

**Meeting:** Council  
Portfolio Area: Council  
**Date:** 30<sup>th</sup> June 2004

**MEMBERS' ALLOWANCES SCHEME 2004/05**

(Chief Executive)

Author – Bill Welch Ext. No. 2304 and Paul Froggatt Ext. No. 2212

Lead Officer – Bill Welch Ext.No. 2304

Contact Officer – Bill Welch Ext. No. 2304

**1 PURPOSE**

To consider the supplementary report of the Independent Panel and to determine a new scheme of allowances.

**2 RECOMMENDATIONS**

That the Council considers the supplementary report of the Independent Panel (together with the main report of November 2003) and determines whether to amend the scheme of allowances, a draft of such amended scheme being set out at Appendix A. (The Panel's recommendations are set out at paragraph 1.0 of the supplementary report at Appendix B).

**3 BACKGROUND**

3.1 The present scheme of Members' Allowances was agreed by the Council in November 2003 and formally adopted for 2004/05 in February 2004, that scheme being based on a report of the Independent Panel issued in November 2003 (Appendix C). The scheme may be amended, but before the Council amends the scheme it must receive and consider a new report from the Independent Panel. The Panel has recently reconsidered aspects of the Members' Allowances Scheme, and has issued a supplementary report to that which it issued last November.

**4 REASON FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1 As already stated the Panel's recommendations are set out at Paragraph 1.0 of its supplementary report.

4.2 These do not require any comment, except for the recommendations in relation to the provision of Information and Communications Technology (ICT).

4.3 The Panel's report suggests that, as an alternative to Members being provided with ICT equipment and support by the Council, an allowance could be made to Members so that they would provide their own equipment, and arrange and pay for their own support arrangements.

- 4.4 However the Council has no ability to pay for such a provision, other than via the basic allowance. As the basic allowance must be the same for all Councillors, the proposed alternative must apply to all Councillors or none.
- 4.5 The following points should also be borne in mind;
- Whilst the Council may make a provision as proposed within the basic allowance, it cannot compel Members to buy and maintain ICT equipment.
  - If the arrangements are to be practicable as far as Council work is concerned, the equipment bought by Members would have to comply with certain minimum standards which would need to be determined.
  - Support and maintenance arrangements would in future be entirely a matter for Members.
  - Any addition to the Members basic allowance in this connection would be taxable (as with the current basic allowance).
  - Any equipment purchased by Members would, self evidently, be their own property.
- 4.6 The proposed increase in the basic allowance in respect of the alternative means of provision is £750 p.a.
- 4.7 The Council needs to decide whether to adopt the alternative arrangements proposed, or remain with the existing arrangements.
- 4.8 It may be that the Council needs more time to consider the practicality of the alternative arrangements. If it does, it could defer making a revised scheme of Member allowances from this meeting (which would mean that the existing one would continue for the time being), ask the Executive to review the practicality of the alternative, and then make a scheme at the Council meeting in September 2004. (The Council is required to determine all aspects of its scheme, on the basis of the Independent Panel's report, at the same time). This should pose no real difficulty as the various recommendations, as now proposed in the Panel's supplementary report, may be backdated.
- 4.9 Finally, as the Independent Panel's report indicates, the existing Members of it are retiring. It will therefore be necessary to appoint a new Panel, and this will be put in hand in due course.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

The increased cost will be offset by savings in the current members IT provision arrangements with ITNET and the balance can be met from the budget provision for members pensions where the take up has been less than the budget assumption.

### **5.2 Legal Implications**

In making the new scheme, the Council must have regard both to the Panel's supplementary report and to the report of November 2003. The Council is not strictly

obliged to follow its recommendations, although it would be advisable to have good reasons for not doing so.

The Government has also issued guidance to local authorities on Members Allowances some of which is classed as 'statutory' and may not be disregarded although it is not prescriptive. A full copy of the Guidance is available in the Members' Library but the Panel has expressly drawn the Council's attention to Secretary of State's statutory guidance on the number of Special Responsibility Allowances. (Appendix D).

### **5.3 Policy Implications**

None except those evident from the report.

## **BACKGROUND DOCUMENTS**

- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Guidance on Consolidated Regulations for Local Authority Allowances 2003

## **APPENDICES**

- Appendix A - Draft Scheme of Allowances based on the Independent Panel's Recommendations June 2004
- Appendix B - The Scheme of Councillors' Allowances for Stevenage Borough Council; A supplementary Report of the Independent Panel June 2004
- Appendix C - The Scheme of Councillors' Allowances for Stevenage Borough Council; A report of the Independent Panel November 2003
- Appendix D – Extract from Guidance on Consolidated Regulations relating to Special Responsibility Allowances

STEVENAGE BOROUGH COUNCIL

**DRAFT SCHEME OF ALLOWANCES BASED ON THE INDEPENDENT Panel's  
RECOMMENDATIONS**

**EFFECTIVE FROM 1<sup>st</sup> April 2004 and up to and including 2006/07, unless amended**

Stevenage Borough Council has made the following Members' Allowances scheme under the Local Government Act 2000 and the Local Authorities (Member's Allowances) (England) Regulations 2003.

1. This scheme may be cited as the Stevenage Borough Council Members' Allowances Scheme, and shall have effect for the current year commencing on 1<sup>st</sup> April 2004.
2. In this scheme,  
"Councillor" means a Member of the Stevenage Borough Council who is a Councillor;  
"year" means the period beginning 1<sup>st</sup> April and ending on 31<sup>st</sup> March in each year.
3. Basic Allowance  
A basic allowance shall be paid to each Councillor from 1<sup>st</sup> April.
4. Special Responsibility Allowances
  - 1) For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in the schedule to this scheme.
  - 2) Subject to paragraph 6, (part year entitlements) the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
  - 3) Members are only able to claim one SRA.
5. Renunciation  
A Councillor may by notice in writing to the Chief Executive elect to forego any part of their entitlement to an allowance under this scheme.
6. Part-year Entitlements  
Payment of Basic and Special Responsibility Allowances will be pro-rata where Councillors do not serve for a full year on the Council.
7. Payments  
Payments shall be made on a regular monthly basis. Claims for dependent carer's allowances and travel and subsistence allowance shall be made within two months of being incurred.

## 8. Suspension of Payments

The Council will withhold all allowances to any Councillor who is suspended for misconduct and will require Councillors to repay any allowance already paid during a period of suspension.

### **Basic Allowances and Special Responsibility Allowances**

Basic Allowance	Paid to All Members	£5,760*
(i)	Scale I Leader of the Council	£15,050
(ii)	Scale II Cabinet – Executive Members + Chair of Scrutiny Overview Committee Chair of Planning and Development Committee Chair of Licensing and General Purposes Committee	£9,135
(iii)	Scale III Chairs of Scrutiny/Review Panels	£7,255
(iv)	Scale IV Chairs of Joint Local Committees	£4,300

\* to be increased by £750, dependent on the decision of the Council.

### **Payment to Specific Co-opted Members**

Independent Standards Committee Chairman Honorarium (1-off payment)	£1,250
Independent Standards Committee other Member Honorarium (1-off payment)	£1,000

### **Carer's Allowance**

The following amounts may be claimed for Councillors attending approved duties.

Childcare	Maximum of £5.00 per hour
Dependant care	Maximum of £8.50 per hour

Payment to relatives will not be admissible and there will be a maximum allowance of 20 hours per month. Receipts will need to be provided.

### **Travel, Subsistence and Other Allowances**

The allowances for travel and subsistence will be the same as those fixed for employees of the Council from time to time.

### **Indexation of Allowances**

Basic Allowances, Special Responsibility allowances and payments to specific co-opted Members referred to above will be increased by the appropriate amount of the annual NJC pay award to Local Government staff (i.e. the appropriate amount being the increase agreed for the particular NJC staff spinal column salary point on which the particular Member Allowance is based) when this is finally approved at National level, backdated to 1<sup>st</sup> April 2004.

These indexation arrangements will continue until 2006/07, insofar as the Council's management and committee structures remain broadly unchanged.