

Executive Summary and Recommendations

Title of Report: Members' Allowances Scheme 2010/11

Date: 10 February 2010

1. Executive Summary

- 1.1 The Council is required, to adopt a Members' Allowances Scheme on an annual basis with effect from 1 April each year.
- 1.2 In drawing up the revised Members' Allowances Scheme, regard has been had to the recommendations of the Independent Remuneration Panel, who have recently updated their report and recommendations. The summary of their update is attached. In reaching decisions on a scheme the Committee and the Council must have had regard to the recommendations of the Panel.
- 1.3 The Panel's full report and relevant statutory guidance are listed as background documents. At the time of issuing this report the recommendations have not been formally issued. However, these have been seen by Officers and they have had regard to them in the preparation of this report. No new issues arise. This is due, in part, to the previous consideration given to this matter by the Finance and Resources Policy and Scrutiny Committee who raised directly issues which it wished to be considered with Professor Stevenson, a member of the Independent Panel. The publication of the recommendations is not due until 9 February. These will be circulated to Members of the Committee by email as soon as they become available.

The views of the Finance and Resources Policy and Scrutiny Committee are considered at paragraphs 3.9 to 3.11 below.

- 1.4 Discussion has been held with the Chief Whip of the Majority Party who has also discussed the proposals in this report with the Chief Whip of the Minority Party.

2. Recommendation

- 2.1 That the Council be recommended to approve the Members' Allowances scheme attached to the report for 2010/11 with effect from 1 April 2010.
- 2.2 That Officers report to the Standards Committee on 17 March 2010 on the proposals outlined in paragraphs 3.11 and 3.12 of the report.



City of Westminster

General Purposes Committee Report

Item No:	
Date:	10 February 2010
Classification:	For General Release
Title of Report:	Members' Allowances Scheme 2010/11
Report of:	Head of Administrative Services
Wards involved:	None
Policy context:	Management of the Council
Financial summary:	There are no additional financial impacts arising from the proposals set out in this report. Provision for the ICT allowance has been included in the draft 2010/11 budget
Report Author:	Mick Steward
Contact details	Tel: 020 7641 3134 Email: msteward@westminster.gov.uk

3. Background

- 3.1 There is a requirement for Local Authorities to adopt a Members' Allowance Scheme on an annual basis, with effect from 1 April each year.
- 3.2 The General Purposes Committee has previously considered the Independent Panel's findings and recommendations. The Panel's most recent report updated the original recommendations, which are broadly the same as those in the original report. These were fully considered when the scheme was approved last year and in previous years. A summary of the panel's updated recommendations is attached.

Members' Allowances

- 3.3 The current Members' Allowances Scheme was adopted by the Council on 4 March 2009. 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 and relevant guidance from the Secretary of State. The Committee and the Council gave consideration to both of these when agreeing previous schemes and these documents are available as background papers to this report.
- 3.4 The Chief Whip of the Majority Party has, as in previous years, been consulted on the proposals and some significant changes are proposed, as set out below and detailed in the scheme attached. He has also discussed the proposals with the Chief Whip of the Minority Party.
- 3.5 The changes to the scheme are intended, within the constraints of the existing budget provision, to ensure the scheme rewards more fully duties and tasks actually undertaken. Accordingly, the Basic Allowance, which is payable to all Members regardless of the duties undertaken, is proposed to be reduced to transfer funds to increase certain Special Responsibility Allowances.

Basic Allowance

- 3.6 It is proposed for the reasons set out in paragraph 3.5 above to reduce the level of Basic Allowance payable to all Members from £10,250 to £9,000 per annum.

Special Responsibility Allowance (SRA)

- 3.7 In order to fund increases to recognise daytime duties and those related to a particularly heavy meeting commitment, some changes to the existing SRAs are necessary. Reductions to the SRAs of the Leader, Deputy Leader and, to a lesser extent other Cabinet Members are also proposed to assist with funding increases in SRAs elsewhere. It is also intended that the position of Chairman of the General Purposes Committee will no longer attract a separate SRA as the position is generally held by the Chief Whip of the Majority Party which post already attracts a separate SRA. No other reductions are proposed.

- 3.8 Increases are proposed to the SRA payable to Deputy Cabinet Members, the Party Whips and Chairmen of Licensing Sub-Committees. New SRAs are recommended to Members of the Rating Advisory Panel, the Discretionary Housing Payments Review Board and Councillors on the CityWest Homes Board. This is to reflect the heavy time commitment which is required for these positions. Small increases are also proposed to the SRA payable to Westminster Scrutiny Commission Members. No other changes are proposed.

Views of the Finance and Resources Policy and Scrutiny Committee

- 3.9 The Finance and Resources Policy and Scrutiny Committee, on 2 December, gave detailed consideration to the level of Members' Allowances. The Committee concluded:
- (i) That the overall budget for Members' Allowances in 2010/11 should not increase;
 - (ii) That particular regard be given to the Special Responsibility Allowances paid to the Leadership and any other allowances where the Council is paying above the London average;
 - (iii) That consideration be given to providing job descriptions for Members;
 - (iv) That when considering Members' Allowances regard be had to the total package of benefits including the IT allowance and the provision of all zone parking permits.
 - (v) That particular regard be given to the provision of additional Special Responsibility Allowances for certain daytime duties.
- 3.10 The proposals in this report address the views of the Finance and Resources Policy and Resources Committee. No overall increase in the budget arises from the proposals. The SRAs are broadly in line with the London average, or below and the time commitment for daytime duties is recognised. The allowances proposed for the Leader, Deputy Leader and Cabinet Members are all significantly below the London average. The amounts for Scrutiny Chairmen, Leader of the Opposition and Chief Whip are also significantly below the London average. The scheme includes reference to the IT allowance, (see paragraph 3.12 below) and reference is also made as requested by the Finance and Resources Policy and Scrutiny Committee to the all zones parking permits available to Members for official duties.
- 3.11 The issue of job descriptions for Members will be considered by the Standards Committee in March, in the context of the induction programme for Members post the May 2010 City Council elections.

- 3.12 The draft report of the Independent Panel makes reference to most Councillors being diligent and conscientious. In individual circumstances where this is clearly not the case it is recommending that the Standards Committee be empowered to recommend that the basic allowance be not claimed. It is proposed that a report on how this would operate be submitted to the Standards Committee on 17 March.

ICT Allowance

- 3.13 As part of the Members Allowances Scheme approved at the time of the last City Council elections in 2006, provision for the payment of an one off allowance of £1,000 on election was made to allow for the purchase of ICT equipment. It is proposed to pay this again at the same level with some minor changes, as follows:

- (a) That the allowance will only be paid where the Member confirms that they will have ICT equipment and e-mail access in their home available for use as part of their Council duties.
- (b) Where a Member has been re-elected following their initial election at a by-election within the last 2 years then they shall only be entitled to 50% of the ICT allowance. Where they were initially elected within the last 12 months of their re-election no ICT allowance shall be payable.

Travel and Subsistence Allowance

- 3.14 The Council's scheme is more restrictive than the Panel's recommendations and only allows for travel claims for approved duties outside of the Greater London area (travel to other London Boroughs is not reclaimable). No change to this part of the scheme is proposed. Reference is now included in the scheme, at the request of the Finance and Resources P&S Committee, to the availability of all zone permits for Members, for use when undertaking official duties.

Co-opted Members' Allowances

- 3.15 In accordance with the Independent Panel's recommendation these payments were commenced to Co-opted Members, upon request, of £100 per meeting up to a maximum of £500 per annum as part of the scheme agreed for 2008/09.

4. Legal Implications

- 4.1 There is a requirement that councils must make any scheme for the following year to commence on 1 April. Schemes can be amended at any time but new schemes can be introduced only from the start of each year commencing on 1 April. Recommendation 2.1 in this report, if adopted, will meet the requirement to adopt a scheme for the year commencing on 1 April 2010. 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 of the report of the Independent Remuneration Panel, the scheme of allowances and details of the total sums paid to each Member under each category of allowance in each year. The statutory guidance on the 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. This has previously been agreed by this Committee.

5. Financial Implications

- 5.1 The Members' Allowances budget for 2010/11 is £940,000. The cost of the scheme set out in this report is also £937,700. Provision of £60,000 has been made in the Council's draft budget for 2010/11 for the additional one off ICT allowance payable in 2010 only. This allowance is not due to be paid again until the City Council elections in 2014.

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

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1972 BACKGROUND PAPERS

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

- Report of the Independent Remuneration Panel
- Guidance Issued by Secretary of State

MEMBERS' ALLOWANCES SCHEME FROM 1 APRIL 2010 TO 31 MARCH 2011

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 (the fourth day after polling day in the year of City Council elections, i.e the Monday). 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 Head of 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 Head of 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 will be paid on 20 June 2010 (or subsequently to any Member elected at a by-election). This allowance shall not be paid to any Member who is re-elected to the Council on 6 May 2010 having been initially elected at a by-election in the preceding 12 months. If any Member was initially elected at a by-election in the preceding 24 months, but not less than 12 months, the Member shall be entitled to 50% of the ICT allowance. No ICT allowance shall be payable unless the confirmation is received that ICT and an email address for Council use is available in the Members' home.
6. Except where so authorised by the Head of 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 £9,000 pa from 1 April 2010 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 Annex A is a list of the Special Responsibility Allowances payable from 1 April 2010.

Conferences

9. Councillors are entitled to have their Conference fees met when approved by the appropriate Cabinet Member, Committee or the Head of Members Services in consultation with the relevant party Chief Whip and to receive payments at the approved rates for travel and subsistence in respect of their attendance 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 at the rates of allowance set out in Annex B where expenditure has necessarily been incurred to enable them to attend an approved duty, defined as set out in Annex C, but 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 Annex B.

Members of the Council shall be entitled to a City Council all zones official parking permit for use when undertaking official council duties and otherwise used in accordance with the rules relating to their use.

Subsistence

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

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.

ANNEX A

AMENDMENT TO MEMBERS ALLOWANCE SCHEME – SPECIAL RESPONSIBILITY ALLOWANCES WITH EFFECT FROM 1 APRIL 2010

Office Holders	Allowances (from 1.4.09) Existing	Allowances (from 1.4.10) Proposed	Total Cost (from 1.4.10)
Leader/Deputy Leader		£	£
Leader of the Council (Chairman of the Cabinet)	42,000	35,000	35,000
Deputy Leader of the Council (Vice Chairman of the Cabinet)	22,500	17,500	17,500
Cabinet Members			
Each Cabinet Member (excluding the Leader and the Deputy Leader) (x8)	10,250	10,000	80,000
Opposition Leader/Whips			
Leader of the Opposition	7,700	7,700	7,700
Chief Whip (Majority)	3,000	5,000	5,000
Chief Whip (Minority)	3,000	4,000	4,000
Westminster Scrutiny Commission Members			
Each Scrutiny Commission Member (x7)	7,750	8,000	56,000
Other Committee/Sub-Committee Chairmen			
Audit and Performance	7,700	8,000	8,000
Standards (see note below)	2,000	2,000	2,000
*Planning and City Development	7,000	6,000	6,000
Planning Applications Sub-Committee (x3)	2,200	3,000	9,000
Licensing Sub-Committees (x5)	2,000	3,000	15,000
Health Sub-Committee	-	3,000	3,000
Superannuation Committee	-	3,000	3,000

Deputy Cabinet Members

Each Deputy Cabinet Member appointed to support a Cabinet Member (x16)	2,000	4,000	64,000
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Lead Members

Lead Members appointed by the Leader (x3)	2,000	2,500	7,500
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Other Panels

Panel Members of the Discretionary Housing and Benefits Review Panel and the Rating Panel (x9)	-	1,500	13,500
Council Members of CityWest Homes Board (x5)	-	1,500	7,500

Panel Members of the Licensing Sub-Committees, Members of the Planning and City Development Committee and the Planning Applications Sub-Committees rate of £2,000 (x24 - £48,000). This separate SRA is not payable to the Chairmen of these bodies.

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

Panel Members of the Adoption and Fostering Panels (x2)	3,000	6,000	
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Total provision for Basic Allowance is:	£540,000
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Total provision for Special Responsibility Allowances is	<u>£397,700</u>
	£937,700

In addition there is provision of £80,700 for employer National Insurance Contribution and £1,000 for travel

NOTE REGARDING SPECIAL RESPONSIBILITY ALLOWANCES PAYABLE IN RESPECT OF THE STANDARDS COMMITTEE AND INDEPENDENT MEMBERS

The Special Responsibility Allowance proposed to be payable to the Independent Chairman of the Standards Committee shall become payable from their appointment. Until such appointment has been made the existing Special Responsibility Allowance to the Chairman will continue to be paid on a pro rata basis.

The Independent Members on the Standards Committee, other than the Chairman, shall be entitled to claim a Special Responsibility Allowance of £100 per meeting up to a maximum of £500 per annum. A similar sum is also payable to the Co-opted Members on the Children and Young People and Health and Community Services Policy and Scrutiny Committee when education matters are being considered. When this payment is made no other travel/subsistence allowance shall be paid in respect of that attendance.

ANNEX B

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

(A) TRAVEL

(a) Travel by own private vehicle

Motor Mileage Allowance	Pence Per Mile
Motorcycles:	
Up to 150cc	8.5
151-500cc	12.3
Over 500cc	<u>16.5</u>
 Cars & Tri cars:	
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 Head of 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 portorage 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 £180 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.

Note: All Members shall be entitled to apply to the Head of Members' Services for the use of an all zones parking permit for their use whilst on Official Council business only such permit only to be used in accordance with the guidance notes for use issued with the permits.

ANNEX C

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 Policy 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 and Young People and Adult and Community 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 Head of 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 Head of 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).