

NON-CONFIDENTIAL



## Borough of Tamworth

12 March 2013

Dear Councillor

You are hereby summoned to attend a **meeting of the Council of this Borough** to be held on **TUESDAY, 19TH MARCH, 2013** at 6.00 pm in the **COUNCIL CHAMBER - MARMION HOUSE**, for the transaction of the following business:-

### AGENDA

#### NON CONFIDENTIAL

- 9 Review of Members Allowances** (Pages 1 - 30)  
(Report of the Solicitor to the Council and Monitoring Officer)

Yours faithfully

A handwritten signature in black ink, appearing to read 'A. Oost', enclosed in a circular scribble.

**CHIEF EXECUTIVE**

*People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail [committees@tamworth.gov.uk](mailto:committees@tamworth.gov.uk) preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.*

Marmion House  
Lichfield Street  
Tamworth

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**A Review  
Of  
Members' Allowances  
For  
Tamworth  
Borough Council**

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**The Fifth Report**

**By the**

**Independent Remuneration  
Panel**

**Dr Declan Hall (Chair)  
Navin Kalia  
Stan Orton**

**March 2013**

## Foreword

This is the fifth report produced by the Independent Remuneration Panel (the Panel) for Tamworth Borough Council. The first report was produced in May 2002, as required by the *Local Government Act 2000*, after the formal establishment of the statutory independent Members' Allowances advisory Panel to make recommendations on allowances for what were then new roles for Councillors. The Council adopted the substantive recommendations which established the current allowances framework that, by and large, remains in place to this day.

Following the introduction of the *Local Authorities (Members' Allowance) (England) Regulations 2003*<sup>1</sup> Tamworth Borough Council was required (as were all English local authorities) to reconvene its Panel to *inter alia* make recommendations on certain associated allowances before 31 December 2003. The recommendations were produced in December 2003 and they were once again accepted by the Council resulting in only minor amendments to the scheme of allowances. The third review in November 2005 arose out of changes in the political structures of Tamworth Borough Council, resulting in increased pressures on a number of post holders. While some revisions were recommended the essential structure of the Tamworth Borough's Allowances scheme was not altered.

The fourth report (December 2008) arose out of the requirement for Tamworth Borough Council to seek fresh authority for indexation of allowances by 2009/10, which the Panel did do. The Council also accepted the Panel's other substantive recommendation, to increase the Leaders' SRA, but also went further in applying the Panel's logic across the Board by maintaining other SRAs payable at the same ratio.

This review is also required under the 4-year rule contained in the relevant provisions of the 2003 Regulations and the Council has asked the Panel to consider the applicability of refreshing indexation as well as take an overview of the whole Tamworth Borough Council Members' Allowances scheme to consider whether the current scheme is still fit for purpose. The Panel has concluded that by and large the current scheme of allowances is fit for purpose *except* for one area: the Panel has recommended that the Council introduce a performance element for the payment of their current level of remuneration.

The reality is that the economic climate is not conducive to any increases in Members' Allowances, particularly as the Council is seeking to make further savings. Moreover, the provisions of the 2011 Localism Act will not be fully implemented until another 18 months or so. This may well transform present council structures to a greater or lesser degree and have impacts on the roles and responsibilities of elected Members and therefore a more comprehensive in-depth

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<sup>1</sup> See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

review will be in all likelihood be required within the next 12-18 months to take into account the impact of these changes.

Partly as a consequence of the current economic climate the Panel has made radical recommendations in attempting to create a stronger link between Member performance and remuneration. It has returned to performance as it is still an issue that rumbles on in Tamworth. Consequently the Panel has made recommendations that if accepted would place Tamworth Borough Council in the vanguard of creating a stronger link between members' remuneration and their performance. However, as ever, the Panel continues to be cognisant of the need to balance this understandable principle by seeking to reduce financial barriers for current and future Members to serve on Tamworth Borough Council and the increasing demands on Members.

Dr Declan Hall

Chair of the Tamworth Borough Council Independent Remuneration Panel

March 2013

## EXECUTIVE SUMMARY

The Panel recommends the following, namely that:

### Enhancing Performance- Reduction of Basic Allowance and SRAs

The current Basic Allowance and SRAs payable to Members of Tamworth Borough Council are all reduced by 10% and the 10% balance only paid to those Members who attend 75% of the scheduled meetings of the committees they are appointed to in the form of a lump sum SRA paid retrospectively at the end of the municipal year as set out below.

The meetings that are to count as against a Members attendance record are those which are used by the Council in its publication of Members' attendance summary on its website.

### The Basic Allowance

For 2013/14 the Basic Allowance is reduced to £4,608 and at the end of the municipal year all Members who achieve 75% attendance at all their scheduled meetings be paid a retrospective SRA of £512, subject to any future application of relevant indices.

### Special Responsibility Allowances

All SRAs be reduced by 10% and the residual paid at end of year as follows:

Post	SRA Payable with 10% Discount Applied	Year End SRA Payable when 75% Attendance achieved	Total SRAs Payable
Leader (1)	£11,533	£1,281	£12,814
Deputy Leader (1)	£8,649	£961	£9,610
Other Cabinet Member (4)	£7,496	£833	£8,329
Chair of Scrutiny (2)	£5,189	£577	£5,766
Chair Planning	£5,189	£577	£5,766
Chair Licensing	£5,189	£577	£5,766
Chair Audit & Governance	£1,730	£192	£1,922
Leader of (Larger) Opposition Group	£5,189	£577	£5,766
Deputy Leader of (Larger) Opposition Group	£2,883	£320	£3,203

**Exc**

### **Option to the 1-SRA only Rule**

The 1-SRA only rule is continued *with the exception* of subsequent SRAs any Member qualifies for by achieving the 75% attendance performance threshold.

### **Post Holders in receipt of a SRA – subject to a double penalty**

A double penalty will be imposed on post holders in receipt of a SRA through a discounted Basic Allowance and SRA if they do not meet the 75% attendance threshold.

### **Refining the Model – Review in 12 months**

The Panel reconvenes in 12 months time to review the Members' Allowances scheme with specific reference to assessing the success of the new performance related element of remuneration and to refine accordingly.

### **The Relative Workloads and Responsibilities of Committee Chairs**

It will specifically review the enhanced remit of the Audit and Governance Committee in 12 months time. Moreover, it will also look at the relative workloads and responsibilities of the Licensing and Planning Committees and consider whether there is a case to recommend a realignment of the SRAs paid to the Chairs of these committees.

### **The Vice Chairs of Scrutiny**

From the date of the Annual Meeting 2013/14 that the SRAs currently paid to the 2 Vice Chairs of Scrutiny are discontinued.

### **Access to the Local Government Pension Scheme: Refreshing Authority**

Fresh authority is provided to the Council to decide on Members right to join the LGPS for another four years.

### **Co-optees' Allowance**

The provision for a Co-optees' Allowance of £311 per annum be deleted from the Tamworth Borough Council Members' Allowances scheme and replaced with the following schedule from the date of the Annual Meeting of Council 2013/14:

- Meetings under 4 hours: £45 per meeting
- Meetings 4 hours and over: £90 per meeting

### **Subsistence Allowances – Within the Borough**

The Members' Allowances scheme is amended to clarify that Subsistence Allowances can no longer be claimed by Members attending approved duties within the Borough unless there are exceptional circumstances as defined by the person

calling the meeting with approval of the Monitoring Officer, to be implemented from the date of the Annual Meeting 2013/14.

**Subsistence Allowances – Outside the Borough**

The current rates and conditions for claiming Subsistence Allowances (including overnight accommodation) by Members attending approved duties outside the Borough remain unchanged. The Panel reminds the Council that if a Member claims this allowance then it is good practice to back up the claims with receipts, i.e., it is a reimbursement of actual costs incurred up to the same maxima that applies to Officers.

**Travel Allowances – Within the Borough**

There is no change to the current definition and scope of approved duties for which Members can claim Travel Allowances.

The mileage rates for which Members can claim for attending approved duties are set at the Her Majesty’s Revenue and Customs Approved Mileage Allowance Payments rates as set out below:

Vehicle	Business Miles Travelled	
	First 10,000 miles (£ per mile)	Over 10,000 miles (£ per mile)
<b>Cars &amp; Vans</b>	45p	25p
<b>Motor cycles</b>	24p	24p
<b>Bicycles</b>	20p	20p
<b>Passenger Supplement Rates</b>	5p per passenger per mile	5p per passenger per mile

**Public and Other Transport**

There is no change to the current rates and conditions to the Travel Allowances scheme where Members travel by public or other means of transport.

The Council is reminded that on the odd occasion a Member has to seek reimbursement of travel to approved duties by public transport all claims must be backed by receipts for actual costs incurred up to the maxima applicable to Officers of the Borough Council.



### **The Dependents' Carers' Allowance (DCA)**

There is no change to the scope and levels payable for the Dependants' Carers Allowance scheme, including the relevant indices.

### **Indexation**

Authority for Tamworth Borough Council to index their allowances is refreshed and the following indices are applied to the remuneration and allowances paid to Members of Tamworth Borough Council:

#### **Basic Allowance and SRAs:**

- Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

#### **Dependants' Carers' Allowance:**

- Indexed to the hourly minimum wage applicable to the age of the carer.

#### **Mileage Allowance:**

- Members mileage allowances rates should be indexed to the HMRC AMAP mileage rates.

#### **Subsistence Allowances:**

- The day and overnight subsistence allowances should be indexed to the same rates that are applicable to Officers.

### **Implementation**

The recommendations contained within this Report are implemented from the date of the Annual Council meeting 2013/14.

# **The Fifth Review of Members' Allowances**

**For**

**Tamworth Borough Council**

**March 2013**

## **The Regulatory Context and Terms of Reference**

### **The Requirement for the Review**

1. This (fifth) report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the Panel) reconvened by Tamworth Borough Council to advise the Council on its current Members' Allowances scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)*. These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to set up and maintain an advisory Independent [Members] Remuneration Panel (the Panel) to review and provide advice on Members' allowances on a periodic basis. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

3. Specifically, the Panel was convened to make recommendations to the Council on the applicability of the indexation of allowances for the next four years. Regulation 10(5) states:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.

4. The Council is fulfilling its statutory responsibility by undertaking this review under Regulations 10(5) and 21(e) of the 2003 Members' Allowances Regulations to seek fresh authority for the indexation of allowances.

### **Terms of Reference**

5. With the Statutory requirement to reconvene the Panel, the Council took the opportunity to present the Panel with a general terms of reference to undertake a full review of the Council Members' Allowances scheme and to propose an allowances scheme for the Council, namely to make recommendations on the following:
  - a) As to the amount of basic allowance that should be payable to its Elected Members
  - b) About the responsibilities or duties which should lead to the payment of a Special Responsibility Allowance and as to the amount of such an allowance
  - c) The duties for which travelling and subsistence allowance can be paid and as to the amount of this allowance
  - d) As to the suitability and amount of a co-optees' allowance
  - e) As to whether the Authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined
  - f) On whether any allowance should be backdated to the beginning of a financial year in the event of a scheme being amended
  - g) As to whether annual adjustments of allowance levels may be made by reference to an index, and if so, for how long such a measure should run
  - h) As to which Members of the Authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972
  - i) As to treating basic allowance and Special Responsibility Allowance as amounts in respect of which such pensions are payable

## **The Panel**

6. Tamworth Borough Council reconvened its Independent Remuneration Panel and the following Panel Members carried out its independent review; namely:
  - Navin Kalia:
    - an accountant with the University Hospitals Birmingham NHS Foundation Trust
  - Declan Hall (Chair):
    - former academic at Institute of Local Government, The University of Birmingham, now independent consultant specialising in members' allowances and support
  - Stan Orton:
    - retired and a North Warwickshire resident with an interest and background in local government
7. The Panel was supported by Lara Allman, Democratic and Election Services Officer and Jane Hackett, Solicitor to the Council and Monitoring Officer.
8. The Panel would like to record its gratitude to the Members and Officers of Tamworth Borough Council for making themselves available to talk to the Panel and supporting the work of the Panel.

## **Process and Methodology**

### **How the Panel approached the Review**

9. As the Chair of the Panel, I undertook the initial planning, research and benchmarking for the review, but it became evident at least in the early stages of the review that in all probability the review would not result in the Panel recommending significant change to the Tamworth Members' Allowances scheme. The bench marking showed that councils in the comparator group were not fundamentally altering their allowances schemes and in any case the current economic context left little room for manoeuvre. Consequently, the initial approach adopted was based on the principle that the resources devoted to the review should match what were to be the likely conclusions, i.e., recommending only minor amendments.
10. Consequently, the Chair of the Panel took the lead in considering the evidence and writing up the first draft of the report. In doing so the Chair met

a number of leading Members and with two Officers for a briefing to obtain an overview on the recent changes in Council structures and the challenges facing the Council at Marmion House, Tamworth on 31<sup>st</sup> January 2013. In addition, all Members were invited to make written submissions to the Panel if they so wished. Appendix 1 lists those Members and Officers who met with the Chair, and those Members who made a written submission.

11. As with previous reviews a benchmarking exercise was undertaken, the benchmarking group remaining the other district councils in Staffordshire and Tamworth's immediate neighbouring councils. Other relevant information was also considered by the Chair in the early stages of the review. See Appendix 2 for the list of written information the Panel considered.
12. As the Panel was being asked to review the applicability of indices for allowances under the 4-year rule contained in the 2003 Members' Allowances Regulations there is an explicit expectation for the Panel to physically convene. The 4-year rule is the means by which all councils have their schemes subjected to a degree of public scrutiny and accountability and this entails the Panel meeting to fulfil that duty.
13. However, the initial assessment of a limited review while proving to be correct that the Panel would not need to undertake a fundamental re-evaluation of how the current scheme was arrived at, did not prove accurate in terms of a need to address performance once again. The Chair's initial interviews and the written representations received by the Panel showed that there was an appetite and it was the right time to revisit Member performance in more depth. This resulted in a greater involvement of the wider Panel than originally envisaged.
14. Consequently, the Panel convened on 28 February 2013 at Marmion House, Tamworth, to meet with any other Members who wished to talk to the Panel and consider any other evidence called for. It was at this stage that the Panel agreed the final recommendations before the report was submitted to full Council for consideration and presentation to the Audit and Governance Committee. The Panel members were also able to consider whether there was a need for further meetings, which it did not, to take further evidence.
15. This approach is within the spirit of the 2003 Regulations. To formally involve the whole Panel from the beginning would not be an efficient use of Council resources as it would impose a disproportionate cost on the Council and Panel members relative to the likely outcomes required.

### **Considering the Evidence**

16. The Panel took a tiered approach in considering the evidence. It is required to operate within the broad statutory framework laid down by the 2003 Regulations and 2006 Statutory Guidance. The 2003 Members' Allowances

(England) Regulations establishes the boundaries for the Panel, e.g., attendance allowances cannot be paid, all Members must receive a Basic Allowance that is equal in value and express authority is granted to vary the terms and conditions for claiming the travel and subsistence allowances, or indeed whether to retain them at all. Within the regulatory context, the Panel has a further obligation to pay regard to the 2006 Statutory Guidance, which for example mandates certain considerations for all Panels in reaching the recommended Basic Allowance but in contrast provides suggested considerations in reaching an appropriate recommendation for SRAs.

17. The next level of evidence considered by the Panel were the representations (including written submissions) made by elected Members. The interviews obtained the views of the groups on Council and raised a number of specific concerns. The interviews were also utilised to challenge statements and to act as a 'sounding board' to submissions and ideas from elected Members. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context across other Councils in Staffordshire/neighbouring Tamworth.

### **Revisiting First Principles**

18. As in previous reviews the overarching principle underpinning the review was that the purpose of a Members' Allowances scheme is to ensure that as far as practically possible the scope and level of allowances should seek to reduce financial barriers to most people standing for and remaining on Council while not creating a scheme that attracts people to stand for and remain on Council for financial gain. While this balancing point is different for different people the Panel believes that as the scheme currently stands, and even if the recommendations of the Panel as set out below are adopted would still enable most people to stand for and remain on Council without the scope and levels payable being seen as unjustified.

## **Key Messages and Observations**

### **Recognising Economic Climate**

19. In an ideal world, the prime role of the Panel is to assess what it judges the roles and posts under review are worth based on the evaluation of the evidence, taking into account such variables as workloads, responsibility (and the values attributed to various levels of responsibility) However, the Panel cannot *but* be sensitive to the current economic climate. Not only do many residents of Tamworth Borough Council face an uncertain economic future, the Council is also seeking further savings while experiencing growing demands on services, thus trying to 'do more with less'. Moreover, Officers have had their salaries frozen for the last couple of years and will, in

all likelihood; have their salaries only marginally increased in the next couple of years.

20. Thus, the Panel, as the means by which public scrutiny and accountability regarding the Tamworth Borough Council Members' Allowances scheme is brought to bear, cannot disregard the current economic environment. Externally, the public would rightly question the rationale if the Panel were to recommend significant increases in the main allowances payable even though a rational case can be made for some increases in Members' remuneration. As it is, the recommendations stand and if adopted by the Council there will be some identifiable savings on the Council's current spend on Members' Allowances of just under £4,800 (see below for details), and further but variable savings depending on the extent to which Members do not meet the recommended performance criteria.

### **The Localism Act 2011 and need for further review**

21. The Council continues to address the range of issues that affect all councils. This has increasingly meant an enhanced partnership working that accompanies this agenda (mostly arising out of the staged implementation of the Local Government and Public Involvement in Health Act 2007), particularly affecting senior elected Members. Moreover, pressures on council services and recent Government legislation, particularly the staged implementation of the Localism Act 2011 over the next 12 months, means that 'front line' Members will face further pressures. Being an elected Member will not get easier.
22. This context creates another contributory reason to postpone recommending a fundamental revision of the allowances scheme. The Localism Act 2011 may well have major impacts on the roles of Members. There will be enhanced powers for local communities and changes in how planning policies are developed as well as new freedoms for local area committees where established. Indeed, it permits the Council to return to the old committee system which would almost certainly impact on the roles of all Members. However, it is too early to assess the impact of the Localism Act 2011 and the Panel will have to take a view when the implications of the Localism Act 2011 become more apparent, which will probably be less than four years hence. To leave another top to bottom review of allowances until 2017 does not serve the interests of the public, Members or conform to the spirit of the 2003 Members' Allowances Regulations.

### **Member Remuneration and Member Performance: Strengthening the Link**

23. Once again representation was made to the Panel that not all Members were fulfilling all the duties for which they were being remunerated. The Panel has tried to address this issue in the past by 'sharpening accountability'. In the 2008 review the Panel recommended that the Council

publish attendance records of all Members as a means of making more transparent one aspect of Members performance. The Panel is pleased to note the Council now does publish on its website such records.

24. As a result of this transparency the evidence available does back up the representations made to the Panel. The attendance records published by the Council on its website shows that some Members attendance could be seen as laggard and they are being paid the same as other Members who are fulfilling their approved duties (and more) yet the Members' Allowances scheme does not take this variable performance into account.
25. The Panel has revisited the issue and has made recommendations that it hopes will create a stronger link between member remuneration and individual Member performance. While the ultimate arbiter on whether individual Members are 'doing a good job' are the electorate the Panel has taken the view that, particularly in the context of the current economic climate, that the public would question why all Members are remunerated the same while having differential inputs that can be readily measurable.
26. More now than ever the public should expect value for money from their elected representatives. Part of the problem is that there is an inherent flaw in the system – Members receive their main allowances by right, in other words by virtue of being an elected Member. To remain an elected Member the only performance criteria that has to be met is to attend an approved duty once every six months. This relatively lax performance management dates back to when the workload and responsibilities carried out by Members were much less than now and the relatively limited remuneration was paid through an attendance allowance, so if a Member did not attend a relevant meeting then they did not get paid. As the legislation currently stands all Members receive an equal Basic Allowance and where applicable their SRA as long as they turn up once every six months.
27. The notion of having remuneration related to performance or at least inputs is gaining ground in relation to elected politicians, albeit in different ways. For instance, the salary of the Police and Crime Commissioners was set on the basis that it is a full time role. The Review Body on Senior Salaries recommended that their remuneration should be reduced pro rata where they do not undertake the role full time.<sup>2</sup> This recommendation was subsequently given legislative force by the Secretary of State. In the London Borough of Tower Hamlets, if a Cabinet member is not undertaking the role full time, as determined by the elected Mayor, their SRA is subsequently discounted pro rata. It is a notion that has also been put out to consultation for MPs by the Parliamentary Standards Agency (PSA) in its most recent set of proposals on MPs remuneration.

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<sup>2</sup> Review Body on Senior Salaries, Report No. 78, *Report on the pay of Police and Crime Commissioners 2011*, October 2011



### **Discounting the Basic Allowance and SRAs by Ten Percent**

28. Consequently, the Panel is proposing that the Basic Allowance and SRAs be discounted by 10% from their current levels and the 10% taken from the current allowance only payable when each Member attends 75% of their scheduled meetings for any municipal year. For legal purposes the actual Basic Allowance specified and set out in the scheme has to be the discounted Basic Allowance (£4,608) and the additional 10% (£512) paid retrospectively as an SRA.
29. It is acknowledged that attending meetings is only one aspect of any elected Members duties and workload. A Member may be active in their ward or may not be able to attend all their meetings for valid reasons. However, it is a reasonable expectation that a Member should be attending the majority of their scheduled meetings – their remuneration is largely based on this aspect of their duties. Thus a vital component of their duties is to attend the meetings of the committees they are appointed to and in doing so represent the interests of their constituents and the Council at these meetings. In subjecting only 10% of Members remuneration to a performance framework the Panel is content that it is not placing an undue emphasis on a single aspect of a Members workload and responsibilities.
30. **The Panel recommends that all the current Basic Allowance and SRAs payable to Members of Tamworth Borough Council are discounted by 10% and the 10% balance only paid to those Members that attend 75% of the scheduled meetings of the committees they are appointed to in the form of a lump sum SRA paid retrospectively at the end of the municipal year.**
31. **The meetings that are to count as against a Members attendance record are those which are used by the Council in its publication of Members' attendance summary on its website.**

### **Refining the Model – Review in 12 months**

32. On average, Tamworth Borough Council Members are appointed to two committees. It is recognised that this is not a uniform pattern and the performance criteria is easier to achieve for a Member who is only appointed to one or no committees than for a Member who is appointed to more than two committees. The Panel has decided not to explore this incongruity at this juncture. It is more important to establish the principle of introducing a performance element for Members remuneration and it can refine the model at a later stage. Moreover, as pointed out above the impact of the Localism Act 2011 will become more apparent over the next 12 months.

33. **The Panel recommends that it reconvenes once more in 12 months time to review the Members’ Allowances scheme with specific reference to assessing the success of the new performance related element of remuneration and to refine accordingly.**

**Exception to the 1-SRA only Rule**

34. At present Members are only able to be paid one SRA regardless of the number of posts they may hold, although it is rare for a Member to hold more than one remunerated post. For the performance related remuneration recommendations to work then a Member in receipt of an SRA who achieves attendance of 75% they would have to be able to draw down 2 SRAs – the current SRA paid at 90% and a second retrospective SRA paid at 10% of their current levels.
35. **The Panel confirms the 1-SRA only rule with the exception of subsequent SRAs any Member qualifies for by achieving the 75% attendance performance measure.**

**The Panel’s Recommendations**

**The Basic Allowance**

36. No evidence was received to suggest that the current Basic Allowance payable (£5,120) was in need of revisiting at this stage, subject to attending 75% of assigned approved duties. Table 1 (below) shows that the Basic Allowance paid in Tamworth Borough Council is on a par with those paid in the comparator group of district councils.
37. **The Panel recommends that the current Basic Allowance (£5,120) remains unaltered for 2013/14 subject to the performance criteria being met. In other words £4,608 is paid in 12 equal instalments and at the end of the municipal year all Members who achieve 75% attendance of all meetings be paid a retrospective SRA of £512, subject to any future application of relevant indices.**

**Table 1: Basic Allowance & Leaders SRAs Staffordshire & Neighbouring District Councils 2012/13**

<b>Authority</b>	<b>Basic Allowance</b>	<b>Leader</b>	<b>Leader Total</b>
East Staffs	£4,540	£18,417	£22,957
Cannock Chase	£5,339	£20,166	£25,505
Lichfield	£2,990	£11,360	£14,350
North Warwickshire	£4,942	£10,987	£15,929

North West Leicestershire	£3,662	£14,648	£18,310
Newcastle Under Lyme	£3,285	£13,590	£16,875
South Derbyshire	£5,892	£17,940	£23,832
South Staffs	£5,000	£10,000	£15,000
Stafford	£3,630	£8,542	£12,172
Staffordshire Moorlands	£2,902	£9,565	£12,467
Tamworth	£5,120	£12,814	£17,934
<b>Highest</b>	<b>£5,892</b>	<b>£20,166</b>	<b>£25,505</b>
<b>Lowest</b>	<b>£2,902</b>	<b>£8,542</b>	<b>£12,172</b>
<b>Mean</b>	<b>£4,300</b>	<b>£13,457</b>	<b>£17,757</b>
<b>Median</b>	<b>£4,540</b>	<b>£12,814</b>	<b>£16,875</b>
<b>Tamworth with 10% performance discount</b>	<b>£4,608</b>	<b>£11,533</b>	<b>£16,141</b>

### Special Responsibility Allowances - Leader

38. Similarly, table one above also shows that compared to other Leaders in the comparator group of district councils the Leader of Tamworth Borough Council is remunerated broadly on a par with peers (a picture that is replicated for most other SRA holders in the Borough). Moreover, the Panel received no evidence to suggest that the Leaders and other SRAs needed revising subject to achieving 75% attendance.
39. **The Panel recommends that the Leader's SRA remains unaltered for 2013/14 subject to the performance criteria being met. In other words, the current SRA of £12,814 is subject to a 10% discount with £11,533 being paid in 12 equal instalments and at the end of the municipal year the Leader will receive an additional retrospective SRA of £1,281 on the condition s/he has attended at least 75% of all meetings that year, subject to any indices that may be applied.**

### Post Holders in receipt of a SRA – subject to a double penalty

40. The consequence of applying a 10% discount to the SRA of the Leader and other post holders in a receipt of an SRA in conjunction with the recommendation to discount the Basic Allowance by 10% means that post holders do not attend 75% of all their scheduled meetings then they are subject to a double performance penalty. For instance, if the Leader was not to attend 75% of scheduled meetings in any municipal year then not only would his SRA remain at £11,533, his Basic Allowance of £4,608 would not

be topped up by the additional SRA of £512, thus having a total remuneration of £16,241 rather than £17,934

41. The Panel is content with the implications of its recommendations, i.e., a double penalty being imposed on post holders in receipt of a SRA through a discounted Basic Allowance and SRA. As an executive Member or Chair of a committee the impact of not attending their scheduled meetings would be felt the most keenly.

### **The Chair of Audit and Governance Committee**

42. The Chair of the Audit and Governance Committee receives a lower SRA (£1,922) than the Chairs of the Planning and Licensing Committees (£5,766). The original reason for this was that there are fewer scheduled meetings for the Audit and Governance Committee, 6 per year, than the Planning and Licensing Committees, 12 per year, although it is recognised that Licensing Committee meetings are cancelled if there is not enough business for them to conduct, which does occur on a regular basis.
43. Since the abolition of the national standards regime, arising out of the relevant provisions of the Localism Act 2011, the residual standards functions not otherwise assigned to the Monitoring Officer and Independent Person (IP) have been assigned to the Audit and Governance Committee, e.g., it has responsibility for revising the code conduct.
44. The Panel discussed whether the additional remit of the Audit and Governance Committee was significant to the extent that it merited an increase the Chair's SRA. However, at this stage no evidence was received to enable the Panel to make such an informed judgement and therefore it is not recommending any change to the current SRA paid to the Chair of the Audit and Governance Committee which is £1,730 plus £192, subject the performance criteria being met.
45. The Panel will specifically review the enhanced remit of the Audit and Governance Committee in 12 months time once experience has been gained. Moreover, it will also look at the relative workloads and responsibilities of the Licensing and Planning Committees and consider whether there is a case to recommend a realignment of the SRAs paid to the Chairs of these committees.

### **The Vice Chairs of Scrutiny**

46. In the fourth review the Panel recommended (and the Council subsequently accepted) that the two Vice Chairs of the Scrutiny Committees receive an SRA of £1,407. These were the only Vice Chairs posts that the Panel recommended to receive an SRA, on the grounds that they would have a

defined role beyond generally keeping abreast of their brief to be ready to stand in when required. The Vice Chairs of Scrutiny were to be required to chair Scrutiny Sub Groups where it was intended that much of the investigative work of scrutiny would be carried out.

47. However, the Panel was informed that the this model of scrutiny never developed as intended and the Scrutiny Sub Groups are chaired on an ad hoc basis and is a role any Scrutiny Member may undertake. The post of Vice Chair of Scrutiny does not meet the test of having “significant additional responsibilities”<sup>3</sup> which, in line with the 2006 Statutory Guidance is the traditional test the Panel has applied it deciding whether a post merits an SRA.
48. **Consequently, from the date of the Annual Meeting 2013/14 the Panel recommends that the SRAs currently paid to the 2 Vice Chairs of Scrutiny are discontinued.** This recommendation, if accepted, will result in a direct savings of £2,814 per year.

### Other Special Responsibility Allowances

49. The Panel received no evidence that the other SRAs payable<sup>4</sup> needed revision and **recommends that the current scope and levels of other SRAs remain the same for 2013/14 subject to the recommended performance framework as follows:**

**Table 2: Other SRAs Payable – Discounted and 10% Remainder Payable**

Post	SRA Payable with 10% Discount Applied	Year End SRA Payable when 75% Attendance achieved	Total SRAs Payable
Deputy Leader (1)	£8,649	£961	£9,610
Other Cabinet Member (4)	£7,496	£833	£8,329
Chair of Scrutiny (2)	£5,189	£577	£5,766
Chair of Planning	£5,189	£577	£5,766
Chair of Licensing	£5,189	£577	£5,766
Chair of Audit & Governance	£1,730	£192	£1,922

<sup>3</sup> New Council Constitutions: Guidance on Regulation for Local Authority Allowances, Department of Communities and Local Government, 2006 paragraph 76.

<sup>4</sup> See Appendix 3 for comparative summary of allowances payable in comparator group of councils.

Leader of (Larger) Opposition Group	£5,189	£577	£5,766
Deputy Leader of (Larger) Opposition Group	£2,883	£320	£3,203

### Access to the Local Government Pension Scheme: Refreshing Authority

50. The one decision-making power the Panel has is to block the Council from deciding on whether Members should be able to join the Local Government Pension Scheme (LGPS). If the Panel decides that Members should not join the LGPS then the Council has to accept that decision. If the Panel decides that the Council can provide Members access to the LGPS the Council does not have to accept that decision, and even if it does individual Members then have to opt in, if they meet the qualifying criteria as set by legislation. In other words, the Panels powers in relation to Members access to the LGPS are permissive rather than definitive.
51. The Panel continues to support the right of the Council to decide whether Members should have access to the Local Government Pension Scheme (LGPS). **It recommends that fresh authority for the Council to decide on Members right to join the LGPS be provided for another four years.**

### Co-optees' Allowance

52. The statutory requirement to maintain a Standards Committee with the full range of quasi-judicial powers ended in July 2012 under the relevant provisions of the Localism Act 2011. The Council has chosen not to establish a non-statutory advisory Standards Committee, as is the case in some authorities. The residual remaining statutory functions have been delegated to the Monitoring Officer and the Audit and Governance Committee, in conjunction the new statutory post of the Independent Person (IP). The views of the IP must be sought and taken into account by the Council before the Audit and Governance Committee and Monitoring Officer make a decision on an allegation against a Member that it has decided to investigate. While it is not expected that the Independent Person will be involved in many formal investigations, their views may also be sought on an allegation that the Council has not decided to proceed for formal investigation. Furthermore, a Member of the Authority may seek the views of an Independent Person on any allegation made against them.
53. The Co-optees' Allowance (£1,903) that was paid to co-opted Chair of the Standards Committee has been deleted from the Members' Allowances scheme and is now paid to the IP, which is outside the Members' Allowances scheme.

54. The Council has retained provision for an ordinary Co-optees' Allowance (£311), which is now only paid to the Co-optee appointed to the Nominations Committee. However, unlike the Standards Committee, the Nominations Committee has no scheduled meetings and only meets as and when, which thus far is rarely. The Panel takes the view that in this instance a Co-optees' Allowance paid on a per meetings basis is more appropriate as it does not remunerate a Co-optee for not attending meetings. In arriving at an appropriate day rate the Panel has used the same approach it utilised in originally arriving the Basic Allowance the last time it was fundamentally reviewed, namely the median earnings of Tamworth residents. In 2012, the median weekly earning for all full time employees resident in the borough was £447.70, or £90 per day, rounded up to the nearest pound.<sup>5</sup>
55. **The Panel recommends that the provision for a Co-optees' Allowance of £311 per annum be deleted from the Tamworth Borough Council Members' Allowances scheme and replaced with the following schedule from the date of the Annual Meeting of Council 2013/14:**
- **Meetings under 4 hours: £45 per meeting**
  - **Meetings 4 hours and over: £90 per meeting**

## **Travel and Subsistence Allowances**

### **Subsistence – for within Authority meetings**

56. The current Members' Allowances scheme still provides for the reimbursement of subsistence expenses when attending approved duties within the Borough. While the Subsistence Allowance for in-Borough approved duties is rarely claimed it is a provision that is an anachronism, a hold over from the days when Members did not receive remuneration and in the main the only allowances they were able to claim were for out of pocket expenses. This is no longer the case.
57. **The Panel recommends that the Members' Allowances scheme should be amended to clarify that the Subsistence Allowances can no longer be claimed by Members attending approved duties within the Borough unless there are exceptional circumstances as defined by the person calling the meeting with approval of the Monitoring Officer, to be implemented from the date of the Annual Meeting 2013/14.**

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<sup>5</sup> See Annual Survey of Hours and Earnings (ASHE), Weekly Pay – Excluding Overtime (£) – For all Full Time Employee Jobs, UK 2012, Table 8.1a, Place of Residence by Local Authority, Office of National Statistics, 22 November 2012.

58. This recommendation, if accepted, will not result in direct savings as this allowance was never claimed last year. Nonetheless, the Panel is concerned in ensuring that the principle is enshrined in the allowances scheme.

### **Subsistence Allowances – Outside the Borough**

59. The Panel received no evidence that the rates and conditions that apply to the Subsistence Allowances for Members attending duties outside the Borough need revisiting. The current rates claimable are based on those applicable to Officers as follows:

**Table 3: Members Subsistence Rates 2012/13**

<b>Category of Subsistence</b>	<b>Allowance</b>
<b>Breakfast</b>	£5 maximum
<b>Lunch</b>	£8
<b>Tea</b>	£3
<b>Evening Meal</b>	£20
<b>Overnight Accommodation - Outside London</b>	£84
<b>Overnight Accommodation – London</b>	£96

60. **The Panel confirms the current rates and conditions for claiming Subsistence Allowances (including overnight accommodation) by Members attending approved duties outside the Borough.** The Panel reminds the Council that if a Member claims this allowance then it is good practice to back up the claims with receipts, i.e., it is a reimbursement of actual costs incurred up to the same maxima that applies to Officers.

### **Travel Allowances – Within the Borough**

61. Unlike, the Subsistence Allowance, the Panel accepts the logic for maintaining provision within the Members' Allowances scheme for Members to be able to claim a travel allowance for attending in-Borough approved duties. The journey is only undertaken, and cost incurred, as a result of being an elected Member. Whereas a Member would have to eat whether they were attending an in-Borough approved duty or not.
62. **Consequently, the Panel recommends no change to the current definition and scope of approved duties for which Members can claim Travel Allowances.**

### **Mileage Rates**

63. Currently, the mileage rates that Members can claim for attending approved duties are based on rates that are agreed nationally each year by the



National Joint Council (NJC) for Local Government Services (Officer Casual User rate). These rates are currently as follows:

**Table 4: NJC Casual User Mileage Rates 2012/13**

Miles	Car Engine Size		
	Up to 999cc	1000-1199cc	1200cc and over
Per mile first 8,500	46.9p	52.2p	65.0p
Per mile after 8,500	13.7p	14.4p	16.4p

- 64. It is increasingly becoming accepted that a more appropriate schedule of mileage rates are those based on Her Majesty’s Customs and Revenue (HMRC) Approved Mileage Allowance Payment (AMAP) rates. Officers are paid higher rates to reflect the exceptional nature of undertaking travel in their own vehicles on behalf of the Council, whereas for Members undertaking travel to approved duties is routine.
- 65. The Panel is attracted to HMRC AMAP rates for the Members seeking reimbursement of their mileage as they are slightly more environmentally friendly; they do not reward those with larger car engine sizes and they are also applicable for when a Member travels to an approved duty by bicycle. Moreover, the AMAP rates do not attract any tax liability for claimants.
- 66. **The Panel recommends that the mileage rates for which Members can claim for attending approved duties are set at the AMAP rates as set out in table 5 below:**

**Table 5: HMRC AMAP Rates 2012/13**

Vehicle	Business Miles Travelled	
	First 10,000 miles (£ per mile)	Over 10,000 miles (£ per mile)
<b>Cars &amp; Vans</b>	45p	25p
<b>Motor cycles</b>	24p	24p
<b>Bicycles</b>	20p	20p
<b>Passenger Supplement Rates</b>	5p per passenger per mile	5p per passenger per mile

- 67. This recommendation, if accepted, will result in a direct savings of £1,950 per year, based on mileage claimed for 2011/12.

**Public and Other Transport**

- 68. **The Panel recommends no change to the current rates and conditions to the Travel Allowances scheme where Members travel by public or other means of transport.**
- 69. **Where Members do have long distances to travel by public transport then the arrangements are usually made and paid directly by members' services. The Panel reminds the Council that on the odd occasion that a Member has to seek reimbursement of travel to approved duties by public transport all claims must be backed by receipts for actual costs incurred up to the maxima applicable to Officers of the Borough Council.**

**The Dependants Carers' Allowance (DCA)**

- 70. Legislation specifically enshrines the right of Members to claim a Dependants' Carers' Allowance (DCA) to assist with the costs caring for any dependants a Member may have while they undertake approved duties. It is designed to reduce barriers to being an elected Member. The DCA is provided for within the Tamworth Borough Council Members' Allowances scheme but is rarely claimed. Nonetheless, the Panel feels that the scheme should still be made available lest a Member circumstances change or a new Member does have dependants. The DCA is as much about a statement on access to being an elected Member rather than the actual use of the allowance.
- 71. **The Panel recommends no change to the scope and levels payable for the Dependants' Carers Allowance scheme, including the relevant indices (see below).**
- 72. The Panel points out that the child care element is indexed to the minimum wage applicable to the age of the carer which is currently as follows:

**Table 6: Current Minimum Wage – Hourly Rates**

<b>Age of Carer</b>	<b>Hourly Rate</b>
Adult rate – workers aged 21 and over	£6.19
Workers aged 18-20 inclusive	£4.98
Workers aged 16-17 inclusive	£3.68

**Indexation**

- 73. Under the four year rule the current indices that apply to the payments made under the Members' Allowances have lapsed. This is not a major issue, as (for the past few years) the index that Tamworth and most Councils apply to

the Basic Allowance and SRAs (the annual percentage salary increase for local government staff) has been at zero percent. This is likely not to be the case for the next two years, with the employers offering a 2-year deal at 1% each year.

74. The Panel points out that if allowances are not indexed then the Council is not able to apply an annual cost of living increase without coming back for advice to the Panel. However, where a Council has adopted indices they are under no obligation to apply them each year. Council and individual Members retain the right to not apply an index to their allowances.

75. **The Panel recommends that authority for Tamworth Borough Council to index their allowances is refreshed and the following indices are applied to the remuneration and allowances paid to Members of Tamworth Borough Council:**

**Basic Allowance and SRAs:**

- Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

**Dependants' Carers' Allowance:**

- Indexed to the hourly minimum wage applicable to the age of the carer.

**Mileage Allowance:**

- Members mileage allowances rates should be indexed to the HMRC AMAP mileage rates.

**Subsistence Allowances:**

- The day and overnight subsistence allowances should be indexed to the same rates that are applicable to Officers.

**Implementation**

76. **The Panel recommends that the recommendations contained within this Report be implemented from the date of the Annual Council meeting 2013/14.**

## **Appendix One**

### **Members and Officers who met with the Chair**

#### **Members**

Cllr Tina Clements:	Mayor (Conservative)
Cllr Danny Cook:	Leader of Council and Conservative Group
Cllr Chris Cooke:	Independent Member
Cllr John Faulkner:	Leader of the (Labour) Opposition Group
Cllr Richard McDermid:	Deputy Leader of the (Labour) Opposition Group
Cllr Rob Pritchard:	Deputy Leader of Council and Conservative Group

#### **Written Submissions from Members**

Cllr Marion Couchman:	Labour Member
Cllr Maureen Gant:	Chair of Audit & Governance Committee (Conservative)
Cllr Ken Norchi:	Labour Member
Cllr Peter Seekings:	Labour Member

#### **Officers**

Jane Hackett:	Solicitor to the Council and Monitoring Officer
Lara Allman:	Democratic & Election Services Officer

## **Appendix Two**

### **Information Received and Reviewed by the Panel Reviewed for Tamworth Borough Council – Member Allowances Review 2013**

1. Panels' terms of reference
2. Consolidated Guidance for panels re-issued 2006 by Department Of Local Government and Communities.
3. 2012 Tamworth Borough Council Members' Allowances scheme
4. Copies of Allowances schemes (2012/13) paid in comparator authorities
5. The Fourth Report by the Independent Remuneration Panel, December 2008
6. Summary of Members' Attendance record, 26/08/2012 – 18/02/2013
7. Schedule of meetings and list of Committees, including membership
8. Written representations by Council Members

**Appendix Three: Allowances paid the Staffordshire and Immediate Neighbour Districts 2012/13**

<b>Authority</b>	<b>Basic Allowance</b>	<b>Leader</b>	<b>Leader Total</b>	<b>Deputy Leader</b>	<b>Cabinet or Policy Chairs</b>	<b>Chair of Scrutiny</b>	<b>Vice Chair Scrutiny</b>	<b>Chair of Planning</b>	<b>Chair of Licensing</b>	<b>Opposition Leader</b>
East Staffs	£4,540	£18,417	£22,957	£9,208	£9,208	£1,842	n/a	£5,526	£5,526	£1,842
Cannock Chase	£5,339	£20,166	£25,505	£9,260	£8,025	£6,791	n/a	£4,322	£1,853	£6,791
Lichfield	£2,990	£11,360	£14,350	£6,820	£6,250	£2,270	n/a	£6,250	£2,270	£2,270
North Warwickshire	£4,942	£10,987	£15,929	£4,983 (3)	n/a	£4,983	n/a	Included in 1 x Deputy Leader	N/A	£1,162 + £233 per member
North West Leicestershire	£3,662	£14,648	£18,310	£9,155	£5,493	£4,760		£4,760	£4,760	£3,662
Newcastle Under Lyme	£3,285	£13,590	£16,875	£9,510	£5,660	£2,830	£1,130	£4,230	£3,430	£1,130
South Derbyshire	£5,892	£17,940	£23,832	£9,860	£8,960	£8,960	£2,240	£8,960	£2,240	£8,960
South Staffs	£5,000	£10,000	£15,000	£5,000	£5,000	£2,500	n/a	£2,500	£2,500	£2,500
Stafford	£3,630	£8,542	£12,172	£6,887	£5,232	£2,936	n/a	£3,844	£1,441	£4,271
Staffordshire Moorlands	£2,902	£9,565	£12,467	£5,739	£4,783 (7)	£3,348 (4)	£1,913	£3,348	£3,348	£3,348
<i>Tamworth</i>	<i>£5,120</i>	<i>£12,814</i>	<i>£17,934</i>	<i>£9,610</i>	<i>£8,329</i>	<i>£5,766</i>	<i>£1,193</i>	<i>£5,766</i>	<i>£5,766</i>	<i>£5,766</i>
<b>Highest</b>	<b>£5,892</b>	<b>£20,166</b>	<b>£25,505</b>	<b>£9,860</b>	<b>£9,208</b>	<b>£8,960</b>		<b>£8,960</b>	<b>£5,766</b>	<b>£8,960</b>
<b>Lowest</b>	<b>£2,902</b>	<b>£8,542</b>	<b>£12,172</b>	<b>£5,000</b>	<b>£5,000</b>	<b>£1,842</b>		<b>£2,500</b>	<b>£1,441</b>	<b>£1,130</b>
<b>Mean</b>	<b>£4,300</b>	<b>£13,457</b>	<b>£17,757</b>	<b>£8,105</b>	<b>£6,906</b>	<b>£4,364</b>		<b>£4,951</b>	<b>£3,313</b>	<b>£4,054</b>
<b>Median</b>	<b>£4,540</b>	<b>£12,814</b>	<b>£16,875</b>	<b>£9,182</b>	<b>£6,250</b>	<b>£3,848</b>		<b>£4,541</b>	<b>£2,924</b>	<b>£3,505</b>

	<b>Other SRAs`</b>	<b>Mileage</b>	<b>Child Care</b>	<b>Subsistence Rates</b>
East Staffs	n/a	HMRC	No info	B £5.66 L £7.80 T £3.10 EM £9.65 O/N £87.09
Cannock Chase	Chr Policy Development C'tee, Chr Aud & Gov, Chr Fundamental Service Review	42.9p, 46.9p, 58.7p	Nat Min Wage	B £5.75 L £7.91 T £3.21 EM £9.80 O/N £93.31
Lichfield	Ch Audit, Asst Cabinet Member, V Chr Planning, V Chr Lic, Chr Employment C'tee, Chr Parish Forum, Chr Arts Partnership, Chr Disability Partnership Panel	No info	County Social Services Department Payment Rate	No info
North Warwickshire	Chairman of Area Forums, Appeals Panel Members, Lead Members (Portfolio Holders)	42.9p, 46.9p, 58.7p	Nat Min Wage	B £5.84 L £8.04 T £3.17 EM £9.94 O/N £95.26
North West Leicestershire	n/a	No info	£7.20ph	No info
Newcastle Under Lyme	V-Chr Plan, Pub Prot, Audit & Risk, Licensing	No info	£5.15ph (or nat min wage)	No info
South Derbyshire	Tele Allow £300, V-Chr Policy C'tee & Plan	45p 1st 10km 25p over	No info	No info
South Staffs	Audit C'tee	No info	No info	No info
Stafford	Aud&Gov, Public Appeals, Jnt Parking C'tee	52.2p	£6.14	B £7.50 L £10.00 D £17.50 O/N £90
Staffordshire Moorlands	Vice Plan & Lic, Chr Constitution Review Working Party, Member Dev Champion, Chr & V-Chr Appeals Board	42.9p, 47.7p, 60.1p	£10ph max £40	B £6 L £8 T £4 EM £15 O/N £90
<i>Tamworth</i>	<i>Chair Audit &amp; Gov £1,922</i>	<i>46.9p, 52.2p, 65p</i>	<i>Carers over 22 £5.73ph, Carers 18-21 - £4.77ph</i>	

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