

**Report to** Council  
24 January, 2017  
**Report of** Director of business services  
**Subject** Members allowances scheme

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**Item**

9

### **Purpose**

To consider the recommendations of the independent panel set up to make recommendations on the members allowances scheme as required by the Local Authorities (Members' Allowances) (England) Regulations, 2003.

### **Recommendations**

To determine whether or not to accept the recommendation of the independent panel to retain the current scheme of members' allowances, as detailed in the panel's report.

### **Financial Consequences**

If the council retains the current scheme the budget required for 2017/18 would be £359,055

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard – Resources and business liaison

### **Contact Officers**

Andy Emms

01603 212459

### **Background Documents:**

None

# Report

## Background

1. The Local Authorities (Members' Allowances) (England) Regulations, 2003 provide that it is for the council to decide its scheme of allowances and the amounts to be paid under that scheme. However, the council is required to establish an independent panel to provide advice on its scheme. The council must have regard to this advice.

## Review by independent panel

2. An independent panel undertook a full review of the council's Members Allowances Scheme in November, 2016. The Terms of Reference of the Panel were –  
  
    “To make an independent assessment of the current Members’ Allowances Scheme and to make recommendations on amendments to the scheme to Council, if required.”
3. Comparative data on the allowances paid by some other similar local authorities was made available to the panel and is attached as appendix 1.
4. The panel's report which details its work, all matters considered and recommendation is attached as appendix 2.
5. As required by the regulations the panel's recommendation has been advertised and the panel's report made available for inspection at City Hall.
6. The recommendation of the panel is to retain the current scheme of members' allowances. The scheme already has a built in index increasing members' allowances in line with staff pay increases awarded to staff by the National Joint Council for Local Government Services.
7. A staff pay increase of 1% has already been agreed to commence on 1 April 2017 and therefore the current scheme, instigated following the recommendations of the 2013 panel, includes a 1% increase in members' allowances to commence on that date. If council accepts the 2016 panel's recommendations, there will be no change to the plan to implement that increase and members' allowances will not increase for a further four years unless staff are awarded any increases in that period.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

|                  |   |
|------------------|---|
| Committee:       | Council   |
| Committee date:  | 24 January 2016                                       |
| Head of service: | Anton Bull  |
| Report subject:  | Members Allowances                                    |
| Date assessed:   | 9 December 2016                                       |
| Description:     | Consideration of recommendations of independent panel |

|  | Impact                              |                          |                          |  |
|--|-------------------------------------|--------------------------|--------------------------|--|
| Economic<br>(please add an 'x' as appropriate)                             | Neutral                             | Positive                 | Negative                 | Comments   |
| Finance (value for money)  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The 1% index increase in 2017 is already in the current scheme and built into budget projections |
| Other departments and services<br>e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| ICT services   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Economic development   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Financial inclusion  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Social<br>(please add an 'x' as appropriate)                               | Neutral                             | Positive                 | Negative                 | Comments   |
| Safeguarding children and adults   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| <u>S17 crime and disorder act 1998</u>                                     | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Human Rights Act 1998  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| Health and well being  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |

|  |                                     |                          |                          |          |
|--|-------------------------------------|--------------------------|--------------------------|----------|
|  | Impact                              |                          |                          |          |
| Equality and diversity<br>(please add an 'x' as appropriate) | Neutral                             | Positive                 | Negative                 | Comments |
| Relations between groups<br>(cohesion)                       | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Eliminating discrimination & harassment                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Advancing equality of opportunity                            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Environmental<br>(please add an 'x' as appropriate)          | Neutral                             | Positive                 | Negative                 | Comments |
| Transportation   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Natural and built environment                                | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Waste minimisation & resource use                            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Pollution  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Sustainable procurement                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| Energy and climate change                                    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |
| (Please add an 'x' as appropriate)                           | Neutral                             | Positive                 | Negative                 | Comments |
| Risk management  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |          |

**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**

|  | Authority            |                         |                             |                     |                     |                         |                      |                         |
|--|----------------------|-------------------------|-----------------------------|---------------------|---------------------|-------------------------|----------------------|-------------------------|
|  | Norwich City Council | City of Lincoln Council | Cambridge City Council      | Oxford City Council | Exeter City Council | Gloucester City Council | Preston City Council | Ipswich Borough Council |
| Population                                 | 138,872              | 97,065                  | 130,907                     | 159,574             | 127,308             | 127,158                 | 141,302              | 135,600                 |
| No of wards                                | 13                   | 11                      | 14                          | 24                  | 18                  | 15                      | 22                   | 16                      |
| No of councillors                          | 39                   | 33                      | 42                          | 48                  | 40                  | 36                      | 57                   | 48                      |
| Basic allowance                            | £6,193               | £4,670                  | £4,300                      | £4,881              | £5,000              | £5,600                  | £3,682               | £4,140                  |
| Special responsibility allowances (SRAs)   |                      |                         |                             |                     |                     |                         |                      |                         |
| Leader of the council                      | £10,322              | £9,924                  | £10,433                     | £14,643             | £16,250             | £19,600                 | £10,243              | £11,302                 |
| Deputy leader of the council               | n/a                  | £6,422                  | n/a                         | £4,881              | n/a                 | £12,600                 | £7,967               | £7,911                  |
| Executive/cabinet member with portfolio    | £5,161               | £5,253                  | £8,346                      | £7,322              | £8,750              | £9,800                  | £6,715               | £7,533                  |
| Executive/cabinet member without portfolio | n/a                  | n/a                     | n/a                         | £2,441              | £2,500              | n/a                     | n/a                  | £3,767                  |
| Opposition/minority group leader/deputy    | £5,161               | £2,335                  | £2,307                      | £4,881 <sup>1</sup> | n/a                 | £5,600<br>£1,400        | £3,415 <sup>2</sup>  | £3,767                  |
| Minor minority group leader                | £2,581 <sup>3</sup>  | n/a                     | £1,108                      | See above           | n/a                 | n/a                     | n/a                  | £1,904                  |
| Scrutiny/overview committee - chair        | £2,581               | £4,086                  | £1,113                      | £4,881              | £5,000              | £2,800                  | £2,846               | £3,767                  |
| Scrutiny/overview committee – vice chair   | n/a                  | n/a                     | Spokes-persons <sup>4</sup> | n/a                 | n/a                 | n/a                     | £1,093               | n/a                     |
| Scrutiny committee member                  | £1,548               | n/a                     | n/a                         | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |
| Audit committee Chair                      | £2,581               | £1,168                  | n/a                         | £1,220              | £2,500              | £2,800                  | £1,707               | n/a                     |
| Audit committee Member                     | £1,548               | n/a                     | n/a                         | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |

<sup>1</sup> Shared between groups.

<sup>2</sup> Minimum 6 councillors

<sup>3</sup> Where group comprises minimum 10% of the council

<sup>4</sup> Cambridge has SRAs for scrutiny/overview opposition and lead minority spokespersons.

Allowances paid to councillors in comparator “family” authorities – October 2016

|                                 | Authority            |                         |                        |                     |                     |                         |                      |                         |
|---------------------------------|----------------------|-------------------------|------------------------|---------------------|---------------------|-------------------------|----------------------|-------------------------|
|                                 | Norwich City Council | City of Lincoln Council | Cambridge City Council | Oxford City Council | Exeter City Council | Gloucester City Council | Preston City Council | Ipswich Borough Council |
| Planning chair                  | £2,581               | £4,086                  | £3,226                 | £4,881              | £5,000              | £4,480                  | £3,415               | £3,767                  |
| Planning vice chair             | n/a                  | n/a                     | £607                   | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |
| Planning member                 | £1,548               | n/a                     | £556 <sup>5</sup>      | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |
| Licensing/regulatory Chair      | £2,581               | £4,086                  | £1,113                 | n/a                 | £3,750              | £2,800                  | £1,707               | £3,767                  |
| Licensing/regulatory Vice chair | n/a                  | £2,335                  | £835                   | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |
| Licensing/regulatory Member     | £1,548               | n/a                     | £417 <sup>6</sup>      | n/a                 | n/a                 | n/a                     | n/a                  | n/a                     |
| Standards committee Chair       | £362                 | £1,168                  | £1,113                 | n/a                 | n/a                 | n/a                     | £1,707               | n/a                     |
| Standards committee             | £362                 | n/a                     | £362                   | n/a                 | n/a                 | n/a                     | n/a                  | £3,767                  |

<sup>5</sup> Cambridge also has SRAs for the opposition and lead minority group spokespersons on its planning committee and also has a joint development control committee for which the chair and members receive SRAS

<sup>6</sup> Cambridge also has SRAs for the opposition and lead minority group spokespersons on its licensing/regulatory committee and also has a joint development control committee for which the chair and members receive SRAS



Allowances paid to councillors in comparator “family” authorities – October 2016

Other considerations:

|   | Authority               |                         |                        |                                  |                     |                         |                      |                         |
|---|-------------------------|-------------------------|------------------------|----------------------------------|---------------------|-------------------------|----------------------|-------------------------|
|   | Norwich City Council    | City of Lincoln Council | Cambridge City Council | Oxford City Council              | Exeter City Council | Gloucester City Council | Preston City Council | Ipswich Borough Council |
| Restrict members to one SRA                 | Restricted <sup>7</sup> | Yes                     | No                     | No <sup>8</sup>                  | Yes                 | Yes                     | No <sup>9</sup>      | No                      |
| Child care (£/hour)                         | £10 + specialist care   | £5 per child            | Full cost              | Max total £1,000 pa<br>See above | £9.91               | £9                      | Full cost            | £10                     |
| Dependants (£/hour)                         | £10 + specialist care   | £5 per dependant        | Full cost              |                                  | £9.91               | £9                      | Full cost            | Up to £25               |
| Qualify for local government pension scheme | No                      | No                      | No                     | Yes                              | No                  | No                      | No                   | No                      |

<sup>7</sup> Only 1 SRA from tiers 1, 2 and 3 ie leader of the council, minority group leaders, chairs of audit, licensing, planning applications and scrutiny committees and only 1 SRA from tier 4 allowance (members of audit, licensing, planning applications and scrutiny committees) and a councillor shall not get a tier 3 allowance as chair as well as a tier 4 allowance as a member of the same committee.

<sup>8</sup> Members receive their two highest

<sup>9</sup> Members receive their two highest

**NORWICH CITY COUNCIL**

**INDEPENDENT PANEL**

**INTO MEMBERS ALLOWANCES**

**REPORT TO THE COUNCIL**

|   |
|---|
| <b>Members of the independent panel</b> |
|---|

- |                         |   |                                    |
|-------------------------|---|------------------------------------|
| Graham Creelman (Chair) | - | Chair, Norwich Culture Partnership |
| Rev'd Robert Avery      | - | The Church of St Peter Mancroft    |
| Ros Brown               | - | CEO, Norfolk Community Law Service |
| Brian Lynch             | - | UNISON                             |
| Kate Money              | - | Chair, Age UK Norwich              |

Contact Officer :- Andy Emms, Democratic Services Manager.

t: 01603 212459 e: [andyemms@norwich.gov.uk](mailto:andyemms@norwich.gov.uk)

## **Terms of Reference**

1. The Terms of reference of the panel were –  
  
“To make an independent assessment of the current Members Allowances Scheme and to make recommendations on amendments to the scheme, if required, to Council”
2. The independent panel was asked to recommend a scheme which it believes fairly recognises the workload and responsibilities of councillors. The question of affordability of the scheme was not a matter for the panel, which understands that it is up to the council to consider if and how to implement the recommended scheme in the light of other priorities and the budget position.

## **Background**

3. The current scheme detailed in Appendix 1 has been in place since 2013 and is indexed linked to pay increases awarded to staff by the National Joint Council for Local Government Services. Regulations limit such indices to run for a maximum of four years and the independent panel was convened to enable the council to consider the allowances scheme before that time period expires.

## **What allowances can be paid?**

9. Under the provisions of the Local Government Act, 2000 and the Local Authorities (Members Allowances)(England) Regulations, 2003 the following allowances can be paid:-

### ***Basic Allowance***

10. Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members. The allowance must be the same for each councillor. This 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 use of their homes and private telephones, faxes, computers, etc.
11. Government guidance suggests that it is important that some element of the work of councillors continues to be voluntary. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.

### ***Special Responsibility Allowance***

12. Each local authority may also make provision in its scheme for the payment of special responsibility allowances (SRA) for those councillors who have significant responsibilities. They can also be paid to members of a committee that meets with exceptional frequency or for exceptionally long periods.

13. Where one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group.

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

14. A scheme of allowances may also include the payment of dependants' carers allowance to those councillors who incur expenditure for the care of children or other dependants whilst attending Council meetings or other approved duties.

#### ***Travelling and Subsistence Allowance***

15. Travel and subsistence allowances can be paid for attending council meetings or other approved duties. This can include an allowance for those who travel by bicycle or other non-motorised transport.

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

16. Each local authority may make provision in the scheme for the payment of a co-optees allowance to any co-opted and appointed members of a council's committee or sub-committee.

#### ***Backdating Allowances***

17. When a scheme of allowances is amended an authority may, having regard to the recommendations of the panel, chose to apply the amendment retrospectively to the beginning of the financial year in which the amendment is made.

#### ***Annual Adjustments for Allowance Levels***

18. A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index e.g. inflation or increases in staff salary levels. If a panel makes a recommendation that allowance levels should be determined according to an index, it should also make recommendations as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel.

### **The Work of the Panel**

19. The panel received guidance and information from the Democratic services manager including :-
  - Details of what allowances can be paid under the current regulations
  - Comparative data on the allowances paid by other similar local authorities.
  - The Council's current members allowances scheme.

25. The panel noted that all the tiers in the current scheme were increased significantly in 2013 on the advice of the 2012 panel which had taken into account comparator data at the time and the views of councillors from all groups who were interviewed. On the recommendations of the 2012 panel the:-
- a) basic allowance had been increased from £5420 to £6000 p.a.
  - b) SRAs for the Leader and cabinet members were increased significantly because of the volume of work and level of responsibility of those roles.
  - c) number of Tier 4 SRAs that a member could receive was limited to one (before 2013 it had been no more than 3) because the basic allowance should cover the broad range of councillor responsibilities, including attending council meetings)
26. The panel believed that the :-
- a) structure of tiers in the current scheme should be retained including the restrictions on the no of tiers that could be paid
  - b) Travel and Subsistence allowances should continue to be paid at the same level as those to officers.
27. The panel was informed that the Local Government Pensions Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 removed the eligibility of councillors to have access to the Local Government Pension Scheme so it was no longer necessary for the panel to make a recommendation on this issue.
28. The panel was informed that the group leaders of the three political groups on the council had been consulted on their views and none had suggested that any changes were required to the current scheme. One group commented that as the council progresses its transformation process this could lead to increased roles for councillors. If that happened then allowances might need to be looked at again before any four year index came to an end. The panel noted that if the council did wish to look at the scheme at any time it could do so and the views of an independent panel would be sought at that time.
29. The panel considered that taking into account the comparator data; the significant increases in allowances approved the last time the scheme was reviewed and the fact that the political groups on the council were not asking for any increase, the current scheme should be retained. It noted that the SRAs for cabinet members were slightly low compared to the comparator data and although it was not minded to recommend an increase at this time, this was something a future panel might wish to look at.
30. Panel members believed that the current system of linking future increases to staff salary levels should continue. Staff will receive a 1% increase on 1<sup>st</sup> April 2017 and this would be added to the current allowances and the index should then be applied for the maximum allowable period of four years.

## Recommendations

To recommend Council to retain the current scheme of members allowances and implement, with effect from 1<sup>st</sup> April, 2017 the following allowances, to be increased annually on 1<sup>st</sup> April, indexed linked up to 31 March, 2021 to pay increases awarded to staff by the National Joint Council for Local Government Services :-

|  | £     |
|--|-------|
| 1) <b>BASIC ALLOWANCES</b> (Payable to all councillors)  | 6255  |
| 2) <b>SPECIAL RESPONSIBILITY ALLOWANCES</b>  |       |
| <b>Tier 1</b><br>Leader of the Council   | 10425 |
| <b>Tier 2</b><br>Cabinet members & the Leader of the major minority group  | 5213  |
| <b>Tier 3</b><br>Chairs of Audit, Licensing, Planning Applications and<br>Scrutiny committees and the Leader of any minority group<br>that comprises minimum of 10% of the Council               | 2607  |
| <b>Tier 4</b><br>Members of Audit, Licensing, Planning Applications and<br>Scrutiny committees   | 1563  |
| <b>Tier 5</b><br>Co-opted members of Standards committee   | 366   |
| ▪ <b>Only one SRA to be paid from Tiers 1, 2 and 3</b>   |       |
| ▪ <b>Only one SRA to be paid from Tier 4</b>   |       |
| ▪ <b>A councillor shall not receive a Tier 3 as chair as well<br/>            as a Tier 4 as a member of the same committee</b>  |       |
| 3) <b>TRAVEL AND SUBSISTENCE ALLOWANCES</b>  |       |
| to be paid at the same rates as Norwich City Council employees and<br>be subject to the same requirements for claims and payments  |       |
| 4) <b>CHILDCARE AND DEPENDENT CARERS' ALLOWANCES</b>   |       |
| To be paid at the rate of £10 per hour per child/dependant etc.<br>(The Director of business services to be authorised to make additional<br>payment in cases where specialist care is required) |       |

**Graham Creelman**

Chair of the independent panel

## CURRENT MEMBERS' ALLOWANCE SCHEME

With effect from 1 April 2013 the following scheme of members allowances will be increased annually on 1<sup>st</sup> April, indexed linked to the pay increase awarded to staff by the National Joint Council for Local Government Services

|   | £     |
|---|-------|
| <b>BASIC ALLOWANCES</b> (Payable to all councillors)  | 6193  |
| <b>SPECIAL RESPONSIBILITY ALLOWANCES</b>  |       |
| Tier 1    Leader of the Council   | 10322 |
| Tier 2    Executive Members & Leader of the major minority group  | 5161  |
| Tier 3    Chairs of Audit, Licensing, Planning Applications and Scrutiny committees and the Leader of any minority group that comprises minimum of 10% of the Council | 2581  |
| Tier 4    Members of Audit, Licensing, Planning Applications and Scrutiny committees  | 1548  |
| Tier 5    Co-opted members of Standards committee   | 362   |

- **Only one SRA to be paid from Tiers 1, 2 and 3**
- **Only one SRA to be paid from Tier 4**
- **A councillor shall not receive a Tier 3 as chair as well as a Tier 4 as a member of the same committee**

### Travel and Subsistence Allowances

To be paid at the same rates as Norwich City Council employees and be subject to the same requirements for claims and payments. The current levels are:-

#### ***Travel Allowances***

All vehicles – 46.9 per mile

Travel outside Norwich – Cheapest public transport option to be used booked through T.I.C. When own vehicle used with prior agreement of Democratic services manager, reimbursement based on equivalent to cheapest public transport option.



### ***Subsistence Allowances***

|              |                                      |
|--------------|--------------------------------------|
| Breakfast    | £7.74 (£6.45 with non VAT receipt)   |
| Lunch        | £10.69 (£8.91 with non VAT receipt)  |
| Tea          | £4.22 (£3.52 with non VAT receipt)   |
| Evening Meal | £13.24 (£11.03 with non VAT receipt) |

### ***Personal incidental expenses***

(For personal incidental expenses when staying overnight – receipts not required)

|           |       |
|-----------|-------|
| Per Night | £4.59 |
|-----------|-------|

### ***Overnight Subsistence***

Hotels to be booked by T.I.C on basis of best deal available taking into account the needs of the councillor and the event attended.

### **Childcare and Dependant carers allowance**

To be paid at the rate of £10 per hour per child/dependant etc.

(The Director of business services to be authorised to make additional payment in cases where specialist care is required)

### **Membership of the Local Government Pension Scheme is not available as part of this Members Allowances Scheme**

**The Independent Panel to be reconvened no later than 4 years after the implementation of the scheme.**