



City of Westminster

# General Purposes Committee Report

Item No:

4

Date:

13 March 2007

Classification:

For General Release

Title of Report:

Members' Allowance Scheme – 2007/08

Report of:

Director of Legal and Administrative Services

Wards involved:

None

Policy context:

Management of the Council

Financial summary:

There is additional financial impact from the proposals set out in this report. An additional £40k will be required from contingency to fund the increase in allowances in 2007/08.

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#### **4.1. Summary of this Report**

**4.1.1** This report asks the Committee to consider recommending the Council to adopt a Members' Allowance Scheme for the year 2007/08.

- 1.2 The Independent Remuneration Panel, established by London Councils' (formerly the Association of London Government), has recently issued an updated report. In reaching decisions on a scheme the Committee and the Council must have had regard to the recommendations of the Panel; a copy of their report is attached as Annex B to the report. Similarly regard must be had to relevant statutory guidance issued by the Secretary of State, this is attached as Annex C to the report. This has been considered by the Committee previously and no new issues arise as a result of the proposals in this report.
- 1.3 In drawing up the revised Members' Allowances Scheme regard has been had to the Independent Panel's latest report who recommended that their recommendations should be adopted in full. The proposals have also been discussed with the Chief Whip of the Majority Party, and the recommendations at 2 below arise as a result of these discussions. The Chief Whip of the Minority Party has been informed of the results of these discussions.

#### **5.2. Recommendations**

- 2.1 That the Council be recommended to adopt the Members' Allowances Scheme for 2007/08, attached as Annex A, with effect from 1 April 2007.
- 2.2 That subject to the Council adopting the Members' Allowances Scheme referred to in recommendation 2.1 above the Cabinet Member for Finance and Support Services is asked to approve an allocation from corporate contingency of £40,000 in 2007/08 to fund the additional costs above the current proposed budget for 2007/08. Members should also note that these proposals will result in £40,000 revenue growth in the Business Plan for 2008/09.

#### **6.3. Background**

- 3.1 There is now a requirement for Local Authorities to adopt a Members' Allowance Scheme on an annual basis, with effect from 1 April in each year.
- 3.2 The General Purposes Committee have previously considered the Independent Panel's findings and recommendations. The Panel's most recent report update the original recommendations, which are broadly the same as those in the original report.

#### **Members' Allowances**

- 3.3 The current Members' Allowances Scheme was adopted by the Council on 22 March 2006 and amended on 26 April 2006. When considering a new scheme, or amending an existing scheme, Local Authorities must have regard to the report of the London Councils' Independent Panel on the Remuneration of Councillors. This is attached in full as Annex B. Relevant guidance from the Secretary of State is also attached at Annex C. The statutory guidance is in bold text.

#### **Basic Allowance**

- 3.4 The basic allowance payable to all Members is currently £7,300 pa. It is proposed that this should increase to £10,000 per annum per Member. This payment is broadly in line with the level recommended by the Independent Panel and is intended to cover the costs associated with all travel within the Greater London area and for any Carers costs, which the Independent Panel have recommended should be the subject of separate claims. This increase reflects the enhanced role for Ward Members envisaged by the Government in last year's White Paper (strong and prosperous communities) and the current Local Government Bill. The City Council's approach to this was outlined in the report "Taking Forward Westminster's One City Neighbourhoods Programme" considered by the Cabinet on 11 December 2006.

#### **Special Responsibility Allowance (SRA)**

- 3.5 The Special Responsibility Allowances were increased by inflation last year (ie from 1 April 2006).

- (a) In reviewing the level of Special Responsibility Allowances regard has been had to the recommendations of the Independent Panel. It should also be noted that other than for inflationary increases the level of these allowances have remained broadly unchanged since the introduction of new governance arrangements in September 2000.

- (b) The proposed allowances set out in Appendix A of the Scheme (Page 67 of this report), generally include increases of between 5% and 10% which will bring these allowances much closer to those recommended by the Independent Panel. However, the changing roles of Members since the introduction of the revised governance arrangements requires that other changes are necessary, highlighted as follows:

##### **(i) Leader, Deputy Leader and Cabinet Members**

These are proposed to be increased to reflect an increased level of responsibility.

##### **(ii) Leader of Opposition**

The increase proposed accords with the level recommended by the Independent Panel.

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**(iii) Overview and Scrutiny Commission**

It is proposed to pay a SRA to all five Commission Members and not just the four O&S Committee Chairmen.

**(iv) Deputy Cabinet Members and Lead Members and Adoption and Fostering Panel Members**

The increase proposed reflects the increasing role that these Members undertake.

**Travel and Subsistence Allowance**

- 3.6 The Independent Panel have endorsed their previous recommendation that all intra-borough travel should be regarded as being included in the basic allowance. Currently the Council's scheme allows for all travel for approved duties to be claimed. It is proposed to go slightly further than the Panel's recommendations and to only allow for travel claims for approved duties outside of the Greater London area (not just intra-borough) in view of the proposed increase in Basic Allowances.

**Co-opted Members' Allowances**

- 3.7 The City Council does not currently pay any allowances, except for travel, to Co-opted Members on the Children and Young People O&S Committee and on the Standards Committee. In accordance with the Independent Panel's recommendation it is proposed to commence payments to Co-opted Members, upon request, of £100 per meeting up to a maximum of £500 per annum. Additional budget provision of £3,500 per annum would be required.
- 3.8 The Independent Panel have recommended that all Members should have a job description. This is not something which has previously been considered by the City Council and it is suggested that it be referred to the Standards Committee for consideration.

**4. Legal Implications**

- 4.1 In addition to those set out elsewhere in the report, there is a requirement that Councils, who wish to have such a Members Allowances Scheme must make a scheme for the following year, commencing on 1 April each year. Schemes can be amended at any time but new schemes can be introduced only from the start of each year. Recommendation 2.1 in this report, if adopted, will meet the requirement to adopt a scheme for the year commencing on 1 April 2007. The approval of the full Council is necessary to any amendments to existing schemes or the adoption of new schemes.
- 4.2 Regulations relating to Members Allowances require the publication more widely of the report of the Independent Remuneration Panel, the scheme of allowances and details of the total sums paid to each Member under each

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category of allowance in each year. The statutory guidance in respect of publicity requirements suggests that details of allowances paid are made available on the Council's website together with information on the responsibilities of elected Members and the duties and time commitment which the basic allowance is intended to remunerate. The Committee have previously agreed to this.

## **5. Financial Implications**

- 5.1 The Budget and council Tax 2007/08 report to Cabinet on 26<sup>th</sup> February 2007 included some provision in the estimates for revised members allowances from 1<sup>st</sup> April 2007. However, the recommendations in this report require an additional £40k increase in the 2007/08 budget provision. The revised projected cost of Members allowances in 2007/08 is £975k.
- 5.2 In order to fund the proposals for additional basic and special responsibility allowances and provision for a co-opted Members Allowance, it is recommended that £40,000 is transferred from corporate contingency to the Members' Services Budget which includes additional provision for National Insurance employers contributions. However, £40k growth will be required in the base from 2008/09 to ensure sufficient funding to meet ongoing commitments from these proposals.

If you have any questions about this report, or wish to inspect one of the background papers, please contact Mick Steward, 020 7641 3134;  
email: [msteward@westminster.gov.uk](mailto:msteward@westminster.gov.uk)

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 BACKGROUND PAPERS.**

The documents referred to in compiling this report are as follows:

- Report to the General Purposes Urgency Sub-Committee – 28 February 2006
- Report to the General Purposes Committee – 27 March 2006
- Report to the Cabinet – One City Neighbourhoods Programme – 11 December 2006

## **MEMBERS' ALLOWANCES SCHEME FROM 1 APRIL 2007 TO 31 MARCH 2008**

1. This Scheme is made under, and in accordance with, the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003.
2. The rates of allowances specified will apply until the Scheme is amended or replaced, in which event the revised rates of allowances will be paid from the date from which the amendment takes effect.
3. Subject to the relevant form being completed at the appropriate time, entitlement to allowances under the Scheme commences on the date upon which a Member is elected to the Council or is elected or appointed to an office qualifying for special responsibility. The entitlement ceases on the date upon which a Member ceases to hold a qualifying office or ceases to be a Member of the Council. An apportionment of the relevant allowances will be made in the same proportion as the number of days that the Member held Office or was a Member, bears to the number of days in the relevant year.
4. Any Member may by notice in writing to the Director of Legal and Administrative Services elect to forego for any period any part of an entitlement to an allowance under the Scheme which will take effect from the date upon which the notice is received by the Director of Legal and Administrative Services.
5. Allowances will be paid by equal monthly instalments on the 20th day of each month. The £1,000 lump sum Basic Allowance for Members to purchase ICT equipment paid on 20 June 2006 (or subsequently to any Member elected at a by-election) is due to be paid again to all Members elected in May 2010.
6. Except where so authorised by the Director of Legal and Administrative Services any claim for travel and subsistence allowances must be made within two months of the date of the duty to which the claim relates.

### **Basic Allowance**

7. A Basic Allowance of £10,000 pa from 1 April 2007 will be paid to every Member of the Council who formally elects to receive it.

### **Special Responsibility Allowance**

8. Payments of Special Responsibility Allowances will be made to Members of the Council who hold special offices unless they formally elect not to receive them. Attached as Appendix A is a list of the Special Responsibility Allowances payable from 1 April 2007.

### **Conferences**

9. Councillors are entitled to have their Conference fees met and to receive payments at the approved rates for travel and subsistence in respect of the attendance approved by the appropriate Cabinet Member, Committee or the Director of Legal and Administrative Services at conferences held outside the City to discuss matters relevant to the discharge of the Council's functions.

### **Travel Expenses**

10. Members and Co-opted Members are entitled to claim payment of Travel Allowances where expenditure has necessarily been incurred to enable them to attend an approved duty, defined as set out in Appendix C at the rates of allowance set out in Appendix B only when travelling outside the Greater London area. Members of Education Admissions and Exclusions Appeal Committees are entitled to claim travel allowances for attendance at meetings relating to their co-option at the rates set out in Appendix B.

### **Subsistence**

11. Subsistence may be claimed only for accommodation or meals at conferences (approved in accordance with paragraph (i) of Appendix C where such costs are not included in the conference fee, subject to the maximum allowance referred to in Appendix B.

### **Annual Increase**

12. Basic allowances and Special Responsibility Allowances shall, subject to approval of the new scheme, be increased with effect from 1 April each year at the percentage rate of the retail price index used in preparation of the City Council's budget.

### **Payments whilst under Suspension**

13. Payments of allowances, basic and special responsibility, shall not be paid to a Member who is suspended or if partially suspended that element of special responsibility allowance which may be payable in respect of an office held by the Member to which the partial suspension relates.

### **Pensions**

14. No Members of the Council shall be entitled to membership of the Local Government Pension Scheme in accordance with Section 7 of the Superannuation Act 1972.

### **Publication**

15. This scheme will be published as required by legislation. At the end of each financial year the City Council is required by legislation to publish the sums paid to Councillors under the Scheme.

**APPENDIX A AMENDMENT TO MEMBERS ALLOWANCE SCHEME – SPECIAL  
RESPONSIBILITY ALLOWANCES WITH EFFECT FROM 1 APRIL 2007**

<b>Office Holders</b>	<b>Allowances (from 1.4.07)</b>	<b>Total Cost (from 1.4.07)</b>
<b>Leader/Deputy Leader</b>	£	£
Leader of the Council (Chairman of the Cabinet)	41,000	41,000
Deputy Leader of the Council (Vice Chairman of the Cabinet)	22,000	22,000
<b>Cabinet Members</b>		
Each Cabinet Member (excluding the Leader but including the Deputy Leader) (x8)	10,000	80,000
<b>Opposition Leader/Whips</b>		
Leader of the Opposition	7,500	7,500
Chief Whip (Majority)	2,900	2,900
Chief Whip (Minority)	2,900	2,900
<b>Westminster Scrutiny Commission Members and 1<sup>st</sup> Vice Chairmen of Overview and Scrutiny Committees</b>		
Each Scrutiny Commission Member (x5)	7,590	37,500
Each Committee 1 <sup>st</sup> Vice Chairman (x4)	1,800	7,200
<b>Other Committee/Sub-Committee Chairmen</b>		
Audit and Performance	7,500	7,500
General Purposes	2,900	2,900
Standards	2,900	2,900
*Planning and City Development	7,500	7,500
Planning Applications Sub-Committee (x3)	2,100	6,300
Licensing Sub-Committees (x5)	2,100	10,500
<b>Deputy Cabinet and Lead Members</b>		
Each Deputy Cabinet Member appointed to support a Cabinet Member and the Lead Members as appointed by the Leader of the Council (x15)	1,800	27,000

Panel Members of the Licensing Sub-Committees, Members of the Planning and City Development Committee and the Planning Applications Sub-Committees receive an SRA at a special rate of £1,250 (x24 - £30,000). This separate SRA is not payable to the Chairmen of these bodies.

\* SRA only payable if Chairman is not a Member of the Cabinet.

Council Members of Adoption and Fostering Panels £2,000 each x2 = £4,000



## APPENDIX B

### TRAVEL AND SUBSISTENCE ALLOWANCES: (OUTSIDE THE GREATER LONDON AREA)

#### (A) TRAVEL

- (a) Travel by own private vehicle

<b>Motor Mileage Allowance</b>	<b>Pence Per Mile</b>
Motorcycles:	
Up to 150cc	8.5
151-500cc	12.3
Over 500cc	<u>16.5</u>
 <b>Cars &amp; Tri cars:</b>	
500cc-999cc	35.8
1000-1199cc	39.9
Over 1199cc	<u>49.4</u>

- (b) **Travel by Public Transport**

The ordinary fare or any reasonably available cheap fare actually paid.

- (c) **Travel by Taxi**

Members are not permitted to claim for travel by taxi except as part of onward or return travel to or from a conference held outside the Greater London area where a claim for other travel expenses has or could be made.

The Director of Legal and Administrative Services shall be authorised to reimburse claims for taxi fares, on an exceptional basis, for example on medical advice, to and from approved duties. Such authority to be obtained in advance, if possible.

- (d) **Travel by Rail and Air**

- (i) The ordinary fare or any available cheap fare actually paid.

- (ii) Actual expenditure incurred on:  
Reservation of seats  
Sleeping accommodation for an overnight journey  
Deposit on portage of baggage

- (iii) Travel by Air shall only be allowed when included as part of the formal approval of the attendance at a conference or overseas visit. In the case of overseas visits the cost to be met from the budget of the relevant service.

**(e) Additional Travel Expenses**

The rates specified above may be increased by not more than the amount of any expenditure incurred on tolls, ferries, parking fees or cost of overnight garaging of a motor vehicle, except that reimbursement of the Central London Congestion Charge shall not be permitted.

**(B) SUBSISTENCE**

Subsistence claims for the reasonable costs of overnight accommodation or meals not included in the Conference fee can only be claimed, up to a maximum of £170 per day, upon production of relevant receipts.

**(C) RECEIPTS**

Claims for reimbursement of expenditure by main line rail, air or any other additional expenses, or subsistence, must be accompanied by a receipt.

## APPENDIX B

### LIST OF APPROVED DUTIES FOR TRAVEL AND SUBSISTENCE ALLOWANCE:

The following are the categories of duties which qualify for payment of travel and subsistence allowance, where such expenditure has been incurred (although separate payments will only be reimbursed for travel outside the Greater London area).:

- (a) Meetings of the Council, the Cabinet, their Committees, Sub-Committees, Panels and Staff Consultative Committees and meetings of the Westminster Scrutiny Commission and the Overview and Scrutiny Committees and Task Groups of which the Councillor is a member or at which a Councillor who is not a member of that body attends to address the meeting with the prior permission (where such permission is required under Standing Orders) of the Chairman.
- (b) Attendance as the Council's representative at a meeting of any joint authority or Committee of local authorities or of any Committee or Sub-Committee of the body of which the Council is a constituent member.
- (c) Attendance as the Council's representative at meetings of any association of authorities or Committee or Sub-Committee of the association of which the Councillor is a member.
- (d) Attendance at duties which qualify for attendance allowance as single member duties as specified in the Regulations, currently:  
  
Meetings to determine the attendance of individual pupils at special schools.  
  
Rota and other visits to inspect establishments on behalf of the Cabinet Member for Children's Services and Adult Social Services.
- (e) Attendance at any other meeting convened by the Council, the Cabinet, a Committee or Sub-Committee to discuss matters relevant to the discharge of the Council's functions and to which Members of more than one Party Group have been invited.
- (f) Attendance at any meeting, which is an induction training session, seminar, presentation, or briefing arranged by Chief Officers of the City Council for all Members of a Committee, Sub-Committee or Panel to discuss matters relevant to the discharge of the Council's functions and to which Members of more than one Party Group have been invited.
- (g) Attendance as the Council's representative in connection with the discharge of the Council's functions at meetings of outside bodies (excluding local authority maintained schools), their Committees and Sub-Committees. The Director of Legal and Administrative Services maintains a list of such representatives and

has delegated powers to add and remove bodies to this category to reflect formal appointments made by the City Council.

- (h) Attendance at visits and inspection of sites and premises arranged by officers or approved by Cabinet/Committee (eg opening of new facilities).
- (i) Attendance approved by the appropriate Committee or by the Director of Legal and Administrative Services, in accordance with his delegation at conferences convened by other authorities and organisations to discuss matters relevant to the discharge of the Council's functions.
- (j) Attendance by the Leader of the Council, Cabinet Members, Deputy Cabinet Members, Leader of the Opposition, and Chief Whips on matters concerning the discharge of the Council's functions.
- (k) Attendance by Cabinet Members, Chairmen and Vice-Chairmen of Committees and Sub-Committees concerning the discharge of functions relevant to the work of their portfolio or their Committees or Sub-Committees, including Chairman's Call-over meetings and site visits.
- (l) Attendance before Parliamentary Committees, official bodies and inquiries to give evidence or make representations on the council's behalf.
- (m) Attendance as the Council's appointee or nominee at any meeting. (This excludes party group meetings but includes single member duties where one member has been appointed, appearing as a Council witness at a Planning Inquiry or court proceedings or member-level working groups appointed by a Committee and representation on any outside body which is not eligible for attendance allowance).