
Service Committees	
Policy and Service Committee Chair	£18,372
Policy and Service Committee Vice Chair	£7,927
Area Community Champions	£5,000
Regulatory Committees	
Audit Committee Chair	£7,345
Pension Fund Board Chair	£7,345
Planning Committee Chair	£7,345
Other Roles	
Adoption/Fostering Panel Member	£3,750

- 3.2 Where a councillor in receipt of a special responsibility allowance fails to attend at least 50% of the meetings for which that allowance is paid in any six month period, that councillor shall be invited to repay an appropriate sum of the allowance received during that period.

4. Travel expenses

- 4.1 Travel by private vehicles will be reimbursed at the same rates as those used by officers.
- 4.2 Where a councillor's normal place of residence is outside of Cambridgeshire, travel to council offices within Cambridgeshire will be paid from the point of entry to the county and not from the councillor's home.
- 4.3 Parking fees and public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.
- 4.4 Travel allowances are not payable for journeys undertaken outside the County, other than for authorised attendance on behalf of the Council at those meetings under Section 10 (below) that are held outside the County. International travel shall require

approval in advance from the Chief Executive in consultation with the Council Leader.

4.5 Taxi fares will only be reimbursed on production of a valid receipt. Taxis should only be used where use of an alternative is not available or if the following conditions are applicable:

- There is a significant saving in official time;
- The councillor has to transport heavy luggage or equipment; and/or
- Where councillors are travelling together and it is therefore a cheaper option.

4.6 Travel expenses will be reimbursed for any journey undertaken where the councillor was undertaking approved duties (see Section 10 below). Travel expenses will only be reimbursed if claimed within two months.

5. Subsistence expenses

5.1 Overnight hotel accommodation must be booked through Democratic Services who will ensure that accommodation is booked at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the County Council's interest and formal approval has been given in advance by the Democratic Services Manager. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.

5.2 The cost of meals purchased while undertaking Council business cannot be claimed for, except where the member is attending an event such as a conference and meals are not provided, or where the member is required to stay overnight.

5.3 The Democratic Services Manager shall be authorised to allow claims to cover the actual cost of the meals up to a reasonable maximum (£10 for lunch, £15 for an evening meal) and upon production of a receipt.

6. Dependents' and carers' expenses

6.1 Councillors with care responsibilities in respect of dependent children under 16 or dependent adults certified by a doctor or social worker as needing attendance will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the member's home, a maximum hourly rate equivalent to the National Living Wage (currently £9.45/hour) will be payable.

6.2 Dependents' and carers' expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 9 below).

7. Stationery

- 7.1 No claims can be made for the cost of printer cartridges, paper, envelopes, stamps, pens, or other stationery. Nor are these to be provided free of charge by the Council.

8. Co-opted Members – Financial Loss Allowance

- 8.1 A financial loss allowance may only be paid to non-elected members of committees or sub-committees. Co-opted members serving on committees shall be eligible to claim a £50.00 flat fee per half day attended in addition to travel and subsistence allowances.
- 8.2 The fee shall also be paid for attendance at appropriate training events and seminars. Where an event is scheduled to last for more than a whole day, there shall be some discretion for making a higher payment than the usual rate, where this is considered

reasonable. The Democratic Services Manager shall be authorised to exercise such discretion.

9. Approved duties

9.1 Subject to the provisions listed above, travel, subsistence and dependents' and carers' expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings of Full Council and any committees, working groups or other bodies of the Council;
- b) Attendance at other meetings clearly related to their role as a Councillor.
- c) Attendance at Council premises for the purposes of taking part in formal briefings, training sessions or attending pre-arranged meetings with senior officers to discuss the business of the Council.
- d) Representing the Council at external meetings, including Parish and Town Councils and those of voluntary organisations where the member is there on behalf of the Council;
- e) Attendance at events organised by the Council and/or where invitations have been issued by officers or councillors (including Chairman's events and other corporate events);
- f) Attendance at meetings/events where the Member is an official Council representative or requested by the Leader or the relevant Policy and Service Committee Chair; and
- g) In respect of dependents' and carers' expenses only, undertaking general councillor responsibilities including surgeries.

Expenses incurred as a result of attendance at political group meetings or other party political events may not be claimed for.

10. Renunciation of Allowances and Part Year Entitlements

10.1 A Councillor may elect to forego any part of their entitlement to an allowance under this scheme by providing written notice to the Monitoring Officer.

10.2 If an amendment to this Scheme is made which affects payment of an allowance in the year in which the amendment is made, 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 the allowance will be to the payment of such part of the allowance 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.

- 10.3 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance or special responsibility 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 his term of office subsists bears to the number of days in that year.
- 10.4 Where this Scheme is amended as mentioned in 11.2 and the term of a Councillor does not subsist throughout a period mentioned in 11.2, the entitlement of any such Councillor to a basic allowance or special responsibility 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 his or her term of office as a Councillor subsists in that period bears to the number of days in that period.
- 10.5 The Council has the power to withhold payment of all allowances if a member (or co-opted member) ceases to be a member (or co-opted member) or ceases to be entitled to receive an allowance for a period. The authority may require that such part of the allowance as related to any such period be repaid to the Authority.

11. Taxation

- 11.1 Allowances are liable for Income Tax and National Insurance contributions.
- 11.2 Subsistence allowances for meetings or events held on the Shire Hall site are classed as emoluments for Income Tax and National Insurance contributions. This includes either sums claimed or meals provided by the Authority. Meals provided or claimed for meetings in locations other than Shire Hall are not taxable.
- 11.3 The Council will record all meals provided at Shire Hall, and will remit the tax due to the Inland Revenue at the end of the year. Members are asked to note meals taken on the Shire Hall site on their claim forms. No direct taxation will be charged to individual members for those meals taken at Shire Hall. Members are encouraged to take advantage of the meals provided at Shire Hall whenever possible.
- 11.4 Members can claim some deductible expenses against tax for costs incurred in acting as a member for which no reimbursement is received from the Authority:
- Travel by car - where a member uses his or her own car for the performance of duties, but does not receive a mileage allowance, e.g. for a non-approved duty, the Tax Office may grant a deduction on the costs incurred based on 50% of the

Council's approved rate. Members would need to keep records of their mileage on non-approved duties in order to claim this deduction on their tax return.

- Travel by public transport - where a member incurs additional costs for which no allowance can be obtained from the Authority, these costs can be claimed as a deductible expense.
- Where regular payments are made to an assistant to provide secretarial support to a member for any support services which are not provided by the Authority.
- Where money is spent on the hire of rooms for surgeries or public meetings providing they are not for party political purposes.
- Where additional household expenses are incurred (light, fuel etc.) relating to those parts of members' homes that are used for duties as members, Inland Revenue will accept a standard deduction of £120 per year to cover these costs.

11.5 Any items claimed should be itemised on the tax return - Inland Revenue may require evidence and details of the expenditure incurred. Refunds for non-claiming tax allowances can be made for up to the previous six years.

This council notes the following rationale:

We are grateful to the Independent Remuneration Panel which has looked into the issue of Members Allowances and put forward its proposal to Full Council. The Panel picked up a considerable challenge in a short period of time. We asked it to look at the issue quickly following the May 4 elections where our number reduced from 69 Members to 61, and bearing in mind the additional responsibilities faced by Members as part of a Combined Authority and through our representation in the Greater Cambridgeshire Partnership (City Deal).

The Panel was asked to take on board a lot of information very quickly, including statutory provisions and guidance and has put forward its view based on what it has read and heard, and we thank the Panel members for that. We recognise that this task was a major undertaking.

This Council believes that for a number of reasons this has led to a proposed scheme of allowances that is fundamentally flawed and therefore cannot command its support. As part of any recommendations moving forward we recognise that lessons must be learned in order to bring about more evidence based schemes that are statutorily compliant and coherent to the world of Local Government.

The relevant statutory provisions and guidance provide that before the County Council makes its scheme of allowances for Members it must have regard to the recommendations from the Council's Independent Remuneration Panel but it isn't bound to accept those recommendations and is empowered to approve an alternative scheme.

In our analysis the Panel's recommendations contain a number of serious flaws and accordingly this Council believes an alternative scheme, as set out above, based on the following rationale should be adopted:

A) Basic Allowance

The Panel acknowledges that Cambridgeshire County Councillors receive allowances that are far below the UK average, with the basic allowance being the lowest in the Country. The Panel recommends, *"That the basic allowance be increased by £250 per year for the next four years in order to bring it to a level that will encourage more citizens from a wide range of backgrounds to stand for election, and further in line with the allowance paid in other comparable authorities"*;

1) Government guidance on basic allowance states *"10. Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes."*

The Panel is required to have regard to the above guidance and to evidence its case. Starkly, the Panel's recommendations include no reference to any published research material on time spent being a councillor or indeed that question having been put in interviews with respondents. There is no supporting evidence therefore in the Panel's submission that recognises whether the above was in its thinking.

In fact, quite the opposite is the case. Instead of basing its recommendation for the level of basic allowance firmly on evidence of time spent by councillors (thereby in line with

the guidance), the Panel has decided to follow a path from an initial arbitrary amount to a different arbitrary amount at the end of the four year term. There is no supporting evidence relating to the guidance to justify the original position, and similarly there is no explanation supporting the end position. This proposal is fundamentally flawed. Bearing in mind the guidance, which states that the basic allowance is intended to **recognise the time commitment**, the Panel's proposal of a different amount each year for four years means that only one of the four years could potentially be a correct recommendation, with the other three years thereby being flawed. In order to meet the requirements of the guidance it is a pre-requisite that the basic allowance should be set at a level to reflect councillors time commitment, therefore, an argument that guidance in this case can be satisfied by lump sum increases each year clearly cannot hold true.

2) The argument in 1 above is clearly recognised as holding true in the way that the guidance provides for incremental increases to allowances linked to indexation only. ***“Annual Adjustments of Allowance levels***

32. A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index as may be specified by the authority and contained in the scheme.

The scheme must be publicised each year, whether or not it has been amended.

33. Where the only change made to a scheme is that caused by the annual impact of an index contained within that scheme, the scheme shall not be deemed to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.

34. Where a panel makes a recommendation that allowance levels should be determined according to an index, it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel.”

It is felt that the proposal by the Panel to make the type of arbitrary lump sum incremental award is at odds with the spirit of the guidance and should be rejected by the Council.

B) Special Responsibility Allowances (SRAs)

In assigning Special Responsibility Allowances (SRAs) to relevant positions, factors taken into account by the Panel were; “4.11. *The level of decision-making responsibility associated with each role. Other responsibilities associated with each role (such as responsibility for chairing a committee, and attendance at outside meetings associated with the role); The time requirement of each role; Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.*

Therefore the order of highest to lowest SRAs should accurately reflect that order; this Council believes they do not. When considering whether this is a singular point of view expressed by us or whether there is supporting evidence we have drawn on the benchmarking data used in this process for two tier authorities. Our understandings of duties are exactly aligned with the benchmarking made available to the Panel. The ranking list is provided below:

1) Leader of the council 2) Deputy Leader 3) Committee Chairs 4) Leader of the main opposition 5) Vice chairs of committees 6) Regulatory Chairs 7) Leader of minor opposition 8) Adoption/ Fostering Panel Members 9) Deputy Leader main opposition 10) Deputy Leader minor opposition

When considering why there is such disparity we note that;

“4.10 The Panel considered the levels of allowances paid at other authorities. Due to the fact that relatively few county authorities have chosen to adopt the committee systems since the power to do so was granted, limited weight was given to this source of evidence”

Having considered this statement, this Council believes the direct ability to compare placements and weightings can be made for leader of a council and their deputy and political leaders and their deputies. This is the same in a committee system as in a cabinet system. A direct comparison, regardless of systems, could also be drawn on the relative placements and weightings for regulatory chairs and adoption and fostering panel members. The areas where direct comparisons may be more nuanced are limited to committee chairs, vice chairs, and the basic allowance.

Additionally the panel considered in 4.10;

“ although it was found to be helpful in highlighting areas in which allowances at this Council are significantly lower or higher than in other areas.”

This statement is somewhat at odds with the recommendation where we compare the Panel's recommendations with the benchmarking data made available below.

Council Leader ;	21% lower than the UK mean average.
Deputy leader ;	46% lower than the UK mean average * (the lowest in the country)*.
Main opposition party leader;	22% higher than UK mean average.

The Panel provides no explanation, justification or evidence for recommending this glaring disparity between its statement, proposal and benchmarked results.

C) Area Community Champions (referred to as Area Lead Members by the Panel);

“7.2 The Panel has not recommended that special responsibility allowances should be paid to the newly-established Area Lead Members. This should not be interpreted as a rejection of those roles by the Panel. Rather, the Panel did not feel that they had received sufficient information or evidence to enable them to have the confidence to form a recommendation about these roles. Although role descriptions have now been prepared, they were not available within the timeframe that the Panel were asked to conduct this review. The Panel is open to reconsidering these roles once they have been established for some time.

It is unfortunate that the Panel has taken this approach to the speed at which information was made available. Officers were available to test whether there could be flexibility in the dates and the role descriptions were made available before publication of the scheme. Under 3.3 The Panel correctly states;

“In line with the statutory guidance, the Panel took into account the principle that an element of the role of councillor must be voluntary, but that should not mean that councillors should suffer significant financial loss as a result of undertaking the role;”

However, by recognising that there was a possibility that this may be a time consuming role, not enough weight has been given to the clear guidance;

“but that should not mean that councillors should suffer significant financial loss as a result of undertaking the role;”

It is not appropriate to ask councillors to take on significant extra duties and let them be “established for some time” before considering potential financial hardship. Therefore this Council believes this is also at odds with the guidance and that the duties ascribed to this role fall between that of a regulatory chair and a minor party opposition leader.

D) Minor Political Parties

In the existing Members Allowance scheme which forms part of the Council’s Constitution, SRA’s are not awarded to the leader or deputy leader of political groups of less than four. The Panel’s recommendation is to award £3,000 to the leader and £1,200 to the deputy leader of the Council’s three person Independent group. There is no supporting justification or evidence provided to validate this change which has to be tested against the Panel’s own cited criteria for these allowances as follows;

“4.11. The level of decision-making responsibility associated with each role. Other responsibilities associated with each role (such as responsibility for chairing a committee, and attendance at outside meetings associated with the role); The time requirement of each role; Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.”

Whilst this Council acknowledges some extra time requirement may be required it does not see any link to the other supporting criteria. When compared with other non-remunerated positions, Chair of Constitution and Ethics, Chair of Health and Wellbeing Board, Chair of Staffing and appeals etc. and comparing the potential additional time requirement dependent on this role and lack of supporting rationale for change, this Council believes the two proposed SRAs to be unsubstantiated.

E) Committee Lead Members

“7.4.3 The Panel heard a range of evidence and opinion about recent changes made to the role of other councillors on the Policy and Service Committees. A significant range of views were aired about the role of the Committee Spokespersons, and the decision to remove these roles and replace them with Committee Lead Members. The Panel acknowledges that the role undertaken by these posts has changed and is now demonstrably less onerous, but also note that the post holders have an important role to play in coordinating the views of their groups and bringing this insight to the committees of which they are members. The Panel believes that an allowance should be paid in respect of these posts.”

The guidance for the payment of SRAs provides as follows;

“Special responsibility allowance

11. Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. Special responsibility allowance may be payable for duties which fall within the following categories:

- ☉ acting as leader or deputy leader of a political group*
- ☉ membership of the executive, where an authority is operating executive arrangements*

- ⌚ *presiding at meetings of a committee, sub-committee, or joint committee*
- ⌚ *representing the authority at meetings of another body*
- ⌚ *membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods*
- ⌚ *acting as a spokesperson for a political group on a committee or sub-committee*
- ⌚ *membership of an adoption appeals panel or panel dealing with licensing or controlling any activity*
- ⌚ *any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above."*

The Panel recognises that Spokespersons used to command an allowance. It also recognises the new Committee Lead Member role is "demonstrably less onerous".

Therefore when tested against the statutory criteria above the Panel's own reasoning should endorse the position that these roles cannot be paid an SRA. Examination of the criteria leads to the conclusion that only one criterion can be used for Committee Lead Members, namely the final general exclusion clause *"any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above."* However, the Panel's acknowledgement that this role is "demonstrably less onerous" precludes any possibility of the provision of an allowance.

F) Agreed positions

This Council agrees with the Panel's recommendations;
Any councillor is only entitled to one SRA

The positions of chair of General Purposes Committee and Vice Chair be combined with the roles of Leader and Deputy Leader of the Council in order to provide one SRA

E) Summation

Due to failure to have sufficient regard to guidance provided, the lack of sufficient evidence for some of the recommendations, and the disparity to accepted practice this Council regrettably has no option but to reject the scheme proposed by the Independent Remuneration Panel and to recommend one of its own.

F) Recommendations

In moving towards a recommendation a number of points were considered.

- 1) If an amendment is put forward that is not based on an evidenced approach it would be purely subjective and open to criticism.
- 2) The opportunity to conduct an evidenced based approach for each position before the meeting of the Council is not possible.
- 3) Benchmarking against two tier authorities was provided and can be fairly and justifiably used as an evidenced based approach.
- 4) Whether that approach can be tested against statutory guidance *
- 5) Whether any recommendations should be subject to indexation.
- 6) Whether any recommendation should be backdated.
- 7) The SRAs that should be considered are Council leader, Deputy Leader, Leader and deputy leader of opposition parties of four or more members. The seven main service Committee chairs and vice chairs, the chairs of three regulatory committee, namely Pensions, Planning and Audit and Accounts. Members of the fostering and adoption panels and the new Area Community Champions in the Communities and Partnerships committee.

Based on the above, discussions were offered with all group leaders to try and find a mutual solution to the problem; however this has at time of writing not led to any agreed positions.

*With regards to point 4 above, by taking an average of all adopted allowance schemes for two tier authorities this Council must be satisfied that this considers national guidance. Considering that each and every scheme has already been tested against that guidance this Council believes that adopting this approach satisfies that criteria.

Additionally, when testing the UK Average Basic Allowance against statutory criteria and using approximate calculations, research repeatedly shows that Councillors now perform their duties on average 20 – 30 Hours a week. (Studies have shown a steady increase in the number of hours councillors are required to dedicate to their work (Robinson, 1977; Maud, 1967; Widdicombe 1986; Young and Davies, 1990; Bloch and John, 1991; Young and Rao, 1994; NFER, 2006, 2008 and 2010).

Taking twenty hours (the lowest in the range) and an average wage of £27,600 (2015) the value of the work, based on an average full time week of 37.7 hours (2016) at £14,642, the UK average basic allowance of £10,315 includes a voluntary element of 30%.

Furthermore; as a result of growth, plus boundary changes reducing councillors from 69 to 61, the electorate per councillor in Cambs will have increased by 23% by the end of this administration. The cost to the taxpayer (total budget) by moving to the national average will increase by 8.9%. This represents a reduction in cost to each member of the public.

This Council therefore, in order to remove any accusations of bias or tampering bases its recommendations:

- on adopting the UK average against all positions where possible or the nearest estimation to that
- to not provide for indexation in the scheme
- on revoking the old scheme and that the new scheme starts at the date of this Council meeting with no backdating

Further, this Council recommends that:

- the Council Leader opens a dialogue with the Chief Executive to examine how best to tackle the lessons learned to improve the process for next time.

The financial result of these recommendations are listed below.

Basic Allowance	£10,315	x	61
SRAs			
Council Leader	£31,745	x	1
Deputy Council Leader	£20,627	x	1
*Main Service committee chairs	£18,372	x	7
Leader of the main opposition party	£10,234	x	1
(Group must have 12 or more seats)			
Vice chairs of Main Service committees	£7,927	x	7
Regulatory Chairs	£7,345	x	3

Planning, Pensions Audit.

Area leads	£5,000	x	5
Leader of minor opposition	£3,825	x	1
(Based on 4 seats to 13 any allowance proportionally based on 7 seats = 100%)			
Adoption/ Fostering Panel Members	£3,750	x	2
Deputy Leader main opposition	£1,790	x	1
(Group must have 12 or more seats)			
Deputy Leader minor opposition	£662	x	1
(Based on 17.3% of their leader)			

The total budget for the above is £936,726.