

**REPORT BY
THE CAMBRIDGESHIRE COUNTY COUNCIL
INDEPENDENT REMUNERATION PANEL**

**An Independent Review of Members' Allowances
March 2014**

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Executive Summary

Cambridgeshire County Council's Independent Remuneration Panel was asked to prepare this report in response to the changes that the Council made to its governance arrangements following the election in May 2013. These changes will have a considerable impact on the way in which the Council operates, on how decisions are taken and on how councillors carry out their roles. In preparing this report, the Independent Remuneration Panel have considered all aspects of Cambridgeshire County Council's scheme of allowances, including the structure of the scheme, the level of allowances paid and the circumstances in which allowances may be claimed.

The Panel considered a range of information prior to formulating their recommendations. This included information provided by the Council on the new governance arrangements, the views of councillors themselves, the economic and financial climate within which the Council operates and the desire to encourage citizens to participate in local democracy. The Panel also considered the statutory framework for members' allowances, including the relevant statutory instruments and the statutory guidance issued by the Department for Communities and Local Government.

In taking into account the views of councillors, as well as the prevailing financial climate, the Panel chose to adhere to the principle that there should be no increase in the overall budget for allowances. The Panel recognise, however, that a significant restructuring of the scheme is required in order to accommodate the change from the Leader and Cabinet model to the committee system. To this end, a number of alterations are proposed to the special responsibility allowances. In terms of the basic allowance, the Panel have also taken into consideration the likely additional workload that each councillor will be expected to take on as a result of the move to the committee system.

In light of the above, the Panel's view is that the revised scheme of allowances must be fairer and more transparent, as well as being affordable. The Panel would like to draw attention to the following aspects of their recommendations:

- A reduction in the overall cost of special responsibility allowances with effect from 13 May 2014 and a limit on the number of special responsibility allowances available to councillors within that set out in the statutory guidance issued by the Department for Communities and Local Government;
- A proposed rise in the basic allowance to £8,600 per year with effect from 13 May 2014. This increase is intended to raise the basic allowance to a more appropriate level for councillors (or potential councillors) by covering the costs associated with the role more effectively, as well as reflecting the additional workload on all councillors resulting from the new governance arrangements;
- An expected small decrease in the overall budgetary requirement for allowances;
- That special responsibility allowances be paid to group leaders and deputy leaders, service committee chairs and vice chairs, the chairs of the Pensions Fund Board, Audit

Committee and Planning Committee and the councillors appointed to the adoption and fostering panels;

- That allowances should continue to be indexed to the annual percentage 'cost of living' award for local government staff at spinal column 49;
- That the 'one special responsibility allowance per councillor' rule be retained;
- The carer's allowance should be retained at the present rates;
- The travel and subsistence allowances should continue to be matched to those rates paid to officers;
- The Panel note the Government's recent announcement that councillors will be excluded from joining the Local Government Pension Scheme from 1 April 2014, but that the membership of councillors who are currently in the scheme will be permitted until the end of the term of office that they are serving on 1 April 2014. The Panel recommend that the scheme be amended to reflect the new arrangements;
- The list of approved duties for which travel, subsistence and carers allowances may be claimed be revised and clarified as set out in the body of this report below; and
- That the way in which the attendance of councillors at meetings is recorded be revised so that it is more easily accessible to the public. The record should also include details of specific committee meetings and training events rather than general attendance.

Introduction

- 1.1 This report presents the recommendations of the Independent Remuneration Panel to the Council for consideration and approval.
- 1.2 The Council is required to make a scheme of allowances for its councillors in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Council must establish an independent remuneration panel and, before making or amending its scheme of allowances, must have regard to the views of the Panel.

The Panel

- 2.1 In accordance with the Council's constitution, the current Panel was appointed following a process agreed by the Standards Committee at a meeting on 11 January 2012. The Standards Committee established an Appointments Sub-Committee comprised of two independent co-opted members of the Standards Committee (David Boreham and Mary Sanders) and one councillor (Councillor John Powley). Advertisements were placed in the local press and a range of stakeholder organisations were approached and requested to put forward candidates. Shortlisted candidates were interviewed on 9 and 10 February 2012.
- 2.2 The Panel is comprised of the following five members:
 - David Sales (Chair of the Panel) David is a director of his own business and was previously a director at BT. He is also Chair of the Institute of Directors East of England;
 - Professor Helen Valentine (Deputy Chair of the Panel). Helen is Deputy Vice Chancellor of Anglia Ruskin University;
 - Yolanda Warwick, a brand management and communications specialist, who has worked for leading organisations such as L'Oreal;
 - Dr Sam Weller is retired and a trustee of the Cambridgeshire Community Foundation; and
 - Bob Smith, a retired NHS director and resident of Wisbech. He was formerly Director of the NHS Computer Programme for North East London.

The Panel were assisted in their deliberations by Paul Hanson, Democratic Services Manager from the LGSS Northampton office.

- 2.3 The Panel completed their first review in March 2012. This additional review has been undertaken because of the change in the Council's governance arrangements. It sets out the Panel's recommendation that the Council adopts a new scheme of allowances as set out at Appendix 1 to this report. In formulating their recommendations, the Panel have considered the level of the Basic Allowance (the allowance paid to all councillors) and Special Responsibility Allowances (allowances paid to councillors who have taken on additional duties and responsibilities) as well as other expenses available to councillors.

Terms of Reference for the Review

3.1 The Panel agreed terms of reference were as follows:

- The amount of basic allowance that should be payable to county councillors;
- The responsibilities or duties which should lead to the payment of a special responsibility allowance and the amount of such allowances;
- The duties for which a travelling and subsistence allowance can be paid and the amount of such allowances;
- Whether the Council's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and the amount of this allowance and the means by which it should be determined; and
- Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run.

3.2 The Panel also agreed the following set of broad principles within which the review of allowances was undertaken:

- 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;
- Allowances should not be designed to reward councillors, but neither should the level of allowances prohibit individuals from considering standing for election;
- In line with the statutory guidance, the Panel sought to ensure that no more than 50% of councillors should be eligible to claim a Special Responsibility Allowance;
- In light of the financial climate within which the Council operates, the overall budget for allowances should not increase as a result of this review.

3.3 The terms of reference were based on the statutory guidance issued by the Department for Communities and Local Government (New Council Constitutions: Guidance on Regulation for Local Authority Allowances) and the relevant statutory instrument (Members Allowances (England) Regulations 2003). The broad principles of the review also took account of these documents where relevant. It should be noted that the Panel are required to take these documents into account when preparing recommendations on the Council's scheme of allowances.

The Evidence Considered

4.1 The Panel considered a range of qualitative and quantitative evidence as well as a small amount of benchmarking data. They also took into account the review undertaken at Nottinghamshire County Council when that authority also changed its governance arrangements.

4.2 In the main area of basic and special responsibility allowances, the Panel attributed greatest weight to the written and verbal testimony of councillors. Some benchmarking evidence

was considered, particularly in relation to the basic allowance, but there are relatively few large authorities in the same category as Cambridgeshire County Council that have chosen to adopt the committee system form of governance. This, combined with other factors, meant that the Panel made relatively little use of this evidence source.

- 4.3 The Panel issued an open invitation to all councillors to meet with them and share their views. Individual interviews were conducted with 11 councillors and 1 officer over the course of the review, representing 4 of the 5 political groups. A range of opinions were heard, relating not just to allowances but also to the nature of the role of councillor, the time commitment involved and other forms of support that are available to councillors.
- 4.4 A survey of councillors was also undertaken in January/February 2014. In total, 23 councillors responded, representing a third of the total number. The survey sought councillors' views on a range of issues relating to the allowances scheme. Councillors were asked whether they thought the basic allowances would be fit for purpose once the new governance arrangements were in place. A significant majority of respondents stated that they felt that the basic allowance was generally too low and may not be at a level that would allow councillors to make the additional time commitment that may be required by the new system of governance.
- 4.5 Councillors were also asked for their views on the overall budget for allowances. Many stated that they felt this was low and could potentially impact on the ability of councillors to put sufficient time into council business. There was, however, widespread recognition that although the budget for allowances was perceived to be low, it would not be appropriate to increase it at this point in time.
- 4.6 The survey also sought the views of councillors on expenses and other forms of support that could help them undertake their roles. Councillors were generally positive about the changes that the Panel had introduced as part of the last review (e.g. by allowing them to claim for visiting parish council meetings within their divisions) and made some helpful suggestions about other improvements that could be made to the scheme. As a result of this feedback, the Panel have recommended a substantially revised list of approved duties which it is hoped is clearer than the list it is intended to replace.
- 4.7 Many councillors expressed the view that the scheme of allowances should encourage attendance at meetings and include a mechanism for dealing with those who do not attend the majority of meetings to which they are appointed. The legislative framework which underpins local authority allowances provides relatively little freedom to do this, but the Panel have sought to address this in their recommendations by including a mechanism whereby councillors can be requested (but not compelled) to repay some of their special responsibility allowance where they have failed to attend a majority of meetings for which that allowance is paid.

- 4.8 The Panel also noted that the Council has made efforts to rearrange the timing of formal committee meetings, limiting them where possible to Tuesdays and Thursdays in order to make best use of Councillors time. The Panel welcome this development.
- 4.9 During their last review, the Panel undertook a public survey via the Council's website as well as a public meeting hosted by Anglia Ruskin University. Whilst these exercises provided a useful additional evidence base, the Panel took the decision not to repeat these exercises, not least because the last review took place only two years ago. Nevertheless, some of the concepts that emerged from the last public consultation, such as whether the Panel should take into account the economic climate in formulating its proposals, were included as part of the Panel's deliberations.
- 4.10 The Panel also reviewed information on the role and demographic makeup of councillors, both locally and nationally. The Panel considered information relating to Cambridgeshire County Council specifically and also referred to the National Census of Local Authority Councillors to inform their deliberations.
- 4.11 Finally, the Panel considered the levels of allowances paid at other authorities. Due to the fact that relatively few large authorities have chosen to adopt the committee systems since the power to do so was granted, relatively little weight was given to this source of evidence. For this reason, such comparative data was confined to the basic allowance only.
- 4.12 In formulating recommendations about the special responsibility allowances within the new scheme, the Panel sought to examine the nature of the roles undertaken by councillors and determine the position of each role within a new structure of allowances. This approach was based on the principles that underpin every review of allowances; the need to consider the time commitment and the level of responsibility required of each role. Factors taken into account included:
- The level of decision making responsibility associated with each role;
 - Other responsibilities associated with each role (such as responsibility for chairing a committee);
 - The time requirement of each role; and
 - Any other specialist skills, knowledge or other factors needed to be able to carry out each role effectively.

The Panel's Conclusions and Recommendations

Context

- 5.1 In undertaking their review, the Panel sought to assess which roles within the new governance structure were likely to be associated with the most significant responsibility or time commitment. The Panel also sought to assess the impact that new arrangements would have on 'backbench' councillors who would now be expected to participate in a

number of new decision making service committees. The Panel took the view that any recommendations would have to be supported by the evidence considered.

- 5.2 The Panel considered whether the current financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor, and the public would quite rightly expect it to form part of the Panel's considerations, but that it had to be balanced against other factors, including the need to encourage democratic diversity and participation in local democracy.
- 5.3 The Panel deliberated on the demographic makeup of councillors, the need to ensure that the role of councillor is open to as wide a range of individuals as possible and the role that allowances could play in this. The Panel were disappointed to note that the average age of councillors has increased since the election in 2013 and that there are now fewer female councillors. The Panel took the view that no-one should be prevented from undertaking the role of councillor as a result of their personal circumstances and in their view there is sufficient evidence to suggest that allowances play a part in this issue. Factors such as the time commitment required of councillors have a direct bearing on the level of allowances necessary to ensure that a wide range of people are able to consider standing for election.

The Basic Allowance

- 6.1 The Panel considered a range of evidence and opinion about the basic allowance, including the statutory guidance issued by the Government. The Panel felt that the new governance arrangements were likely to have a significant impact on the role of every councillor and that 'backbench' councillors would be required to attend more meetings and put more time into their work and training than had previously been the case.
- 6.2 The Panel therefore felt that there is justification for recommending an increase in the basic allowance, due to the increase in workload for 'backbench' councillors, particularly when coupled with the existing low level of allowance when compared to other county councils.
- 6.3 The Panel also considered that the basic allowance should be seen by all as covering the reasonable costs associated with holding the office of councillor. For this reason, the Panel have stipulated that councillors should use their basic allowance to purchase consumables such as stationery, printer cartridges etc.
- 6.4 In light of the above, the Panel recommend that the basic allowance should be set at £8,600 per year from the date on which the new governance arrangements come into effect. It should be noted that this recommendation, if adopted, would still place the allowance paid by the Council significantly below the average basic allowance paid by English county councils (currently over £10,000).

6.5 The Panel also recommend that the basic allowance should continue to be indexed to the annual percentage 'cost of living' award for local government staff at spinal column 49 for a period of 4 years.

Special Responsibility Allowances

7.1 On the subject of special responsibility allowances (SRAs), the Panel heard a wide range of views on the different roles that would be required in order to facilitate the operation of the new governance arrangements. In some cases, such as the role of the new service committee chairs, the message was fairly clear and consistent. There was far less consistency in other areas, however.

7.2 The Panel could find no reasonable justification for recommending a general increase in the total budget for SRAs. As a result of the redistribution of decision making responsibility from the Cabinet to backbench councillors, the Panel's recommendations actually result in a significant decrease in the overall cost of SRAs to the Council.

7.3 The Panel reviewed each role individually, using the evidence supplied by councillors as the basis for evaluating each role and determining an appropriate allowance.

7.4 Leader and Deputy Leaders of political groups.

7.4.1 In the case of the Leaders and Deputy Leaders of the political groups, the Panel found evidence that councillors undertaking these roles are expected to take on significant responsibilities, including holding senior officers to account, liaising with individuals outside of the Council and, in the case of group leaders, setting priorities for their groups.

7.4.2 It is clear to the Panel that under the committee system, allowances for these roles must be set at a fair and equitable level relative to one another. The Panel also factored in the need to ensure that the allowances contained sufficient flexibility to take into account any changes in circumstances resulting from elections or by-elections. The Panel therefore recommend that each group leader be allocated an allowance based on £500 for every seat held by their group in order to reflect the associated level of workload and responsibility. The Panel recommend that deputy leaders should receive an allowance equivalent to three quarters of that paid to the group leader.

7.4.3 Based on the present composition of the Council, the Panel recommend the following allowances:

Leader of the Largest Group	£16,000
Deputy Leader of the Largest Group	£12,000

Leader of the Second Largest Group	£7,000
Deputy Leader of the Second Largest Group	£5,250
Leader of the Third Largest Group	£6,000
Deputy Leader of the Third Largest Group	£4,500
Leader of the Fourth Largest Group	£3,500
Deputy Leader of the Fourth Largest Group	£2,625
Leader of the Fifth Largest Group	£2,000
Deputy Leader of the Fifth Largest Group	£1,500

7.5 Service Committee Chairs (including the General Purposes Committee).

7.5.1 During discussions between councillors and the Panel, a clear view of the role of the new service committee chairs emerged. The consensus was that these would be very onerous roles which would require significant time commitment from those undertaking them.

7.5.2 Unlike the Cabinet, which they could be seen to be replacing, these roles are not associated with significant individual decision making responsibility, but they will be responsible for large committees that will make decisions on a wide range of issues. Those undertaking these roles will need to develop a level of knowledge and expertise comparable to that of a cabinet member.

7.5.3 The Panel felt that the roles of service committee chairs would be significant enough that considerable responsibility would have to be delegated to the Deputy Chairs of Service Committees.

7.5.4 The Panel recommend the following allowances:

Service/General Purposes Committee Chair	£12,000
Service/General Purposes Committee Vice Chair	£9,000

7.6 Regulatory Committees

7.6.1 The Panel acknowledged that the chairs of the regulatory committees (Audit, Planning and the Pension Fund Board) are notable roles. The Panel considered that although it is very likely that the time commitment and responsibility involved would not be as great as that of the new service committee chairmen, it was clear, that councillors undertaking these roles are expected to carry out their duties diligently and hold officers to account when necessary.

7.6.2 The Panel felt that the role of the chair of the Pension Fund Board was significant, particularly given recent changes to the governance of the pension fund, and should therefore be eligible to receive an allowance comparable to that of the chairs of the audit and planning committees.

7.6.3 The Panel recommend the following allowances:

Audit Committee Chair	£4,500
Pension Fund Board Chair	£4,500
Planning Committee Chair	£4,500

7.7 Other allowances

7.7.1 The Panel identified one particular role for which an SRA is not currently paid - membership of the Fostering Panel and Adoption Panels. The Panel felt that councillors undertaking these roles in particular should receive an allowance as the time commitment required of members is very significant indeed. Panel membership is also associated with other elements which the panel felt should be recognised, not least the requirement to handle a large amount of sensitive and distressing information related to individual cases.

7.7.2 The Panel recommend the following allowances:

Adoption/Fostering Panel Member	£2,000
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7.8 The Panel considered a number of other issues relating to special responsibility allowances but were mindful of the need to limit the number of such allowances to a maximum of 50% of the total number of councillors. The Panel have recommended a total of 27 special responsibility allowances, not including the civic allowances payable to the Chairman and Vice Chairman.

7.9 The Panel have not recommended that special responsibility allowances should be paid to political group spokespersons. This should not be interpreted as a rejection of those roles by the Panel; the Panel acknowledge that these individuals will make a contribution to the work of committees. However, the Panel did not gain a consistent view from councillors about these roles. The Panel also felt it was important that the public should have confidence in these recommendations. This could not be achieved if more than 50% of councillors were eligible to receive SRAs, and if each group were to have up to five paid spokespersons then the majority of councillors would be eligible for some form of SRA.

Other allowances and expenses

8.1 The Panel considered and reviewed all of the other allowances and expenses under their terms of reference (set out in section 3). They have decided to make the following recommendations:

- The dependents' carers' allowance should be retained at the present rate;
- The amounts payable for travel expenses should continue to be paid at the same rates as those paid to officers;
- The amounts payable for subsistence expenses should be clarified as set out in Appendix 1; and
- The Panel note the Government's recent announcement that councillors will be excluded from joining the Local Government Pension Scheme from 1 April 2014, but that the membership of councillors who are currently in the scheme will be permitted until the end of the term of office that they are serving on 1 April 2014. The Panel understand this to mean the date of the next election. The Panel therefore recommend that councillors who are currently members of the scheme should continue to be eligible for membership in respect of both their basic allowance and special responsibility allowances, but that councillors who are not existing members of the scheme should not be eligible to join after 1 April 2014.

8.2 Whilst the Panel have not recommended changes to the rates payable for travel, subsistence or dependents' carers' expenses, they have recommended that the list of approved duties for which these expenses can be claimed should be revised. The Panel have taken the view that greater clarity and control is needed in terms of the range of approved duties for which councillors may claim expenses. The Panel recommend that the list of approved duties for which these expenses may be claimed should be as follows:

"Travel, subsistence and dependents' 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 of which the councillor is a member.
- b) Attendance at meetings of committees, working groups or other bodies of the Council of which the councillor is not a member but to which the councillor has received a specific, individual invitation by the Chairman of that body.
- c) Attendance at Council premises for the purposes of taking part in formal briefings, training sessions or 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 relevant Service Committee Chair; and
- g) In respect of dependents' 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.

Other recommendations

The Panel recognise that this is a new way of working for the Council and it is not yet clear how it will operate in practice. The Panel will therefore review the new scheme in twelve months.

To aid the effectiveness of this review, the Panel recommend that the way in which the attendance of councillors at meetings is recorded is revised so that it is more easily accessible to the public. The record should also include details of specific committee meetings and training events rather than general attendance.

Appendix 1 – Proposed new scheme of allowances.

Appendix 2 – Schedule of Evidence taken into account.

1. Scheme of Allowances

1.1 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.

1.2 The basic allowance and special responsibility allowances are indexed to the annual percentage 'cost of living' award for local government staff at spinal column 49 until 31 March 2018. The basic allowance and special responsibility allowances will be paid in equal monthly instalments and will be subject to tax and national insurance deductions.

2. Basic Allowance

2.1 The basic allowance is £8,600 per annum for 2014-15.

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	Calculation	Allowance 2014-15
Group Positions		
Leader of the Largest Group	£500 per seat	£16,000
Deputy Leader of the Largest Group	75% of Group Leader	£12,000
Leader of the Second Largest Group	£500 per seat	£7,000
Deputy Leader of the Second Largest Group	75% of Group Leader	£5,250
Leader of the Third Largest Group	£500 per seat	£6,000
Deputy Leader of the Third Largest Group	75% of Group Leader	£4,500
Leader of the Fourth Largest Group	£500 per seat	£3,500
Deputy Leader of the Fourth Largest Group	75% of Group Leader	£2,625
Leader of the Fifth Largest Group	£500 per seat	£2,000
Deputy Leader of the Fifth Largest Group	75% of Group Leader	£1,500
Service Committees		
Service/General Purposes Committee Chair	N/A	£12,000
Service/General Purposes Committee Vice Chair	N/A	£9,000

Regulatory Committees		
Audit Committee Chair	N/A	£4,500
Pension Fund Board Chair	N/A	£4,500
Planning Committee Chair	N/A	£4,500
Other Roles		
Adoption/Fostering Panel Member	N/A	£2,000

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 rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (another councillor) is carried.

4.2 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.

4.3 Travel and subsistence 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 by all Group Leaders.

4.4 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.

4.5 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 When members are attending a conference on behalf of the Council, there shall be some discretion to as to amount that can be claimed in respect of the cost of meals taken that are not provided as part of the conference fee. The Head of Democratic Services shall be authorised to allow claims to cover the actual cost of the meal, up to a reasonable maximum (£10 for lunch, £15 for an evening meal) and upon production of a receipt.
- 5.3 Subsistence expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 8 below).

6. Dependents' 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 of £6.50 will be payable.
- 6.2 Dependents' carers' expenses will only be reimbursed if incurred where the councillor was undertaking approved duties (see section 9 below).

7. Pensions

- 7.1 Councillors who are members of the Local Government Pension Scheme on 1 April 2014 continue to be eligible for membership in respect of both their basic allowance and special responsibility allowances for the remainder of the term of office they are serving on that date. Councillors who are not existing members of the scheme on that date may not join the scheme after 1 April 2014.

8. Stationery

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

9. Co-opted Members – Financial Loss Allowance

- 9.1 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 meeting attended in addition to travel and subsistence allowances.

9.2 The fee shall also be paid for attendance at appropriate training events and seminars. Where an event is scheduled to last for a whole day, there shall be some discretion for doubling the usual rate, where this is considered reasonable. The Democratic Services Manager shall be authorised to exercise such discretion.

10. Approved duties

10.1 Travel, subsistence and dependents' 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 of which the councillor is a member;
- b) Attendance at meetings of committees, working groups or other bodies of the Council of which the councillor is not a member but to which the councillor has received a specific, individual invitation by the Chairman of that body;
- 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 Service Committee Chair; and
- g) In respect of dependents' 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.

11. Renunciation of Allowances and Part Year Entitlements

11.1 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.

11.2 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.

11.3 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.

11.4 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.

11.5 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.

12. Taxation

12.1 Allowances are liable for Income Tax and National Insurance contributions.

12.2 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.

12.3 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 claiming subsistence for meals purchased when attending meetings at Shire Hall will have tax deducted from their claim on a monthly basis. Members are encouraged to take advantage of the meals provided at Shire Hall whenever possible.

12.4 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.

12.5 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.

- 1.1 The Panel conducted individual interviews with 11 councillors and 1 officer over the course of the review:

Councillors

Councillor Paul Bullen
 Councillor Ed Cearns
 Councillor Steve Count
 Councillor Steve Criswell
 Councillor Martin Curtiss
 Councillor Peter Downes
 Councillor Roger Hickford
 Councillor Alan Lay
 Councillor Lucy Nethsingha
 Councillor Paul Sales
 Councillor Amanda Taylor

Officers

Mark Lloyd

- 1.2 The Panel also took into account a number of written submissions from councillors.
- 1.3 A survey seeking the views of councillors on CCC’s scheme of allowances was conducted in January 2014. 23 councillors responded to the survey, representing one third of the total number (69). The first section of the survey asked councillors to submit their views on specific allowances in light of the impending changes to the Council’s governance arrangements.
- 1.4 The first question focussed on the basic allowance. 22 of the 23 respondents answered the question. A significant majority (almost 70%) felt that the basic allowance was either too low or much too low:

Question	Much too high	Too high	Just right	Too low	Much too low	No answer provided
Once the new arrangements are in place, do you think the Basic Allowance will be:	0 (0%)	0 (0%)	6 (26.1%)	6 (26.1%)	10 (43.5%)	1 (4.3%)

1.5 Question 2 sought the view of councillors in relation to the overall budget for allowances. 21 of the 23 respondents answered the questions and the results are set out in the table below. A significant majority (over 60%) felt that the budget was either too low or much too low. The picture is not as clear as the responses given to question 1, however, as over 30% felt that the budget was just right or too high.

Question	Much too high	Too high	Just right	Too low	Much too low	No answer provided
Do you think the overall budget for allowances is:	0 (0%)	2 (8.7%)	5 (21.7%)	10 (43.5%)	4 (17.4%)	2 (8.7%)

1.6 Councillors were also asked to provide written feedback on the likely impact of the new governance arrangements and about other aspects of the scheme of allowances, including travel allowances.

1.7 The Panel assessed the roles to be undertaken by councillors under the new arrangements in order to determine the position of each role within a new structure of allowances. This approach was based on the need to consider the time commitment and the level of responsibility required of each role. Factors taken into account included:

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

1.8 The Panel also reviewed information on the role and demographic makeup of councillors, both locally and nationally and referred to the available published information on the subject as well as primary research gathered specifically for this review.

1.9 The Panel considered the levels of allowances paid at other authorities.

1.10 During their last review, the Panel considered additional evidence including changes to allowances at Cambridgeshire County Council from 2003 onwards, changes to local government employees pay over the same period and data relating to the Council's revenue budget over a similar period. The Panel also conducted extensive public consultation during that review. All of this information was taken into account as part of this review.