

Wolverhampton City Council

OPEN DECISION ITEM

Standards Committee

Date: 17 January 2012

Originating Service Group(s)	Delivery
Contact Officer(s)/	Susan Kembrey
Telephone Number(s)	4900
Title/Subject Matter	Members Allowances Scheme 2012/13

1.0 **Recommendation**

- 1.1 That the Standards Committee recommend full Council to approve the continuation of the current Members Allowances Scheme including current levels of basic and special responsibility allowances with effect from 1 April 2012.

1.0 **Purpose**

- 1.1 To consider the scheme of Members Allowances for the period 1 April 2012 – 31 March 2013 as set out in Appendix 1 to this report and to recommend full Council accordingly.

2.0 **Background**

- 2.1 The Standards Committee is responsible, under the Constitution, for advising Council on the adoption or revision of the Scheme of Members' Allowances. Under the Constitution, the Special Advisory Group has responsibility for advising the appropriate Council bodies on constitutional arrangements.
- 2.2 Regulations made by the Secretary of State require Council's before the beginning of each financial year, to make or amend their Members' Allowances Scheme for that year taking account of the recommendations of an Independent Remuneration Panel.
- 2.3 The Council's current Members Allowances Scheme was approved by full Council on 15 December 2010 following the recommendations of the Standards Committee and the Members' Allowances Independent Remuneration Panel.
- 2.4 The current scheme, implemented from 18 May 2011 i.e. the date of the Annual Council meeting, provided for a freeze on the 2010 level of Basic Allowances and a 6% reduction in the 2010 level of Special Responsibility Allowances; 20% of budgetary savings were to be vired to the Member Development budget. There were a number of outstanding recommendations from the Members' Allowances Independent Remuneration Panel which were subsequently addressed at the Annual Council meeting on 18 May 2010.

3.0 **2012 Scheme**

- 3.1 Levels of Members basic and special responsibility allowances under the Scheme have traditionally been adjusted in line with inflation in accordance with the agreed pay award for National Joint Council Local Government Services.
- 3.2 Given the current freeze on NJC pay awards, the Members' Allowances Independent Remuneration Panel has been asked to recommend that levels of basic and special responsibility allowances paid to Members should remain at current levels from 1 April 2012 to 31 March 2013. The Members' Allowances Independent Remuneration Panel will continue to recommend levels of allowances from 1 April 2013 and in future years.

4.0 **Legal Implications**

- 4.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 continue the requirement under the 2001 Regulations that Councils have to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances and associated matters. [MW/23122011/H]

5. **Financial Implications**

- 5.1 Within the Council's budget provision is made for the payment of members' allowances. The proposed budget available for the financial year 2012-2013 is

	£M
Basic Allowances	0.538
Special Responsibility Allowances	<u>0.493</u>
Total	1.031

[DM/09122011/T]

6. **Equalities Implications**

- 6.1 The Independent Remuneration Panel will bear in mind the Council's equality and diversity policy when considering the Members Allowances scheme in order to ensure that no individual or community group is deterred or prevented from serving or seeking election to the Council.

Wolverhampton City Council

MEMBERS' ALLOWANCES SCHEME 2012/2013

CONTENTS

	Page
1. Introduction	2
2. Basic Allowance	3
3. Special Responsibility Allowance	3
4. Dependents' Carers' Allowances	4
5. Travelling and Subsistence Allowances	5
6. Membership of the Local Government Pension Scheme	6
7. Co-optees' Allowances	6
8. Withholding Allowances	6
9. Forgoing Allowances	7
10. Backdating of Allowances	7
11. Annual Adjustments of Allowance Levels	7
12. Tax and National Insurance Treatment of Members' Allowances	7
13. Amendment and Revocation of the Scheme	7
14. Claims and Payment	8
15. Records of Allowances	8
16. Publicity	8
17. Schedule of Allowances	8

1. Introduction

- 1.1 This Members' Allowances Scheme was made by the Council on 8 February 2012 in accordance with the statutory provisions in the Local Government and Housing Act 1989, the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003.

The Council has had regard to the Guidance on Consolidated Regulations for Local Authority Allowances issued by the Office of the Deputy Prime Minister and the Inland Revenue in July 2003.

In November 2009 the Council established its own Independent Remuneration Panel under the Local Authorities (Members' Allowances) (England) Regulations 2003. Prior to this date the Council took advice from the Members Allowances Independent Panel established by the Black Country Boroughs.

The Council has had regard to the recommendations of the Panel in approving the levels of allowances set out in this scheme.

- 1.2 A copy of the Panel's report is available from Democratic Support, Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH. Telephone: 01902 555048 and on the Council's web site.

1.3 Definitions

"Regulations" means the Local Authorities (Members' Allowances) (England) Regulations 2003 and any Regulations which may from time to time replace, amend or revoke them.

"Standing Body" means, in accordance with the Council's constitution, committees, sub-committee or panels comprising members of the Council or other persons established to deal with functions which are neither reserved to the Council nor are executive functions.

- 1.4 Sections 2 to 16 of this Scheme describe the types of allowances which may be paid to members and the arrangements for administering the Scheme.
- 1.5 Section 17 contains a Schedule of Allowances approved by the Council for the current year 2012/13. The Schedule will be re-issued annually when the annual adjustment has been made and at any time when the Scheme is amended.

2. Basic Allowance

- 2.1 This is a basic, flat rate allowance payable to all members of the Council. The allowance is the same for each member and is paid in instalments through the year.
- 2.2 Where the term of office of a Member begins or ends otherwise than at the beginning (1 April) or end of a year (i.e. 31 March), his/her entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office as member bears to the number of days in that year.
- 2.3 Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the cost of telephone rental and calls and home office expenses such as postage, stationary and the use of their homes.

3. Special Responsibility Allowance

- 3.1 Special Responsibility Allowances (SRA's) may be paid to those members who have significant responsibilities. The Regulations prescribe the categories of responsibility for which SRA's may be paid.
- 3.2 The Council has determined that SRA's be paid to members holding the following posts:-

Leader
Deputy Leader
Leader of the Main Opposition Group
Deputy Leader of the Main Opposition Group
Member of the Executive
Chair – Scrutiny Board
Chair – Scrutiny Panel
Chair – Planning Committee
Chair – Licensing Committee
Chair – Superannuation Committee
Chair – Audit Committee
Chair – Petitions Committee
Chair - Human Resources Appeals Panel
Vice-Chair – Scrutiny Board and Panels
Vice-Chair – Planning Committee
Vice-Chair – Licensing Committee
Vice-Chair – Superannuation Committee
Vice-Chair – Audit Committee
Vice-Chair – Petitions Committee
Shadow Chair – Planning Committee
Shadow Chair – Licensing Committee
Shadow Chair - Superannuation Committee

Shadow Chair – Audit Committee
Shadow Portfolio Holder/Spokesperson
Leader of a Minority Opposition Group *
Member Champions

“Special Responsibility Allowance for the Leader of a Minority Opposition Group to be paid only if a Minority Opposition Group comprises 5 or more Members of the Council”

- 3.3 Where a member undertakes duties which would entitle him/her to more than one Special Responsibility Allowance under this Scheme then he/she shall receive only the higher allowance.
- 3.4 Where a member does not have throughout the whole of a year any such responsibilities as entitle him/her to a SRA, his/her entitlement shall be to payment of such part of the SRA as bears to the whole the same proportion as the number of days during which he/she has such special responsibilities bears to the number of days in that year.

4. Dependants' Carers' Allowance

- 4.1 A dependants' carers' allowance is payable to those members who incur expenditure for the care of their children or other dependants whilst undertaking particular duties. These duties are specified in the Regulations and are as follows:
- attendance at a meeting of the Executive or of a committee of the Executive (i.e. the Cabinet or a Cabinet Team)
 - attendance at a meeting of the Council or any Standing Body (i.e. a committee or sub-committee or Panel of the Council)
 - attendance at a meeting of some other body to which the Council make appointments or nominations, including attendance at a meeting of a committee or sub-committee of the body
 - attendance at a meeting which has both been authorised by the Council, or a Standing Body of the Council or a joint committee of the Council and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited
 - attendance at a meeting of a local authority association of which the Council is a member
 - duties undertaken on behalf of the Council in pursuance of any standing order (Contracts Procedure Rules) requiring a member or members to be present while tender documents are opened

- duties undertaken on behalf of the Council in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises
 - duties undertaken on behalf of the Council in connection with arrangements made by the Council for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools)
 - any other duty approved by the Council in connection with discharging the duties of the Council or its Standing Bodies (i.e. committees or sub-committees).
- 4.2 The amount of the dependants' carers' allowances payable in respect of the duties listed above will be the reasonable actual costs incurred up to a total annual maximum amount of 10% of the basic allowance.

5. Travelling and Subsistence Allowance

- 5.1 Travel and subsistence allowance is payable in connection with undertaking duties specified by the Council. The duties specified are those set out in section 4.1 of this Scheme.

- 5.2 Travel and subsistence within the West Midlands County area

No separate amount will be payable for travel and subsistence. The basic allowance will be deemed to include an element for travel and subsistence.

- 5.3 Travel and subsistence outside the West Midlands County area

Members required to travel outside the West Midlands County area in connection with the duties specified in section 4.1 of this Scheme are encouraged to travel by public transport. The costs of such travel if incurred directly by the member will be reimbursed. Alternatively the Council will obtain and pay for travel warrants or tickets etc for use by the member.

Where it is not possible to use public transport, mileage rates applicable to Council employees will be reimbursed.

Where members are unable to take main meals i.e. breakfast, lunch and dinner, in their normal place then the reasonable costs of purchasing a meal and beverage or appropriate refreshment will be reimbursed.

Members should, as far as possible, obtain receipts when paying for transport and meals/refreshments. In the case of alcoholic drinks, only

expenditure for reasonable refreshment or business purposes will be reimbursed.

- 5.4 Members who are required to return to Wolverhampton to attend Council meetings or attend to other Council business while away from home on personal business or in connection with their employment will not normally be reimbursed any travel or subsistence costs by the Council. In exceptional personal, compassionate or other mitigating circumstances, the reimbursement of such travel costs will be considered by the Assistant Director Governance and Section 151 Officer following consultation with the Political Group Leaders.

6. Membership of the Local Government Pension Scheme

- 6.1 The Council has determined that all members of the Council are entitled to a pension in accordance with the Local Government Pension Scheme Regulations.
- 6.2 The Council has determined that both the basic allowance and the special responsibility allowance shall be treated as amounts in respect of which such pensions are payable.

Note: Each member will need to decide whether he/she wishes to join the contributory Local Government Pension Scheme. The Scheme is the subject of Regulations made under Section 7 of the Superannuation Act 1972. Separate guidance has been issued by the West Midlands Pension Fund

7. Co-optees' Allowance

- 7.1 The Council has determined not to pay any allowance to co-optees (i.e. a person who, not being an elected member of the Council, has been appointed to membership of a Standing Body of the Council) or persons or representatives of external organisations (i.e. a person who, not being an elected member of the Council, has been invited to attend a Standing Body of the Council) in respect of attendance at meetings.
- 7.2 Co-optees and persons or representatives of external organisations will be entitled to travel and subsistence allowance.
- 7.3 Travel and subsistence within the West Midlands County area – co-optees and persons or representatives of external organisations will be paid on the same basis as that applying immediately before the coming into operation of this Scheme.
- 7.4 Travel and subsistence outside the West Midlands County area – co-optees and persons or representatives of external organisations will be paid allowances on the same basis as elected members as set out in section 5.3 of this Scheme.

8. Withholding Allowances

- 8.1 If a member has been suspended from membership of the Council then his/her basic allowance, any SRA and all travel and subsistence allowances will be withheld during the period of suspension. If a member has been partially suspended e.g. prevented from exercising particular functions or having particular responsibilities, then his/her basic allowance will not be withheld but travel and subsistence allowances and any SRA related to the suspended duties and responsibilities will be withheld.
- 8.2 Where payment of any allowance has already been made in respect of any period during which the member concerned has been suspended or ceased to be a member of the Council or is in any other way not entitled to receive the allowance in respect of that period, then any such allowances will be repaid by the member.

Note: References to suspension and partial suspension refer to the provisions of Part III of the Local Government Act 2000 and any Regulations made thereunder.

9. Forgoing of Allowances

- 9.1 A Member may forgo all or any part of any allowances to which he/she is entitled under this Scheme. Notice in writing must be given by the Member to the Chief Legal and Procurement Officer.

10. Backdating of Allowances

- 10.1 If this Scheme is amended and any amendment is made which affects an allowance payable for the year in which the amendment is made then the entitlement to such allowance as amended may apply (if the Council so determines) with effect from the beginning of the year in which the amendment is made.

11. Annual Adjustments of Allowance Levels

- 11.1 Basic and Special Responsibility Allowances for the period 1 April 2012 to 31 March 2013 will be paid as set out in the Schedule to this Scheme.

12. Tax and National Insurance Treatment of Members' Allowances

- 12.1 For tax and national insurance purposes members (councillors and non-councillors) are treated in the same way as any other individual who holds an office or is an employee. Guidance received by the Council will be made available to members who should also contact their tax office for advice as necessary.

13. Amendments and Revocation of the Scheme

- 13.1 Before the beginning of each year the Council will make a Scheme as required by the Regulations for the payment of allowances in respect of the year.
- 13.2 The Scheme may be amended at any time but may only be revoked with effect from the beginning of a year.

14. Claims and Payment

- 14.1 Claims for dependants' carers' allowance, travelling and subsistence allowances must be claimed within one month of the date on which entitlement to the allowance arose.
- 14.2 Unless otherwise agreed payment of basic allowance and SRA's will be made monthly in advance.

15. Records of Allowances

- 15.1 The Council will keep a record of payments made by it in accordance with the Scheme. The record will contain the information required by the Regulations.
- 15.2 As soon as reasonably practicable after the end of a year to which the Scheme relates the Council will publish details in accordance with the Regulations of allowances paid.

16. Publicity

- 16.1 The Council will as soon as reasonably practicable after the making of this Scheme or any amendment thereto make arrangements for publication as required by the Regulations.

17. Schedule of Basic and Special Responsibility Allowances.

Basic Allowance (All Members) – £8,980

Description	From 01.04.12
Special Responsibility Allowance (SRA)	
Leader	25,320
Deputy Leader	21,100
Leader of the Main Opposition Group	16,880
Deputy Leader of the Main Opposition Group	5,570
Member of the Executive	16,880
Chair – Scrutiny Board	16,880
Chair – Scrutiny Panel	12,660
Chair – Planning Committee	16,880
Chair – Licensing Committee	12,660
Chair – Petitions Committee	12,660

Members' Allowances Scheme

Chair – Audit Committee	12,660
Chair – Superannuation Committee	12,660
Chair - Human Resources Appeals Panel	4,220
Vice-Chair – Scrutiny Board and Panels	5,570
Vice-Chair – Planning Committee	5,570
Vice-Chair – Licensing Committee	4,220
Vice-Chair – Audit Committee	4,220
Vice-Chair – Petitions Committee	4,220
Vice-Chair – Superannuation Committee	4,220
Shadow Chair – Planning Committee	4,220
Shadow Chair – Licensing Committee	4,220
Shadow Chair – Audit Committee	4,220
Shadow Chair - Superannuation Committee	4,220
Shadow Portfolio Holder/Spokesperson	4,220
Member Champion	4,220
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	18,880
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	3,785

(Note: Where a Member undertakes duties which entitle him/her to more than one SRA under the Scheme, he/she will receive only the higher allowance)