

Report of the North Tyneside Independent Remuneration Panel

March 2013

1.0 INTRODUCTION

1.1 The Remuneration Panel was initially appointed in 2003 under the provisions of the Local Authority (Members Allowances) (England) Regulations 2003. These regulations replaced the Local Authorities (Members Allowances) (England) Regulations 2001.

1.2 Our Terms of Reference are as follows: -

- a) To consider issues and representations relating to Members' remuneration and expenses.
- b) To make recommendations and provide advice to the Council

1.3 The current Panel was appointed in 2012 and comprises of Mr John Anderson CBE, Regional Chairman of Coutts Bank; Mr Brian Reeve, Chief Technical Officer, Port of Tyne Authority; Mr Les Watson, formerly of the Audit Commission and Dr Rachid Zemouri, Managing Director of ICAS Limited

1.4 In conducting our deliberations we are fully aware of and have noted the current financial pressures facing both national and local government.

2.0 BACKGROUND

2.1 The members of the Panel have been asked to give consideration to the following:

- The level of allowances to be paid under the Council's Members' Allowances Scheme
- Whether allowances can be claimed for attendance at political group meetings
- The criteria to be used for the payment of expenses in respect of dependent carers allowance.
- The creation of an allowance for the provision of telephone, broadband and computer equipment to assist Members in carrying out their role

3.0 ISSUES CONSIDERED BY MEMBERS OF THE PANEL

3.1 In carrying out our review into the allowances scheme we have met with the leader or deputy leader of the three political groups on the Council to seek their views on the Members' Allowances Scheme. The Panel also met with the Chief Executive of the Council and examined the allowances schemes of a number of local authorities, both in the region and nationally.

3.2 The Panel has previously carried out detailed research on Members' allowances which demonstrates that the Council's levels of allowances are significantly out of line with national and regional allowances. The Panel believes that the current North Tyneside Members Allowance Scheme does not recognise the time commitment required to undertake the various roles of a councillor, nor does it provide sufficient recompense for carrying out those various roles.

3.3 It was acknowledged in 2008, when the Council did not approve implementation of a revised scheme, that the levels of councillors allowances

were substantially below the averages across the region and countrywide. In the interim that gap has further widened, with the allowances for North Tyneside Members' being among the lowest in the country. The Panel considered that this could have a detrimental effect on people choosing to become or remain a Councillor in North Tyneside. The Panel looked at the basic and special responsibility allowances paid in the former Tyne and Wear authorities to identify a benchmark figure. It was noted that, of the Tyne and Wear authorities, North Tyneside was situated towards the lower level and an increase of £668 would be needed to bring the basic allowance in North Tyneside up to the Tyne and Wear average of £8564.

- 3.4 The Panel noted that Northumberland and Durham County Councils were now unitary authorities and considered that in the future when considering the Council's allowances scheme their Members Allowances Schemes should also be taken into account in conjunction with the Tyne and Wear Authorities. It was noted that when the Northumberland and Durham County Council schemes were included, the average became £9,821, an increase of £1,925 over the current level in North Tyneside.
- 3.5 The Panel, acknowledging the current financial climate and the state of local government finance considered that a staged approach to increasing the level of Members' Allowances to that of the Tyne and Wear average may be more acceptable. It therefore recommends that an increase in the level of basic allowance of £200 be made in respect of the 2013/14 members' allowances scheme, that at this time there be no increase in the level of special responsibility allowance and that further consideration be given to creating a mechanism to raise the level of allowances towards the Tyne and Wear, Durham and Northumberland Councils average over an appropriate period.

4.0 EXPENSES FOR ATTENDANCE AT GROUP MEETINGS

- 4.1 The Panel was requested to give consideration to whether it was appropriate to amend the list of duties for which expenses could be claimed to include attendance at political group meetings. It was suggested that there were occasions when Members had to attend political group meetings to discuss specific council business and Members considered that on those occasions it was appropriate that they could claim relevant expenses.
- 4.2 The Panel had been advised that there was no power to apply the Council's resources for party political purposes and therefore did not consider that it was empowered to recommend a change the eligibility criteria for the claiming of allowances for the attendance at political group meetings.
- 4.3 The Panel therefore recommends that there be no change to the allowance scheme to allow for the payment of travel, subsistence and dependent carers allowance for attendance at political group meetings.

5.0 DEPENDENT CARERS ALLOWANCE

- 5.1 We were asked to consider whether there should be an increase in the level of allowance paid for dependent carers to allow members to carry out their duties. In December 2003 the Council, acting on a recommendation of the Independent Remuneration Panel, agreed that a Dependent Carers Allowance should be available for elected members based on an hourly rate linked to the statutory minimum wage, currently £6.08, for approved duties. Under the scheme the level of allowance automatically increases in line with changes to the national minimum wage. An analysis of the allowances in respect of neighbouring and mayoral authorities has indicated that the level of dependent carers allowance is in line with those of similar authorities.
- 5.2 The Panel does not consider that there have been any material reasons presented that would demonstrate a need to change the current level of Dependent Carers Allowance.
- 5.3 The Panel also gave consideration to the eligibility criteria for claiming Dependent Carer's Allowance. It was considered that the Allowance should only be claimed where the expense was necessarily incurred to allow a member to attend meetings of the authority. A copy of the suggested eligibility criteria is set out as Appendix A to this report.
- 5.4 The Panel therefore recommend that the rate for the payment of Dependent Carers Allowance remain linked to the National Minimum Wage and that the eligibility criteria be as set out in the appendix to the report.

6.0 COMBINED ICT ALLOWANCE

- 6.1 The Panel also gave consideration to the various forms of allowance/expenses which could be claimed by Members whilst carrying out duties on behalf of the authority, these include travel and subsistence, telephones, broadband and computer equipment.
- 6.2 At present the Authority makes some provision to supply telephones and computer equipment to assist elected members in carrying out their duties. The Authority also provides a contribution towards the cost of telephone line rental and broadband services for those members who do not make use of the Council's Featurenet service, a telephone and broadband service. For a variety of reasons many Members have elected to make use of their own mobile telephones/smart phones and personal computers/tablets to carry out council business. The Panel was also advised that the number of members who use Council provided ICT equipment has reduced significantly over the past few years.
- 6.3 The Panel was also advised that a number of authorities have introduced a single allowance designed to enable elected members to select which information and communications technology they wished to use for council business. It was explained that the introduction of this allowance had resulted in savings in administration for elected members and for the authority in having fewer claims to submit and process.

6.4 Having identified that a large number of elected members were already choosing to use their own ICT equipment and to give greater flexibility the Panel recommended that all members receive a combined ICT allowance of £200 per annum, as a contribution towards the provision of telephones, line rental, broadband services and the provision of computer equipment.

7.0 RECOMMENDATIONS

The Panel recommends that:

7.1 An increase of £200 in the level of basic allowances be made in respect of the 2013/14 members' allowances scheme;

7.2 At this time there be no increase in the level of special responsibility allowance;

7.3 Further consideration be given at an early stage to creating a mechanism to raise the level of allowances towards the average of the Tyne and Wear, Durham and Northumberland Councils over an appropriate period;

7.4 The allowance scheme remains appropriate and there should be no change to the scheme to allow for the payment of travel, subsistence and dependent carers allowance for attendance at political group meetings;

7.5 The rate for the payment of Dependent Carers Allowance should remain linked to the National Minimum Wage and that the eligibility criteria set out in the appendix to the report be approved;

7.6 A Combined ICT Allowance of £200 per annum, as a contribution towards the provision of telephones, line rental, broadband services and the provision of computer equipment, be introduced.

8.0 BACKGROUND INFORMATION AND REFERENCES

- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Member's Allowance Schemes of Tyne and Wear Authorities, Mayoral Authorities and Statistical Neighbours
- Previous reports of the Remuneration Panel

**North Tyneside Council
Dependents Carers Allowance (Guidance Notes)**

The Carers Allowance is to cover “expenses”. This means that expenditure has either been incurred or the councillor is contractually bound to cover the cost.

The expenses that may be reimbursed/recovered must be “necessarily incurred” which means **unavoidably** incurred i.e. that there is no other option to incurring such expenditure.

The expenses that may be reimbursed/recovered are available in respect of “arranging for the care of [councillors’], children or dependants”. Dependants are those who depend on the councillor for maintenance or other support. This can have a wide-ranging application but is limited by the fact that the expenditure is necessarily incurred.

The allowance is only available for the care of children under the age of 16.

The allowance is not available for payment to members of the family. The Council has already adopted a definition of a member of the family within the Council’s Code of Conduct. In the Code a member of a councillor’s family means a councillor’s partner (i.e. their spouse, civil partner or anyone with whom they live in a similar capacity), the councillor’s parent or parent in law, any child, step child or sibling of the councillor or their partner, the councillor’s grandparent, grandchild, aunt, uncle, nephew or niece and the partners of any of those people.

Confirmation is required to support the expense request that care for dependants’ is required, for example, from the dependant person’s GP or other appropriate health professional or if relevant their social worker.

Payment will be made with a financial limit linked to the minimum wage.

Travel Time is paid to and from the venue / location up to a maximum of 1 hour, each way and will be rounded to the nearest quarter.

Where care is provided and expenses reimbursed to a Member this does not transfer responsibility for a child or dependant to the Council. For the purposes of clarity it is a Members responsibility to source an appropriate carer for a child or dependent and the Council does not accept any responsibility or liability in respect of the suitability or otherwise of such a carer.

Timescales for claims, provision of receipts, and appropriate declaration that the expenses have necessarily been incurred to enable specified approved duties to be fulfilled, should be submitted within the policy of the Council’s Financial Regulations (May 2006).