

A Review of Members Allowances for Torbay Council

The Sixth Report by the Torbay Independent Remuneration Panel

Members:

Bryony Houlden, Chairwoman
Linda Lear
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November 2011

Report of the Independent Remuneration Panel to Torbay Council – November 2011

Context statement and recommendations

1. The Panel was asked to undertake a fundamental review of the Members' Allowances Scheme ('the Scheme') in light of the new 'inclusive' style of working introduced by the Mayor in May 2011 and to report to the Council to enable members to consider their recommendations as part of the budget setting process for 2012/2013.
2. The Panel is aware that elected members will be making brave and challenging decisions about funding over the next few years. While affordability of the outcome of the Panel's review is an issue for the Council to consider, the Panel appreciated the sensitivity of making any changes to the members' allowances in the current economic climate and balanced this with the need to propose a scheme which is both fair and easy to understand.
3. The Panel had particular regard to the cross party working amongst members. They noted how much this style of working is valued across the authority and the additional duties many councillors have taken on to ensure that the current system of governance is effective. This has particularly been taken into account when the Panel was forming its recommendations.
5. The Panel has been concerned to ensure that, as far as possible, the Scheme does not create barriers to candidates standing for elected office. In this context the Panel are recommending an allowances regime that they believe is fair and reflects the right balance in terms of the general and significant additional roles that councillors perform in Torbay and where relevant, on the regional and national stage, and which fits the present economic climate.
6. The overall cost of the Panel's proposals in relation to the Basic Allowance is £310,800. The cost of the proposals for the Special Responsibility Allowances is £175,010. Therefore, the total cost of the proposed Scheme is £472,060 compared to the current year's Scheme of £475,256 which is a saving of £3,196 if the Panel's identified efficiencies of £13,750 are implemented.
7. The following recommendations will be presented to the Council on 1 February 2012 for consideration (a full explanation of the Panel's conclusions leading to these recommendations is set out in the body of this report):
 - (a) that the Basic Allowance for all members should be £8,400 (which includes £500 to cover the cost of telephone charges, broadband, stationery, postage, subsistence within Torbay, travel on non-approved duties etc.);
 - (b) that the Council be recommended to stop providing broadband, stationery and subsistence for duties within Torbay for members and that members make their own arrangements and meet these costs from their Basic Allowance;

- (c) that the rates for travel be the same as those set in the Torbay Council Expenses Policy and be paid for all approved duties (e.g. 40p for car, 24p for motorbike and 20p for bicycle per mile);
- (d) that subsistence be paid in accordance with the rates and rules set out in the Torbay Council Expenses Policy for approved duties outside of Torbay only (e.g. breakfast – depart from home before 7.30 a.m. £6.22; lunch – absent from normal place of work between 11.30 a.m. and 2.15 p.m. £7.35; and evening meal – not home before 6.30 p.m.);
- (e) that the following be identified as approved duties for the purpose of travel (within and outside Torbay), subsistence (outside Torbay) and childcare and dependent carers' allowances:
 - (i) attendance at meetings as a duly appointed member of:
 - (a) the Council and any committee of the Council;
 - (b) any sub-committee appointed by a committee;
 - (c) the Executive or committee of the Executive (if appointed);
 - (d) working parties;
 - (e) scrutiny review panels;
 - (f) policy development groups;
 - (g) any outside organisation and their sub-groups appointed by the Council or the Mayor, provided that the organisation does not pay any such expenses (these are listed on each Councillor's details page on the Council's website at www.torbay.gov.uk/DemocraticServices/mgMemberIndex)
 - (ii) attendance at site visits for planning or licensing purposes or as part of overview and scrutiny;
 - (iii) attendance at member development sessions;
 - (iv) attendance at seminars and all member briefings organised by Torbay Council, except for those held immediately prior to a meeting of Council;
 - (v) attendance at conferences, subject to prior approval by the relevant Group Leader and Governance Support Manager and funding for the conference being available (in accordance with the Local Protocol for the Mayor and Political Groups);
- (f) that the co-optees allowance be frozen at £114 and that this will include expenses for travel and subsistence;
- (g) that the co-optees allowance for the Chairman/woman of the Standards Committee be frozen at £573 and that this will include expenses for travel and subsistence;
- (h) that the Special Responsibility Allowances (SRA) be set as a percentage of the Mayor's SRA (shown in brackets under paragraphs (i) to (q)) and that Members may claim only one SRA in addition to their basic allowance;
- (i) that the SRA for the Elected Mayor be set at £50,000 (100%);

- (j) that the SRA for the Deputy Mayor with Portfolio be £15,000 (30%);
- (k) that the SRA for the Deputy Mayor without Portfolio be £8,000 (16%);
- (l) that the SRA for the Executive Lead with the Children, Adult or Finance Portfolios be £8,000 (16%);
- (m) that the SRA for the Executive Lead with any other Portfolio be £6,500 (13%);
- (n) that the SRA for the Overview and Scrutiny Co-ordinator be £6,500 (13%);
- (o) that the SRA for the Scrutiny Lead for Health/Chair of the Health Scrutiny Board be £3,250 (6.5%);
- (p) that the SRA for the other Scrutiny Leads be £3,000 (6%);
- (q) that the SRA for the Chairman/woman of the Development Management Committee be £6,500 (13%);
- (r) that the SRA for the Chairman/woman of the Licensing Committee be £3,250 (6.5%) and that they be expected to Chair at least 15 meetings of the Licensing Sub-Committees per year;
- (s) that the SRA for the Chairman/woman of the Licensing Sub-Committees be as follows:

15+ meetings	£1,500 (3%);
10-14 meetings	£1,000 (2%);
5-9 meetings	£500 (1%);
- (t) that the SRA for the Chairman/woman of the Council be £4,000 (8%);
- (u) that the SRA for the Chairman/woman of the Harbour Committee be £3,000 (6%);
- (v) that the SRA for the Chairman/woman of the Audit Committee be £3,000 (6%);
- (w) that the SRA for the Leaders of Political Groups be £325 per member (0.65%);
- (x) that the Basic Allowances, Special Responsibility Allowances and Co-optees Allowances be indexed from 1 April 2013 to the annual local government pay percentage increase as agreed by the National Joint Committee for Local Government Services. The travel and subsistence allowances will be up-rated as and when the Council's Expenses Policy is adjusted and the whole allowances Scheme will be reviewed by no later than 2015;
- (y) that the Council is recommended to introduce performance management arrangements for the Group Leaders/Mayor to assess the performance of all Members and in particular those in receipt of the following SRAs: the Deputy Mayor, Executive Leads, Overview and Scrutiny Co-ordinator and Scrutiny Lead Members;

- (z) that the Panel confirmed its previous view that membership of the Local Government Pension Scheme for members should not be recommended. However, this is subject to guidance being issued on the National Auto Enrolment Scheme which may require Councils to allow members to join a pension scheme. The Panel recommends that if the Council is required to allow members to join a Scheme it should be the Local Government Pension Scheme.
- (ai) that the rates for childcare and dependent carers' allowances remains the same, namely equal to the cost incurred when a carer has been engaged to enable a member or co-opted member to carry out an approved duty;
- (aia) that the Executive Head of Business Planning be requested to approach Her Majesty's Revenue and Customs (HMRC) to see if the Council could get a dispensation for income tax relief for 'household expenses' similar to that introduced by North Tyneside Council and if such dispensation is granted this be included within the Members' Allowances Scheme.

Report of the Independent Remuneration Panel to Torbay Council – November 2011

Introduction

1. Under the Local Government (Members' Allowances) (England) Regulations 2003, Torbay Council, like all local authorities, has set up an Independent Remuneration Panel to make recommendations to it on members' allowances (Councillors and the Elected Mayor). All Councils are required to convene their Panel before they make any changes or amendments to their Scheme of Allowances and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
2. Following an open recruitment process, the Panel was appointed by the Chief Executive in October 2011 and comprises the following:
 - Bryony Houlden (Chairwoman), Chief Executive of South West Councils;
 - Linda Lear, experienced panel member from a voluntary and community background; and
 - Debbie Franklin, who is a chartered accountant.
3. The Panel would like to thank the officers for their hard work in organising the meetings; collating information and providing factual advice. In particular the Panel would like to thank Teresa Buckley but also June Gurry and the Chief Executive for their support throughout the process.
4. The Panel would also like to express its appreciation to the Mayor and all the councillors who gave evidence and submitted questionnaire returns. This has given the Panel a sound evidence base for its considerations. The Panel was impressed by the strong commitment to serving the community of Torbay expressed by the Mayor and other members and noted the considerable amount of work that they were undertaking.

Primary Purpose of the Review

5. The primary purpose of the fundamental review of the Members' Allowances Scheme was to ensure that the Scheme remains relevant to Torbay Council in the present climate for local government and reflects the change in governance arrangements introduced by the newly Elected Mayor in May 2011.

Methodology

6. The Panel met on 14 and 16 November 2011 to carry out its review of the Scheme.
7. All members were invited to submit comments on the Members' Allowances Scheme via a questionnaire. 24 out of 37 members initially responded and three additional written responses were received and considered by the Panel.

8. The Panel met with the Mayor (Gordon Oliver), the Deputy Mayor (Councillor David Thomas), the Leader of the Liberal Democrat Group (Councillor Darling), the Leader of the Non-Coalition Group (Councillor Morey), the Overview and Scrutiny Co-ordinator (Councillor John Thomas) and the Executive Lead for Children, Schools and Families (Councillor Lewis). The Executive Lead for Finance and Audit (Councillor Tyerman) was invited to meet the Panel, but was unavailable and provided a written representation to the Panel.
9. A telephone survey of co-opted members and the Chairman of the Standards Committee was also carried out to seek their views on the allowances paid to them.
10. The Panel considered the following background documents:
 - Terms of reference of the Panel;
 - Current Members' Allowances Scheme;
 - New Constitutions: Guidance on Regulation for Local Authority Allowances;
 - Structure charts and job descriptions;
 - 2005 and 2007 Independent Remuneration Panel Reports;
 - Review of Members' Allowances Scheme for 2011/12 – Background Issues for Consideration;
 - Torbay Council Expenses Policy (this is the officers expenses policy);
 - Mileage and subsistence comparisons for 2009/10, 2010/11 and 2011/12;
 - Councillor use of resources benchmarking responses collated by Plymouth City Council;
 - Members' Allowances comparison for the past four years;
 - Benchmarking data for Mayoral Authorities, Local Devon Authorities and Unitary Authorities; and
 - Information on National Insurance Contributions provided by Debbie Franklin.

Basic Allowance

11. The Panel heard from members about the change in the way the Council operates with all Mayoral decisions being taken at full Council meetings following the debate and recommendation by all members. Members from all parties are also involved in meetings of Policy Development Groups, which are open to all members to attend and contribute. This more inclusive style of governance was introduced by the Mayor in May 2011 and has led to greater member involvement and participation in developing ideas and contributing to decisions.
12. The Panel received evidence on: the additional support and associated costs for the Council to provide broadband connections; subsistence for meetings inside of Torbay; and stationery which was currently provided by the Council. It recognised that most people have their own broadband connections at home and it is more cost effective for members to install their own broadband lines. Previously the Scheme has reflected the officers' expenses scheme which no longer permits officers to claim subsistence for meetings within Torbay. Less than half of the members have broadband or stationery provided by the Council and only seven members have claimed subsistence expenses so far this year.
13. The Panel noted that it cost approximately £1,500 per year in staff time to process members travel and subsistence claims as officers currently check that each claim is an approved duty in accordance with the Scheme and attendance at meetings for audit purposes. The Panel felt that this was an onerous task and suggested that the

Governance Support Team review its process to only undertake spot checks of the expenses claims and reports to their Group Leader any councillor who regularly submits inaccurate or inappropriate claims (or the Monitoring Officer for independent members).

14. The Panel considered whether it would be appropriate, in light of the cost of processing claim forms, to provide a lump sum to cover the cost of travel within Torbay. However, following investigation it was clear that any lump sum would be subject to tax and national insurance contributions and would not be cost effective for the Council or the member concerned. The Panel therefore felt that it was appropriate to continue using the rates for travel set out in the Council's Expenses Policy as this meant that members would receive the same rates as officers, although members would be permitted to travel within Torbay without regard to the 'normal place of work' rules. This was because not all members have a regular place of work or permanent office base.
15. The Panel noted that there was often confusion from members as to what constituted an 'approved duty' and suggested that the list be simplified to ensure clarity.
16. The Panel acknowledged the additional workload for all members under the new style of governance and commended members for their commitment and contribution. However, they felt that savings could be made both in terms of expenditure and officer time if the Council chose to stop providing a broadband connection, subsistence for duties within Torbay and stationery and provided an element within the Basic Allowance to cover such costs.
17. The Panel noted that other authorities already include the cost of telephone charges, broadband charges, postage, stationery and minor office equipment within their Basic Allowance.
18. The Panel felt it was important to be clear what is intended to be covered by the Basic Allowance. It was felt that the following should be included in the Scheme:

"The Basic Allowance is intended to recognise the time commitment of members of the Council on constituency duties and costs relating to the use of the members' home, telephone charges, broadband charges, stationery (including printer cartridges), postage, office equipment, subsistence for duties within Torbay and travel for non-approved duties."

19. The average Basic Allowances across different groupings of authorities are:

Mayoral authorities	£8,429 (these ranged from £5,767 to £12,715)
Unitary authorities	£8,884 (these ranged from £7,109 to £11,416)
Devon County Council	£10,970
Plymouth City Council	£10,044.84

Recommendations:

- (a) **that the Basic Allowance for all members should be £8,400 (which includes £500 to cover the cost of telephone charges, broadband, stationery, postage, subsistence within Torbay, travel on non-approved duties etc.);**

- (b) that the Council be recommended to stop providing broadband, stationery and subsistence for duties within Torbay for members and that members make their own arrangements and meet these costs from their Basic Allowance;
- (c) that the rates for travel be the same as those set in the Torbay Council Expenses Policy and be paid for all approved duties (e.g. 40p for car, 24p for motorbike and 20p for bicycle per mile);
- (d) that subsistence be paid in accordance with the rates and rules set out in the Torbay Council Expenses Policy for approved duties outside of Torbay only (e.g. breakfast – depart from home before 7.30 a.m. £6.22; lunch – absent from normal place of work between 11.30 a.m. and 2.15 p.m. £7.35; and evening meal – not home before 6.30 p.m. £10.17);
- (e) that the following be identified as approved duties for the purpose of travel (within and outside Torbay), subsistence (outside Torbay) and childcare and dependent carers' allowances:
 - (i) attendance at meetings as a duly appointed member of:
 - (a) the Council and any committee of the Council;
 - (b) any sub-committee appointed by a committee;
 - (c) the Executive or committee of the Executive (if appointed);
 - (d) working parties;
 - (e) scrutiny review panels;
 - (f) policy development groups;
 - (g) any outside organisation and their sub-groups appointed by the Council or the Mayor, provided that the organisation does not pay any such expenses (these are listed on each Councillor's details page on the Council's website at www.torbay.gov.uk/DemocraticServices/mgMemberIndex)
 - (ii) attendance at site visits for planning or licensing purposes or as part of overview and scrutiny;
 - (iii) attendance at member development sessions;
 - (iv) attendance at seminars and all member briefings organised by Torbay Council, except for those held immediately prior to a meeting of Council;
 - (v) attendance at conferences, subject to prior approval by the relevant Group Leader and Governance Support Manager and funding for the conference being available (in accordance with the Local Protocol for the Mayor and Political Groups);

Co-opted Members

20. The Panel noted that the overall feeling of the co-opted members and Chairman of the Standards Committee was that they did the job on a voluntary basis and that the allowance was a token to help cover their expenses. None of the members surveyed claimed any other expenses.

21. The Panel felt that whilst the two co-optees' allowances were fairly modest they did help to cover the costs of attending meetings and that they should continue to be paid at the current rate, but that they would be expected to cover the cost of travel and subsistence expenses. The co-optees would still be entitled to claim childcare and dependent carers' allowances.

Recommendations:

- (f) **that the co-optees allowance be frozen at £114 and that this will include expenses for travel and subsistence;**
- (g) **that the co-optees allowance for the Chairman/woman of the Standards Committee be frozen at £573 and that this will include expenses for travel and subsistence;**

Special Responsibility Allowances

22. Special Responsibility Allowances (SRAs) are payable at the Council's discretion to those members who have significant additional responsibilities over and above the generally accepted duties of a councillor. Members may only claim one SRA in addition to their Basic Allowance. The Panel felt that it should be made clear what the SRAs should cover and suggested that the following be added to the Scheme:

"Special Responsibility Allowances are intended to cover the cost of attending additional meetings (e.g. meetings with officers, briefings and network meetings) required as part of the role and the ancillary costs of attending such meetings (e.g. travel, subsistence, printing and stationery costs)."

23. The Panel's 2007 report suggested that the SRAs should be based on a percentage of the Mayor's allowance as this role was seen as the most significant full-time role. The Council did not accept the recommendations of the Panel due to the economic climate at the time as they did not feel it was appropriate to increase the allowances, therefore the current allowances are set as a percentage of the Basic Allowance. Despite this, the Panel still considered that it was more appropriate to base the SRAs on the Mayor's allowance.

Recommendation:

- (h) **that the Special Responsibility Allowances (SRA) be set as a percentage of the Mayor's SRA (shown in brackets under paragraphs (i) to (g)) and that members may only claim one SRA in addition to their basic allowance;**

Elected Mayor's Allowance

24. The Panel reflected on the new working arrangements where the Mayor takes all executive decisions at meetings of the full Council following a recommendation voted on by all members. Whilst the Panel acknowledged that the Mayor was ultimately the decision maker, in such cases he was guided by the whole Council. In recognition of the increased role of all members in recommending executive decisions to the Mayor and in light of comments from the Mayor himself about his role and commitment to public service and his concerns about the Torbay economy and the authority's budget,

the Panel recommended that the Mayor's SRA be slightly reduced from £52,747 for £50,000.

25. The Panel had regard to the benchmarking information which showed that the SRA for the Elected Mayor was already the lowest of all Mayoral Authorities with the average being £63,796, however, they felt that this was appropriate given the size and demographics of Torbay.

Recommendation:

- (i) that the SRA for the Elected Mayor be set at £50,000 (100%);**

Deputy Mayor and Executive Leads

26. The Panel received evidence on the differing roles of the Deputy Mayor and Executive Leads. The Panel felt that due to the statutory responsibility of the Executive Leads with Portfolios for Children, Adults and Finance and the significantly higher level of accountability and responsibility of these Portfolios they should receive a higher SRA than the other Executive Leads. They also recognised the additional responsibilities of the Deputy Mayor which could be appointed with a Portfolio or without a Portfolio.
27. The benchmarking data showed that the current SRA for Deputy Mayor was higher than average with the average being £17,406. The Panel felt that there should be different allowances for the Deputy Mayor depending on whether or not he/she had a Portfolio. The Panel felt that the percentages, recommended below, when compared to the Mayor's allowance were a fair reflection of the differing roles of the Deputy Mayor and Executive Leads.

Recommendations:

- (j) that the SRA for the Deputy Mayor with Portfolio be £15,000 (30%);**
- (k) that the SRA for the Deputy Mayor without Portfolio be £8,000 (16%);**
- (l) that the SRA for the Executive Lead with the Children, Adult or Finance Portfolios be £8,000 (16%);**
- (m) that the SRA for the Executive Lead with any other Portfolio be £6,500 (13%);**

Overview and Scrutiny

28. The Overview and Scrutiny Co-ordinator currently receives an SRA of £9,798 which is the same as an Executive Member who has collective decision making powers. This was originally set when the Council had a collective decision making Executive as it was felt the role of the Overview and Scrutiny Co-ordinator was on par with that of an Executive Member.
29. The Council had previously set three levels of Executive Lead (a) individual decision making - £13,064; (b) collective decision making - £9,798; and (c) advisory - £6,532. As mentioned in paragraphs 25 and 26 above the Panel has reviewed the SRAs for Executive Leads and has proposed new rates. The Panel felt that the SRA for the Overview and Scrutiny Co-ordinator should be the same as the Executive Lead with

any other Portfolio (£6,500). This is closer to the average allowance paid in other Unitary authorities e.g. £6,142.

30. The Council has four Scrutiny Leads: People, Place, Business and Health. All four Scrutiny Leads are expected to play an active role in leading on the scrutiny of their respective areas and chairing review panels. The Scrutiny Lead for Health also chairs the Health Scrutiny Board, which is a sub-committee of the Overview and Scrutiny Board. The Panel recognised the additional responsibility of the Scrutiny Lead for Health and suggested that they be paid an SRA on par with the Chairman/woman of the Licensing Committee (£3,250). The Panel felt that the other Scrutiny Leads should be paid an SRA on par with the Chairman/woman of the Audit and Harbour Committees (£3,000).

Recommendations:

- (n) that the SRA for the Overview and Scrutiny Co-ordinator be £6,500 (13%);**
- (o) that the SRA for the Scrutiny Lead for Health/Chair of the Health Scrutiny Board be £3,250 (6.5%);**
- (p) that the SRA for the other Scrutiny Leads be £3,000 (6%);**

Development Management Committee

31. The Panel reviewed the SRA for the Chairman/woman of the Development Management Committee and felt that due to the level of responsibility and public involvement the SRA should be on par with the Overview and Scrutiny Co-ordinator and Executive Leads with any other Portfolio.

Recommendation:

- (q) that the SRA for the Chairman/woman of the Development Management Committee be £6,500 (13%);**

Licensing

32. The Panel reviewed the SRA for the Chairman/woman of the Licensing Committee and Licensing Sub-Committee. The Panel noted that, although the Licensing Committee only met twice a year, it was usual for the Chairman/woman of the Committee to chair approximately 50% of the meetings of the Licensing Sub-Committee with the Vice-Chairman and possibly another member of the Committee chairing the remaining meetings of the Sub-Committee. Last year there were 27 meetings of the Licensing Sub-Committee. The Panel felt that the Chairman/woman of the Licensing Sub-Committee should be paid an SRA on par with the Scrutiny Lead for Health and that they should be required to chair at least 15 meetings of the Licensing Sub-Committee per year.
33. The Panel felt that the other Chairmen/woman of the Licensing Sub-Committee should continue to be paid an SRA depending on the number of meetings they chair.

Recommendations:

- (r) that the SRA for the Chairman/woman of the Licensing Committee be £3,250 (6.5%) and that they be expected to Chair at least 15 meetings of the Licensing Sub-Committees per year;**
- (s) that the SRA for the Chairman/woman of the Licensing Sub-Committees be as follows:**

15+ meetings	£1,500 (3%);
10-14 meetings	£1,000 (2%);
5-9 meetings	£500 (1%);

Council

- 34. The Panel heard evidence regarding the role of the Chairman/woman of the Council both in terms of chairing the Council meetings and civic duties. With the new arrangements the Council meetings are lasting approximately six and half hours and are very technical to chair. The Panel therefore considered that the SRA should be increased to reflect this additional responsibility.
- 35. Outside of the Members' Allowances Scheme the Chairman/woman of the Council also receives a civic allowance of £3,096 per annum which is paid in monthly instalments, plus £1,600 which is held and administered by the Governance Support Officer. The Vice-Chairman/woman of Council also receives a civic allowance of £1,000 per annum. This is intended to cover the additional cost of outfits, purchase of raffle tickets, gifts to charity and helping with general expenses relating to the ceremonial aspect of the role.

Recommendation:

- (t) that the SRA for the Chairman/woman of the Council be £4,000 (8%);**

Harbour and Audit Committees

- 36. The Panel noted the respective roles of the Chairman/woman of the Harbour Committee and Chairman/woman of the Audit Committee. Both Committees meet four times a year. The Chairman/woman of the Harbour Committee also chairs various sub-committees and working party meetings. The Chairman/woman of the Audit Committee also represents the Council on the Devon Audit Partnership which is responsible for monitoring the contract and services provided by the Council's shared Devon Audit Partnership. The Panel felt that both of these roles were similar in terms of responsibility and were also on par with the Scrutiny Lead role.

Recommendations:

- (u) that the SRA for the Chairman/woman of the Harbour Committee be £3,000 (6%);**
- (v) that the SRA for the Chairman/woman of the Audit Committee be £3,000 (6%);**

Leaders of Political Groups

37. The Panel noted that since the two Group Assistants had been made redundant in May 2011 the work of the Group Leaders of the two main political groups had increased. The Panel therefore felt that there should be a slight increase in the SRA for the Group Leaders to recognise the increase in their workload.

Recommendation:

- (w) that the SRA for the Leaders of Political Groups be £325 per member (0.65%);**

Indexing

38. The Panel noted that the Scheme was currently up-rated using the annual local government pay settlement as agreed by the National Joint Committee for Local Government Services. The Panel considered other means of indexing such as the Consumer Price Index (CPI) (5.2% as at September 2011). The Panel felt that the current method for up-rating the Scheme should remain unchanged as it meant that staff and members will receive the same increase in pay. The method for up-rating the Scheme and the whole allowances scheme must be reviewed at least every four years (e.g. by no later than 2015).

Recommendation:

- (x) that the Basic Allowances, Special Responsibility Allowances and Co-optees Allowances be indexed from 1 April 2013 to the annual local government pay percentage increase as agreed by the National Joint Committee for Local Government Services. The travel and subsistence allowances will be up-rated as and when the Council's Expenses Policy is adjusted and the whole allowances scheme will be reviewed by no later than 2015;**

Performance Management

39. The Panel noted that as part of the Council achieving Member Development Charter Plus status the Council had been piloting performance management with some of the Group Leaders. Currently the only members that are formally required to report on their activities each year are the member champions who provide voluntary support to the Executive Leads on specific areas within the Council e.g. Heritage Champion. They are set annual targets and must report to the Mayor what they have done over the previous year. The Panel felt that formal performance management arrangements should be introduced ideally for all Members but in particular for the Deputy Mayor, Executive Leads, the Overview and Scrutiny Co-ordinator and Scrutiny Leads, to be carried out by the appropriate Group Leader or the Mayor, so that there is recorded evidence as to whether or not the people appointed to these positions were carrying out their roles and responsibilities and that where development needs were identified these could be met where possible as part of the member development strategy.

Recommendation:

- (y) that the Council is recommended to introduce performance management arrangements for the Group Leaders/Mayor to assess the performance of all members and in particular those in receipt of the following SRAs: the Deputy Mayor, Executive Leads, Overview and Scrutiny Co-ordinator and Scrutiny Lead Members;**

Pensions

40. The Panel reconsidered whether or not members should be able to join the Local Government Pension Scheme. The Panel was informed of the new National Auto Enrolment Scheme which was due to be introduced in 2012/13 and may require Councils to allow members to join a pension scheme. At present it is not clear whether or not members will be eligible under the Auto Enrolment Scheme. The Panel still felt that membership of the Local Government Pension Scheme for members should not be recommended on the grounds of affordability, but recognised that the Council may be required to allow members to join a scheme and that if this is the case they should be allowed to join the Local Government Pension Scheme rather than establishing a separate scheme for members.

Recommendation:

- (z) that the Panel confirmed its previous view that membership of the Local Government Pension Scheme for members should not be recommended. However, this is subject to guidance being issued on the National Auto Enrolment Scheme which may require Councils to allow members to join a pension scheme. The Panel recommends that if the Council is required to allow members to join a Scheme it should be the Local Government Pension Scheme.**

Childcare and Dependent Care

41. The current Scheme includes provision for the payment of the actual costs incurred for childcare and dependent care to be reimbursed to enable a member to carry out an approved duty. The Panel considered other options e.g. introducing a flat rate linked to the National Joint Council pay scales but felt that the current system was fairer and should be retained.

Recommendation:

- (ai) that the rates for childcare and dependent carers' allowances remains the same, namely equal to the cost incurred when a carer has been engaged to enable a member or co-opted member to carry out an approved duty;**

Dispensation

42. The Panel noted that the 'New Council Constitutions: Guidance on Regulation for Local Authority Allowances' states:

"Where additional household expenses are incurred (light, fuel etc.) relating to those parts of members' homes that are set aside solely for use for duties as members, the Revenue will except a standard deduction of £135 per year (an

amount agreed between the Association of Councillors and Inland Revenue Head Office) to cover this....”

43. North Tyneside Metropolitan Borough Council have arranged with Her Majesty's Revenue and Customs (HMRC) for each member of the Council to receive Income Tax relief for 'Household Expenses' e.g. purchasing of stationery, filing cabinet, use of room as an office etc. of £135 per annum. If a member feels that their outgoings for such items are greater than this figure, then a personal claim would have to be made to the Inspector of Taxes. The Panel felt that Torbay Council should liaise with HMRC to see if a similar scheme could be introduced within its allowances scheme.

Recommendation:

- (aii) that the Executive Head of Business Planning be requested to approach Her Majesty's Revenue and Customers (HMRC) to see if the Council could get a dispensation for income tax relief for 'household expenses' similar to that introduced by North Tyneside Council and if such dispensation is granted this be included within the Members' Allowances Scheme.**