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**MEMBERS' ALLOWANCES REVIEW**

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**Responsible Cabinet Member - Councillor Bill Dixon, Leader**

**Responsible Director -  
Paul Wildsmith, Director of Neighbourhood Services and Resources**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To consider the recommendations of the Independent Panel appointed by the Council in relation to the adoption of a new Scheme of Members' Allowances.

**Summary**

2. The Independent Panel has produced a report with recommendations in accordance with the Council's terms of reference for the Panel. The report covers a wide range of issues and the Panel's reasoning for its recommendations. The Panel, in making its recommendations, has taken into account the current economic climate both generally, where many residents of Darlington Borough are facing uncertain economic future, and internally, where the Council is facing reduced central government funding.
3. The Panel has also taken the view that it would be reluctant to significantly increase the total spend on allowances, and even a marginal increase in total spend would require strong evidence for the Panel to make such a recommendation. The Panel has also sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become an elected Member without incurring undue personal financial cost.
4. Members can accept all or some of the Panel's recommendations or reject them.

**Recommendation**

5. Members are requested to :-
  - (a) consider the Members Independent Panel's recommendations as detailed in **Appendix 1** (and as detailed in paragraphs 12 to 19 below) and accept the recommendations in full or part, with effect from 1st April, 2016; and

- (b) should the Panel's recommendations be approved in full, approve the new Members' Allowances Scheme attached at **Appendix 2**; or amend the Scheme in accordance with the decision of Council.

## Reason

6. To implement a new Members' Allowances Scheme with effect from 1<sup>st</sup> April, 2016.

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

## Background Papers

- (i) Independent Panel's Report to the Council dated December 2015; and  
(ii) Darlington Borough Council's Members' Allowances Scheme

Linda Todd : Extension 5807

S17 Crime and Disorder	There are no specific implications for Crime and Disorder
Health and Well Being	There are no implications for Health and Wellbeing
Carbon Impact	There are no additional recommendations that will affect Carbon Impact
Diversity	There are no diversity issues
Wards Affected	All Wards affected equally
Groups Affected	All Groups affected equally
Budget and Policy Framework	This does not represent a change to the budget or policy framework
Key Decision	This is not an executive decision
Urgent Decision	This is not an executive decision
One Darlington: Perfectly Placed	The recommendations, if approved, represent an efficiency contributing to a key outcome in the Strategy
Efficiency	The recommendations, if approved, will make an efficiency

## MAIN REPORT

### Information and Analysis

7. Council, at its meeting on 19th November 2015, asked its Independent Remuneration Panel to review its Members' allowances to comply with legislation. Council also asked the Panel to consider remuneration to the members of the Education Appeals Panel. A review has been conducted in accordance with the terms of reference approved by the Council and the report of the Panel is attached at **Appendix 1**.

### Panel's Review

8. The process and methodology of the Panel's Review is detailed in paragraphs 9 to 11 of Appendix 1.
9. The report covers a wide range of issues and the Panel's reasoning for its recommendations. The Panel, in making its recommendations, has taken into account the current economic climate both generally, where many residents of Darlington Borough are facing uncertain economic future, and internally, where the Council is facing reduced central government funding.
10. The Panel has also taken the view that it would be reluctant to significantly increase the total spend on allowances, and even a marginal increase in total spend would require strong evidence for the Panel to make such a recommendation. The Panel has also sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become an elected Member without incurring undue personal financial cost.
11. The recommendations of the Panel do not attempt to increase the Council's total spend substantially on Members' allowances. If all of the recommended changes, as detailed in the table below, are accepted, this will result in a small increase in total spend of approximately £6,500:-

Allowance	Current Rate	Suggested Rate	Change in rate	Annual Impact
Basic Allowance	£8,027	£8,285	£258	£12,900
Special Responsibility payments to Vice Chairs	£3,211	£2,293	(£918)	(£6,426)
			TOTAL	£6,474

N.B. The suggested increase in Special Responsibility Allowance to the Chair of the Audit Committee has not been included in the above table as the Chair of the Audit Committee claims the higher allowance as Chair of Planning Applications Committee (in accordance with the Members' Allowances Scheme Members can only claim one special responsibility allowance).

### Recommendations of the Panel

12. In respect of the **Basic Allowance** (paid to all Members of the Council) the Panel has recommended that the Basic Allowance for 2016/17 should be increased to £8,285 subject to any index that may apply. The Panel is also of the view that the

Basic Allowance is still deemed sufficient to include incidental expenses and the current provision of ICT equipment, consumables, and peripherals by Members.

13. Unlike other authorities who provide additional expenses and equipment, Darlington's Members pay the following from their Basic Allowance:-
  - (a) Travel Allowances (whilst undertaking travel within the Borough Boundary, e.g. travel to the Town Hall for meetings, training courses etc.);
  - (b) Subsistence (no refreshments are provided at any Council or Committee meetings);
  - (c) The provision of their own ICT equipment (or pay for ICT to be provided by the Council at a cost of £326 per annum);
  - (d) All landline telephone expenses and broadband charges to connect to Council systems;
  - (e) Postage costs; and
  - (f) Blackberry rental (if provided) and associated calls.
14. In relation to **Special Responsibility Allowances** (SRA) the Panel has recommended no change in any of the current SRA's payable with the exception of the payment of SRA's to the Chair of the Audit Committee and the Vice-Chairs of Committees and that Members continue to be able to claim only one SRA and that any indexation apply to all SRA's.
15. In relation to the payment of the SRA to the Chair of the **Audit Committee**, the Panel has recommended that the SRA be increased to £2,293 for 2016/17 subject to any indexation that may apply.
16. In relation to the payment of SRA's to the **Vice-Chairs of Committees**, the Panel has recommended that the SRA's be decreased to £2,293 for 2016/17 subject to any indexation that may apply (specifically this recommendation applies to the Vice- Chairs of the following committees:-
  - (a) Planning Committee
  - (b) Licensing (General and Licensing Act 2003) Committee
  - (c) Five Scrutiny Committees
17. In relation to **Mayoral Allowances** the Panel has recommended that there is no increase in the current Mayoral and Deputy Mayoral Allowance subject to any index that might apply.
18. In relation to **Independent Members on School Appeals Panels** - the Panel has recommended that :-
  - (a) Mileage Allowance: be payable on the same basis as elected Members i.e., HMRC rates;
  - (b) Subsistence allowance be paid at the same rate and on the same basis as elected Members; and
  - (c) Dependant Carers Allowance be payable on the same basis and conditions that are applicable to elected Members.

19. In relation to other allowances and expenses the Panel has recommended the following:-

- (a) **Dependent Carers' Allowances (DCA)** - The Panel recommends no change to the current conditions and scope for which the DCA may be claimed for 2016/17 subject to any index that may be applied.
- (b) **Co-optees Allowances** – As there are currently no Co-optees appointed under the Local Government Act 2000 on DBC. The Panel makes no recommendation in this regard.
- (c) **Travelling and Subsistence Allowances:-**
  - (i) **Subsistence Allowances** –The Panel does not recommend any changes to the current rates and terms and conditions of the Subsistence Allowances scheme.
  - (ii) **Travel Allowances** - The Panel recommends that the Council change the mileage rates claimable by Members for attending approved duties to the HMRC mileage rates for the mileage allowances as follows:-

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

- (iii) The Panel also recommends that these new mileage rates be implemented (and inserted into the allowances scheme) from 1<sup>st</sup> April, 2016. Furthermore, as per current practice mileage can only be claimed for travel to approved duties outside the Borough boundary.
- (d) **Approved Duties and Attendance at other Statutory Bodies** - The Panel recommends that the current approved duties, terms and conditions that are applicable for which Members can claim travel mileage allowances and the reimbursement of public transport (where used) remain unchanged.
- (e) **Indexation** - The Panel recommends and confirms the use of the following indices for allowances for the next four years:-
  - (i) Basic Allowance, SRAs, Civic and Appeals Panel Members Allowances - Increased by same percentage applied annually to the pay of local government staff, implemented at the start of each municipal year (linked to spinal column point 49 of the NJC scheme) starting from annual

meeting on 16 May 2016;

- (ii) DCA: Elderly/Disabled element - Indexed to the hourly rate chargeable by the Council for provision of a Home Care Assistant;
  - (iii) Travel - Mileage rates to be indexed to HMRC rates. Other travel will be reimbursement of actual costs taking into account the most cost effective means of transport available and the convenience of use; and
  - (iv) Subsistence (out of authority only) - Indexed to the same rates that apply to Officers of Darlington Borough Council, for reimbursement of actual costs up to the maximum rate applicable.
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- (f) The Panel further recommends that as per regulations, the indices recommended by the Panel are to run for four years from 1<sup>st</sup> April 2016, or until the Council requires a further review.

### **Review**

- 20. The Panel further recommends that as per regulations, the indices recommended by the Panel are to run for four years from April 2016, or until the Council requires a further review.

### **Members' Allowances Scheme**

- 21. Should any or all of the Independent Panel's recommendations be approved it will be necessary to amend Darlington Borough Council's Members' Allowances Scheme.
- 22. An amended scheme is attached at **Appendix 2** which takes into account all the recommendations suggested by the Independent Panel.

### **Panel's Recommendations**

- 23. Council can accept the Panel's recommendations in full or part or reject them entirely.

**A Review of  
Members' Allowances  
For  
Darlington  
Borough Council**

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**The Sixth Report**

**By the**

**Independent  
Remuneration Panel**

**Dr Declan Hall (Chairman)  
Paul McGee  
Rob Shotton**

**December 2015**

## **Independent Remuneration Panel:**

### **Review of Members' Allowances**

**For**

**Darlington Borough Council**

**The Sixth Report**

**December 2015**

#### **Introduction: The Regulatory Context**

1. This report is a synopsis of the deliberations and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by Darlington Borough Council (DBC) to provide advice on the Councils' Members' Allowances scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* (the 2003 Regulations). These regulations, arising out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to maintain an independent remuneration panel (also known as an IRP) to review and provide advice to their respective councils on Members' allowances. This is in the context whereby the council retains the right to determine Members allowances.
3. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended members' allowances scheme.
4. In particular, the Panel has been reconvened under the 2003 Regulations [10. (5)], which states:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.



5. This mechanism is the means by which all councils are required to reconvene their Panel at least once every four years thus ensuring a degree of public scrutiny and accountability vis-à-vis their Members' Allowances schemes. It is under this requirement that the Panel has undertaken this review of Members' Allowances for Darlington Borough Council.

### **Terms of Reference**

6. The Panel was given the following terms of reference as agreed by Council on 19 November 2015 as contained in a report to Council,<sup>1</sup> namely to make recommendations on:
- I. The amount of Basic Allowance that should be payable to Members and the expenses it includes;
  - II. The categories of Members who should receive a Special Responsibility Allowance and the amount of such an allowance;
  - III. The duties for which a Travel and Subsistence Allowance can be paid and as to the amount of these allowances;
  - IV. The scope and amount of Co-optees allowances, where applicable;
  - V. The expenses of arranging for the care of children and dependants (the Dependants' Carers' Allowance) and the amount of these allowances and the means by which they are determined;
  - VI. Whether the annual adjustments of allowances should continue to be referred to employees annual pay awards (the National Joint Committee for Local Government Employees or NJC index) or another index if any;
  - VII. The Mayoral or the Civic Allowances;
  - VIII. On allowances to be paid to Independent Members appointed to the Education Appeals Panel;
  - IX. The implementation date for the new Scheme of Allowances;
  - X. Any other issues that are brought to the attention of the Panel.

### **The Panel**

7. Darlington Borough Council reconvened its Panel and the following Members were appointed to carry out the independent allowances review, namely:
- Dr. Declan Hall: Chairman and a former academic at the Institute of Local Government, The University of Birmingham, now an Independent consultant specialising in Members' allowances and support.
  - Paul McGee: Paul has a background that spans the private, public and social enterprise sectors. He currently retains an involvement in industry as Commercial Director of an engineering consultancy. He was formerly a member of the Chief Officer Management Team of Cleveland County

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<sup>1</sup> Paul Wildsmith, Director of Neighbourhood Services and Resources (responsible Cabinet Member - Leader of the Council), "Members' Allowances Review"

Council and has been active in promoting social enterprises for over 30 years. He has contributed to a number of award and assessment panels and was previously a member of Stockton-on-Tees IRP.

- Rob Shotton: Former Chair of Business-Link, Tees Valley, now a businessman.

8. The Panel was supported by

- Linda Todd: Head of Democratic and Customer Services
- Shirley Burton: Democratic Manager, Democratic Services

## **Process and Methodology**

### **Evidence Reviewed by the Panel**

9. The Panel met at the Town Hall, Darlington on 2-3 December 2015 to consider all the evidence and hear representations from Members and receive factual briefings on the Council by Officers. All Members were invited to make written submissions to the Panel (of which one was received) and all Members who wished to meet with the Panel were accommodated as far as practically possible – see appendices one and two for details. The Panel also reviewed further written information pertinent to the review, such as meetings schedules, benchmarking data, statutory guidance, etc. See appendices three and four for further details. The Panel meetings were held in private session to enable the Panel to meet with Members and Officers and consider the evidence and undertake its deliberations in confidence.

### **Considering the Evidence**

10. The Panel took a tiered approach in considering the evidence. It is required to operate within the broad statutory framework laid down by the 2003 Regulations and 2006 Members' Allowances Statutory Guidance. The 2003 Regulations sets out the legal framework within which the Panel is required to operate, i.e., providing discretionary authority for the payment of SRAs, and while mandating the payment of a Basic Allowance, paid equally to all Members. Within this legislative context, the Panel has an obligation to pay regards to the 2006 Statutory Guidance, which for instance mandates certain considerations for Panels in reaching their recommendations.

11. The next level of evidence considered by the Panel was the representations made by the Members, both oral and written, which obtained the views of the groups and individual Members of the Council. The interviews in particular were deliberative in nature and provided the Panel with a qualitative feel of the issues facing Members in relation to the topics under consideration. The meetings with Officers served to update the Panel on developments in the council since the last review in the autumn of 2011. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context where meaningful comparisons can be made.

## **Principles and Key Messages**

### **The DBC model of remuneration: transparency, equity and simplicity**

12. Benchmarking highlighted that the DBC members' allowances scheme is based on a number of principles that are not always apparent in other schemes. In particular the scheme is underpinned by:
  - A. Transparency:
    - largely a function of the '1-SRA only' rule and the fact that the Basic Allowance is inclusive of a range of expenses that Members may incur in carrying out their duties. The DBC allowances scheme does not provide for a range of allowances and the reimbursement of expenses that are often available in other authorities. The stated Basic Allowance and SRAs are in the main the sole payments received by Members.
  - B. Equity:
    - Compared to other council Darlington pays relatively few SRAs. In accordance with the 2006 Statutory Guidance no more than 50% of Members can be paid an SRA. For those SRAs payable in DBC, there is a limited number of SRA bands. Other schemes will differentiate across the whole range of SRAs payable.
  - C. Simplicity:
    - The DBC Members' Allowances scheme is simple to administer in that Members are not required to make a plethora of claims and Officers are not required to devote scarce resources that would be required for instance if Members were able to claim for instance travel and subsistence for duties carried out within the Borough.
13. These principles, which underpin the current DBC allowances scheme, were understood by interviewees and recognized as being beneficial. Indeed these principles were specifically raised in the representation received on more than one occasion. There was a general view that these principles should continue to be adhered to unless there is a clear case to deviate from them.

### **Benchmarking: regional and national**

14. It became clear during the course of the review that Members for the most part compared their allowances against the other 4 Teesside unitary councils. While this is understandable for the Panel it is too limited a group of councils to make meaningful comparisons for benchmarking purposes. This small pool for benchmarking is further compounded by the fact that Hartlepool has a committee governance model and Middlesbrough has an elected mayor executive model - both of which mean different roles and considerations for their members' allowances.
15. The Panel has benchmarked the scope and levels of allowances paid in Darlington Borough Council against those paid in 2 groups of comparative

authorities. While it is difficult to make systematic comparisons consistently, the Panel has undertaken benchmarking, where relevant figures can be obtained against 2 groups of councils, namely:

- Regional: All unitary councils in North East plus North Yorkshire and Cumbria, a total of 13 councils in number (2015/16)
- National: All unitary councils in the CIPFA Benchmarking Club – 26 in total (2014/15)

16. By utilizing these 2 groups (regional and national) for benchmarking purposes it provides a regional and national perspective and therefore a more balanced perspective.
17. A key theme emerging from this benchmarking is that in both a regional and national context it shows the DBC Basic Allowance and executive SRAs are now comparatively low - although the Cabinet SRAs are less so regionally.
18. It also shows that some DBC SRAs are higher than the average paid in the comparator groups yet this is in the context whereby the number of SRAs payable in Darlington Borough Council is not as extensive as in many comparator authorities. The SRAs payable in Darlington Borough Council take the role and responsibilities of the post 'in the round' into account and do not 'build up' remuneration through the collection of remunerable posts as does occur in Newcastle for instance. It also leads to a more transparent model of remuneration in which both peers and the public can understand the level of remuneration received by Members, whereas in other comparator authority schemes a degree of obfuscation may be detected.
19. Within this context the Panel further notes that the Darlington Borough Council model of paying SRAs – i.e., a Member can draw down 1-SRA only regardless of number of remunerated posts a Member may hold – means that not all SRAs may be paid. By maintaining this principle, it means that while there is a minor increase in the cost of allowances arising out of the recommendations below the reality will be that there may be further savings due to the 1-SRA only rule.
20. The Panel has not been driven by the rates and levels of allowances paid across the comparator authorities but was in the very least concerned to understand how the allowances under review have been addressed elsewhere, i.e., what is the most common and good practice. (See Appendix 3 for summary of benchmarking information utilised by the Panel).

**Allowances have decreased in value**

21. The Basic Allowance and SRAs have been frozen at their current levels since 2010. While the Council has had the power to uplift allowances to take into account cost of living increases via indexation for the past 2 years it has decided not to do so. The Council has every right not to apply all or part of the operative indices if it so chooses. Yet, it is not without cost and not just in losing relative value.
22. A corollary of an allowances scheme based on the principles of transparency and simplicity is that while allowances have been frozen the costs that the Basic Allowance and SRAs are intended to cover have not. In effect this is a decrease in the remuneration Members receive. This effective cut in remuneration has been compounded by the closure to Members, since 1 April 2014, to the Local Government Pension Scheme (LGPS).

**The changing role of elected Members**

23. Another theme emerging from the representations and evidence received was that the role of Members has changed since the last review and in all likelihood will continue to evolve in the short to medium term at least. The changing roles was evidenced in the report to council on 2 May 2013 on Council Size Submission to the Local Government Boundary Commission as part of the latter's consideration of the number of Members and review of ward boundaries for the Council in 2012/13. This report confirmed that in light of the financial challenges facing all councils that DBC Members are placing greater emphasis on external and representational roles. In particular, Members are being required to work more with local communities as 'self starters' to step in where the Council may no longer be able provide the same level of services e.g., litter picks.
24. The evidence suggests that the role of elected Members will continue to change as the Council responds to the changing environment, not just financial but with devolution and the Combined Authority now on the agenda. The Council continues to address the high growth agenda and the accompanying enhanced partnership working, particularly affecting senior Councillors. Indeed, previously Darlington has been assessed as a high achieving Council and it strives to continue to be so. Furthermore, while the Council is seeking further cuts in expenditure, it does not mean Members are doing less.
25. Yet, with some exceptions, the workloads and responsibilities of elected Members of Darlington Borough Council have not changed dramatically for remuneration purposes or at least to the extent that a root and branch review of the scheme is required. The Panel recognises that there may be a case to revise some of the allowances because of these changes but as Member roles will continue to rapidly evolve the Panel has decided there is little point in making marginal revisions in a fluid context.

**Purpose of an allowances scheme**

26. During meetings with Members it was mentioned on numerous occasions that the levels of remuneration payable under the current Darlington BC Members' Allowances scheme were not sufficient to 'attract' a wider range of people to put themselves forward to stand for Council. Indeed, this may well be the case however members' allowances schemes are not intended to 'attract' candidates for Council - they would have to be at a level so as not to be publically acceptable. Moreover, the Panel was not at ease with the argument on a conceptual level - if elected Members were standing for and remaining on the Council out of any financial appeal it would run contrary to the public service ethos and the desire to serve local communities and residents as the prime motive for being a Councillor. Members' allowances were never intended to be paid at full 'market rates.'
27. The Panel shares the concern that was conveyed by Members, namely the profile of the elected Members is not fully representative of the communities they represent and live in Darlington. However, addressing the representativeness of the council body is beyond the remit of this Panel in the first instance as there are other factors that also play a part in widening council access.
28. The intention behind the requirement to establish a Members' Allowances scheme for all English councils is to enable and facilitate the Members' roles and responsibilities as far as practically possible while taking into account such factors as the nature of the council, local economic conditions and comparative and good practice. Thus the Panel has sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become an elected Member without incurring undue personal financial cost.

**Role of Panel - marginal adjustments**

29. Ideally, the prime role of the Panel is to assess what it judges the roles and posts under review are worth based on the evaluation of the evidence. Yet, the Panel cannot but be cognisant of the current economic climate both generally, where many residents of Darlington Borough are facing uncertain economic future and internally, where the Council is facing reduced central government funding for at least the next couple of years. This has led the Panel to take the view that it would be reluctant to significantly increase the total spend on allowances, and even a marginal increase in total spend would require strong evidence for the Panel to make such a recommendation. Within this context the Panel have sought to ensure that as far as possible the roles and responsibilities that Members are required to undertake are supported.

## **Recommending the Basic Allowance**

### **Arriving at the Basic Allowance (2003)**

30. The methodology to arrive at the current Basic Allowance (£8,027) has not been revisited since 2003, when the Panel, in line with the advice laid out in the 2003 (since revised in 2006) Statutory Guidance, calculated the Basic Allowance for Members of Darlington Borough Council (2003) based on the following formula:

- 104 days annual expected mean input – 45% (46.8 days) per year Public Service Discount = 57.2 remunerated days per year
- 57.2 days per year x £122.10 per day (LGA day rate) = **£6,984**

31. In 2003, this recommended Basic Allowance was also deemed to be inclusive of incidental expenses such as in-borough travel and subsistence. By 2010, the Basic Allowances had through indexation reached its current level of £8,027. While the 2011 review recommended no change in the level of Basic Allowance the Panel did further deem the Basic Allowance to be inclusive of all IT hardware costs.

### **Recalibrating the Basic Allowance (2015)**

32. The Panel recalibrated the Basic Allowance based on the most up to date and relevant data available for the three variables used in the formula to arrive at the original Basic Allowance as follows:

Increasing expected time input to 145 days per year

33. In its last review the Panel noted that the original time assessment of 104 days per year was probably an underestimation by 2011. While there was no strong evidence to suggest that the reduction in Members in 2013 from 53 to 50 had perceptibly increased Members workloads other factors did point that direction. As noted the representational role expected from Members has increased and it is underpinned by the evidence, such as the 'Darlington Together' initiative and expectations for Members of the Council to 'Reduce Demand on Council Services' paper laid out in Appendix 2 of the submission on council size for boundary review. The same paper also pointed out that compared to similar councils Members were more involved in task and finish groups in DBC.
34. More specifically, the 2013 Councillors Census shows that on average Councillors who hold no positions of responsibility put in on average of 21.6 hours per week on all council related business<sup>2</sup>. This equates to 145 days per year on a 7.75 hour working day. The Panel adopted 145 days per year as the time expectation to recalibrate the Basic Allowance.

The Public Service Discount: no change at 45%

35. A PSD of 45% is at the high end of the normal range (30-50%) used to apply the PSD. However, the Panel has always conceptualized this as the element of work that relates to Members wards and local communities and in DBC if anything this aspect as has increased. The Panel is content that a PSD of 45% remains appropriate.

Rate of Remuneration at £103.56 per day

36. Historically the Panel utilised the Local Government (LGA) 'day session' rate as the relevant rate of remuneration. This was a daily rate published each year by the LGA as a service to councils and IRP chairs. However, the LGA since 2011 stopped providing such advice. By then most IRPs had switched to a more locally based rate of remuneration. They were able to do this as the Office of National Statistics starting to publish average earnings on an authority by authority basis as set out each year in the Annual Survey of Hours and Earnings (ASHE). The most recent ASHE publication (November 2015) shows the median daily gross earnings for all full time employees within Darlington BC area is £103.56.<sup>3</sup>
37. By replicating the formula approach with up dated variables it produces a recalibrated Basic Allowance as follows:

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<sup>2</sup> This information is derived from the 2013 Councillors Census and the breakdown by type of council and by whether there are any posts held has been supplied to the Chair in an email from the Stephen Richards, LGA< 1 October 2014.

<sup>3</sup> ASHE shows the median gross weekly earnings for all full time jobs in the Borough of Darlington to be £517.56, Table 7.1a, ONS, November 2015. To arrive at a daily rate, the Panel divided this sum by 5 working days. The ONS advises that the median, rather than mean, is a more accurate measure of average earnings due to a few high earners and a high number of employees on or just over the minimum wage.



- 145 days annual expected mean input – 45% PSD (65 days)  
= 80 remunerated days per year
- 80 days per year x £103.56 per day  
= **£8,285**

### **Benchmarking the Basic Allowance**

38. Benchmarking shows that the current DBC Basic Allowance is now markedly below that paid to peers both regionally and nationally. This in itself is not a reason to revise the Basic Allowance but it does show that the DBC Basic Allowance may be in danger of not fulfilling the function of enabling most people to be a Councillor as it has started to drift below the average in peer councils.

Table 1: benchmarking the Basic Allowance and main SRAs - regionally &amp; nationally

Allowance	Darlington - Actual	Other Unitary Councils (Regional) - Mean (15/16)	Other Unitary Councils (Regional) - Median (15/16)	Unitary Councils (CIPFA Benchmarking Club) - Mean (14/15)
<b>Basic Allowance</b>	£8,027	£9,127	£8,994	£10,293
<b>SRAs</b>				
Leader	£22,933	£25,359	£25,000	£31,486 <sup>4</sup>
Deputy Leader	£13,759	£16,109	£15,440	£19,345
Cabinet Members	£11,467	£11,742	£11,898	£13,763
Chair Scrutiny Other	£9,173	£7,206	£6,190	£8,495
Chair Planning	£9,173	£6,707	£6,264	£7,100 <sup>5</sup>
Chair Licensing	£9,173	£6,490	£6,250	£7,100
Chair Audit	£558	£5,442	£5,385	£7,100
Leader Main Opposition Group	£9,173	£7,642	£6,650	£10,122

### Applying indexation to the Basic Allowance

39. As part of the triangulation process the Panel notes that if the Basic Allowance had been indexed as permitted then it would now be:

- 2014 NJC index + 1% = £8,107
- 2015/16 NJC index + 2.2% = £8,286

### The recommended Basic Allowance (2016/17)

40. This process of triangulation shows there is a strong case to increase the Basic Allowance. The Panel has chosen not to be guided by the level suggested by benchmarking, as it would require too large an increase which had very limited support amongst Members. Although the indexed Basic Allowance is only £1 more than the recalibrated Basic Allowance the Panel has explicitly eschewed basing a revised Basic Allowance on this approach as it would run contrary to a decision by the Council. Instead, the Panel has been guided by the recalibrated Basic Allowance (£8,285). It is the lowest figure produced by triangulation (albeit by £1) therefore most defensible in the current context and is based on verifiable variables as advised by the 2006 Statutory Guidance.

<sup>4</sup> Includes elected Mayors

<sup>5</sup> CIPFA Report has included all other main Committee Chairs with a mean SRA of £7,100

41. **The Panel recommends that the Basic Allowance for 2016/17 should be £8,285, subject to any index that may apply.**

#### **The Basic Allowance - inclusive of ICT costs**

42. On the recommendation of the Panel the Council agreed that the Basic Allowance is deemed sufficient to include the costs of incidental expenses and ICT equipment, consumables and peripherals incurred on the part of Members. This has resulted in a major administrative and real savings to the Council. Members can buy into an ICT support package provided by the Council which supplies relevant hardware but they have to buy it from the Council at £27 per month. Members are also expected to meet any broadband and associated line rental and operational costs out of their Basic Allowance.
43. The comparative practice is difficult to discern as the practice differs across councils in how ICT support is provided to Members and where such support is provided it is not always included in a council's allowances scheme. Nonetheless, it is typical for a Council to provide some support to Members for ICT outside the Basic Allowance, whether it is through direct provision or for instance Hartlepool Members can be reimbursed for the cost of the installation of a telephone line if not already connected, they can also claim the cost of line and telephone rental. In Redcar & Cleveland Members are paid a annual telephone allowance of £180.
44. The representation received generally supported the approach (if not the actual level) to ICT support, i.e., covered by the Basic Allowance as the most cost effective and efficient way of providing such support.
45. **The Panel recommends that the Basic Allowance continues to be deemed sufficient to include the costs of incidental expenses and ICT equipment, consumables and peripherals incurred on the part of Members.**

#### **Arriving at the Special Responsibility Allowances - the Leader's SRA**

46. Like all other SRAs the Leaders' SRA has been frozen since 2010. This is in a context where the Leader and other executive Members are increasingly called upon to undertake a regional and sub-regional role, whether it is with the Darlington Partnership and the shadow Combined Authority for Teesside, an aspect of their work which is likely to increase, particularly when concrete proposals for devolution are clear.
47. Benchmarking shows that the Leaders' SRA (£22,933) has also started to drift markedly below that of peers (see table 1 above). There is a less compelling case to apply a retrospective indexation to SRAs in general. The main reason the Council did not index the Basic Allowance and SRAs was because Chief Officers (who are on locally agreed terms and conditions) have also had their salaries frozen since 2010. As such there is less impelling logic to recalibrate

SRAs on the same basis as the Basic Allowance. The Members wanted to lead by example and were keen to maintain this principle for SRAs in general. Consequently, the Panel at this stage is not recommending any change to the Leader's SRA.

48. **The Panel recommends that the SRA for the Leader should be maintained at £22,933 for 2016/17, subject to any index that may apply.**

### **The Deputy Leader**

49. Many of the observations regarding the role of Leader are also pertinent for the Deputy Leader and to a lesser extent the other Cabinet Members, they are also required to take up a larger external role and their SRAs are generally lower than peers, except for the Cabinet Members regionally. Nonetheless, for the same reasons the Panel has recommended no change to the Leader's SRA the Panel is doing the same for the Deputy Leaders SRA.
50. **The Panel recommends that the SRA for the Deputy Leader of Darlington Borough Council remains at £13,759 for 2016/17 subject to any index that may apply.**

### **Other Cabinet Members (5)**

51. For the other Cabinet Members there has been sharpened accountability with their reduction in number from six to five. The Panel notes that the differential between the Cabinet Members' SRA (£11,467) and chairs of the main committees SRA (£9,173) may be too narrow to reflect the real differentials in workloads and responsibilities. The Panel will revisit this issue at the time of the next review.
52. **The Panel recommends that the SRA for the other Cabinet Members (5) is unaltered at £11,467 for 2016/17 subject to any index that may apply.**

### **Chairs of the Main Committees**

53. All the chairs of the main committees receive the standard SRA for such posts, namely £9,173 - a principle that retains support amongst the Members. One consequence of this flat approach is that the SRA for the Chairs of the Planning and Licensing Committees in DBC are above the norm in the comparator councils. Whereas a case could be made to differentiate between the SRAs for the various main chairs it would cut across the principles of transparency, equity and simplicity.
54. More specifically, the Planning Committee has increased delegation to Officers but it now gives more consideration to the applications for larger developments which are coming through.
55. Likewise the Licensing (General and the Licensing Act 2003) Committee has also increased delegation to Officers and has less hearings to deal with but with the development of a 24 hour culture licensing policy has become more

important and post-Rotherham greater consideration has to be given to its public protection remit.

56. There has been less change in regards to the 5 other Scrutiny Committees (there are 5 Scrutiny Committees but as one of the Chairs will also chair the Monitoring and Coordination & Group both roles are recognised in a slightly higher single SRA - see below) regarding their remit and functions. A case can be made that not all the other Scrutiny Committees carry a similar range of responsibility and workload and some Scrutiny Committees may have a more extensive brief than others but that partly due to issues rising up and falling down the local government agenda over time and there is an element of swings and roundabouts at play. While they all utilise task and finish groups to some extent the role of the Chairs (and Vice Chairs) on these ad hoc bodies varies, some Chairs take an active role in leading their committee task and finish groups, some Chairs less so.
57. Moreover, as there was general support to retain an equal SRA for the Chairs of the main committees the Panel recognises that if the remit of the Scrutiny Committees varied significantly then it is in the gift of the council to address such an imbalance - which it has done in the past.
58. **The Panel recommends that current SRA (£9,173) paid to each of the chairs of the main committees remains unaltered for 2016/17, subject to any index that may be applied. Specifically this recommendation applies to the Chairs of the following committees:**
- **Planning Committee**
  - **Licensing (General & Licensing Act 2003) Committee**
  - **4 other Scrutiny Committees, excluding the Scrutiny Chair who also chairs the Scrutiny Monitoring & Coordination Group.**

#### **Chair of the Scrutiny Monitoring & Coordination Group**

59. The Chair of the Scrutiny Monitoring & Coordination Group receives a slightly higher SRA (£9,747) than the other main Chairs as the post holder is *ex officio* a Chair of another Scrutiny Committee. All the other scrutiny chairs, and Vice Chairs, sit on the Monitoring & Coordinating Group and it does what it says on the tin - coordinates and oversees the work of the other Scrutiny Committees. The Panel received no evidence to alter the current SRA for the Chair of Scrutiny Monitoring & Coordination Group. Benchmarking is of limited utility as it is not always a position that exists in other authorities.
60. **The Panel recommends that the SRA for the Chair of the Scrutiny Monitoring & Coordinating Group remains at £9,747 for 2016/17 subject to any index that may be applied.**

**Vice Chairs of the main Committees**

61. The Panel took time to explore the role of the Vice Chairs of the main Committees, who are all currently paid an SRA of £3,211, set at one third of the SRA paid to their respective Chairs. It was set on this level on the basis that all the Vice Chairs undertook a standard set of duties, including:
- Sit on and attend the Scrutiny Monitoring & Coordination Group
  - Stand in for their respective Chairs when required
  - Attend relevant pre-meetings and briefings with Officers with their Chairs
  - Generally keep up to speed their committees remit and support their Chair as required
  - For the Vice Chairs of the other Scrutiny Committees taking a lead role in chairing task and finish working groups
  - For the Vice Chair of Licensing taking a lead role in chairing Licensing Sub Committees
  - For the Vice Chair of Planning it's recognised they have to stand in on occasion due to the restrictions imposed by Planning law, such as conflict of interest where the Chair has to stand down; for instance there may be a particular application in their ward
  - undertaking discrete tasks at the direction of their Chairs
62. It remains the case that there is no standard brief for the Vice Chairs of the main committees with their workloads and responsibilities being variable and to some extent dependent on the capacity and inclination of their respective chairs.. This is not to say one or more Vice Chairs carry out the full range of duties iterated above rather that it is not consistent across the council.

Table 2: benchmarking main Vice Chairs SRAs - regional benchmarking group only<sup>6</sup>

<b>Vice Chair</b>	<b>Darlington BC SRA</b>	<b>Regional Unitary Councils paying main Vice Chairs SRA - regionally (15/16)</b>	<b>Regional Unitary Councils - Mean (15/16)</b>	<b>Regional Unitary Councils - Median (15/16)</b>
Scrutiny	£3,211	10 out of 13 councils	£3,348	£2,613
Planning	£3,211	8 out of 13 councils	£3,406	£2,613
Licensing	£3,211	8 out of 13 councils	£2,995	£2,216

63. Benchmarking shows that the SRAs paid to Vice Chairs of the main committees in DBC are not particularly excessive in the comparative context - see table 2 above. Yet benchmarking for vice chairs needs to be treated with some caution. In regards to Licensing and Planning only 8 out of the 13 regional comparator councils pay their equivalent of Vice Chair of their Licensing and Planning Committees.

<sup>6</sup> The CIPFA benchmarking club does not include SRAs for Vice Chair of Committees in its data.

64. The Panel accepts the case to retain an SRA for the Vice Chairs of the main Committees, regardless of the variation in their workloads and responsibilities there is a sufficient workload and responsibility undertaken by all that merits remuneration. Yet, the current level was set with a standard set of roles in mind and as this is not the case the Panel has reduced the ratio in arriving at their SRAs from 33% to 25% of their respective Chairs' SRA.
65. **The Panel recommends that that the SRA for the Vice Chairs of the Main Committees is £2,293 for 2016/17 subject to any indexation that may apply.**
66. **Specifically this recommendation applies to the Vice Chairs of the following committees:**
- **Planning Committee**
  - **Licensing (General & Licensing Act 2003) Committee**
  - **The 5 other Scrutiny Committees**

#### **Chair of Audit Committee**

67. The current SRA (£558) for the Chair of Audit is a historical figure that has never been given a great deal of consideration as the Chair has always been held by another post holder and therefore not payable under the 1-SRA only rule. Nonetheless, the current level is derisory and to future proof the scheme the Panel has decided to at least reset this SRA that recognises a minimum level of responsibility associated with the role beyond that which is suggested by the current SRAs. The Panel has reset it at 10% of the Leader's SRA.
68. **The Panel recommends that SRA for the Chair of the Audit Committee is £2,293 for 2016/17 subject to any indexation that may apply.**

#### **The Leader of the Main Opposition Group**

69. The SRA (£9,173) for the Leader of the Opposition has been linked to that paid the Chairs of the main committees and set at 40% of the Leader's SRA. It is recognised that in a regional context the SRA for the Leader of the Opposition Group is comparatively high although it is not the case nationally. One reason for this regional divergence may be down to the size of the Opposition Group - often the smaller the Opposition Group the smaller the SRA. In DBC the Opposition Group has consistently remained large, currently 17 Members. Nonetheless, the Panel is content with the current SRA. There is a duty on the Opposition Group Leader to provide challenge across the council and for a healthy democracy to flourish the Opposition must be resourced. This view is underpinned by the 2003 Regulations (5. [2.] [b.]), which require an SRA to be paid to an Opposition Member where members divided into groups and a majority of Members form a ruling group.
70. **The Panel recommends that the SRA for the Leader of the Main Opposition Group remains at £9,173 for 2016/17 subject to any index that may be applied.**

### **The Deputy Leader of the Main Opposition Group**

71. No evidence was received to revisit the SRA (£1,147) for the Deputy Leader of the Opposition Group, which was set at 5% of the Leaders' SRA.
72. **The Panel recommends that the Main Opposition Group Deputy Leader's SRA remains at £1,147 for 2016/17 subject to any index that may apply.**

### **The Leader of the Minority Opposition Group**

73. Likewise, no evidence was received to revisit the SRA (£1,147) for the Leader of the Minority Opposition Group, which was set at 5% of the Leaders' SRA.
74. **The Panel recommends that the SRA for the Leader[s] of Minority Opposition Group[s] remains at £1,147 for 2016/17 subject to any index that may apply.**

### **Confirmation of the 1-SRA only rule**

75. The 2003 Regulations do not prohibit the payment of multiple SRAs to Members, as the comparative benchmarking clearly shows. The limit of 1 SRA only regardless of whether a Member holds more than one remunerated post is an internal rule agreed by the Council Members' Allowances going back to the recommendation of the Panel of 2003. Moreover, this restriction on the payment of SRAs to Members means that posts are not simply sought out for financial reasons. Indeed, the pressure is that if anything, posts tend to be spread around more. It also makes for a more transparent allowances scheme and in practice it will also lead to a slight reduction in amounts paid out in SRAs, as there is always (in one case at least) a single Member who also holds more than one remunerated post, Due to the 1-SRA only rule such a Members is only paid the higher SRA.
76. **The Panel recommends that the Council retains the 1-SRA only rule within the Darlington Borough Council Members' Allowances scheme.**

### **The Mayor and Deputy Mayor of the Council and the Civic Allowances**

77. The Civic Allowances are constitutionally outside the formal remit of IRPs. The Civic Allowances are paid under the Local Government Act 1972 (sections 3.5 and 5.4), not as remuneration (although in many authorities it has in effect become a substitute salary), but to meet the expenses of holding the office of Civic Head and Deputy Civic Head of the Council. However, many Panels are often asked to provide advice on the Civic Allowances in lieu of a council being able to draw upon any external validation.
78. Meaningful benchmarking is difficult when it comes to the Civic Allowances as some authorities explicitly remunerate their equivalent of Mayor and Deputy Mayor through an SRA in addition to the provision of a civic allowance for meeting the cost of holding office. Moreover, not all councils publish the Civic



Allowances in their allowances scheme.

79. The Panel notes that with the split in the monies paid to the Mayor and Deputy Mayor between a Civic Allowance and hospitality budget has resulted in savings for the Council. The current Civic Allowance for the Mayor (£11,000) is to pay for out of pocket operational expenses while the hospitality budget pays for regular and knowable expenses. Some Mayors spend more than £11,000, thus paying for the excess themselves; some Mayors do not spend the whole amount. But the variation largely depends on the individual concerned. The Panel recognises the Mayoral role is an important one with the post holder expected to attend functions in and out of the Borough on an almost daily basis. Nonetheless, no evidence was received that the current Civic Allowance for the Mayor is insufficient to meet the core out of pocket expenses.
80. **The Panel does not recommend any change to the current Civic Allowance (£11,000) paid to the Mayor of Darlington Borough Council for 2016/17, subject to any index that may apply.**
81. The Deputy Mayor, who is always the Mayor in waiting in Darlington, receives a Civic Allowance of £929 to meet their operational out of pocket expenses. This much lower sum is appropriate as the Deputy Mayor's main role is to stand-in where the Mayor is unable to attend a function. No evidence was received to change this allowance.
82. **The Panel recommends that the Civic Allowance for the Deputy Mayor of Darlington Borough Council for 2015/16 remains at £929, subject to any index that may apply.**

### **The Co-optees' Allowances**

83. There are currently no Co-optees appointed under the Local Government Act 2000 on DBC. The Panel makes no recommendation in this regard.

### **Travel and Subsistence Allowances**

#### **The Subsistence Allowance**

84. There were no issues brought to the Panel's attention regarding the scope and levels payable under the Subsistence Allowance scheme. **The Panel does not recommend any changes to the current rates and terms and conditions of the Subsistence Allowances scheme for 2015/16.**

#### **The Travel Allowance - Mileage**

85. The current mileage rates that Members can claim for undertaking approved duties are based on the mileage rates claimed by Officers under the Officers' casual user mileage scheme which is determined nationally by the National Joint Council, for Local Government Staff. However, only the 2 lower mileage bands are payable and even then the bands utilized are out of date. The

bands utilized currently stand as follows:

- Engine size - up to 999cc: 46.9p per mile
- Engine size - 1000cc and over: 52.2p per mile

86. The current mileage rates payable are liable to tax and national insurance and reward those Members with the larger car engine size. The evidence received by the Panel indicates that the approved mileage rates by Her Majesty's Revenue and Customs (HMRC) are increasingly utilised by local authorities in determining Members' (and in some cases Officers') mileage rates; primarily because they are tax efficient in that they do not incur any tax liability for Members. The HMRC mileage rates are also the most prevalent mileage rates in the wider public sector and to promote consistency and simplicity, the Panel favours the HMRC mileage rates over a version of the Officer casual user mileage rates that has little logic.
87. The HMRC rates also have the added advantage of being more "green" than NJC rates as they do not reward those with larger car engine size, with all claimants being treated equally. They also make explicit provision for passenger supplements and bicycle rates. The switch in mileage rates that Members could claim under the mileage allowances scheme would also have the added advantage of producing a small savings..
88. Thus, **the Panel recommends that the Council change the mileage rates claimable by Members for attending approved duties to the HMRC mileage rates for the mileage allowances as set out in Table 3 below.**
89. **The Panel also recommends that these new mileage rates be implemented (and inserted into the allowances scheme) from the date of the Council Annual Meeting on 12<sup>th</sup> May 2016. Furthermore, as per current practice mileage can only be claimed for travel to approved duties outwith the Borough.**

Table3: HMRC Mileage Rates 2015/16

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger Supplement Rate	5p per passenger	5p per passenger

### The current list of Approved Duties

90. **The Panel recommends that the current approved duties, terms and conditions that are applicable for which Members can claim travel mileage allowances and the reimbursement of public transport (where used) remain unchanged.**
91. **The Panel also recommends there is no change to the other terms and conditions for claiming travel allowances.**

#### **Dependants' Carers' Allowance (DCA)**

92. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a Dependants' Carers' Allowance (DCA), which Members can claim to assist in meeting costs for care for their dependants while on approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on Council. In the 2003 review, the Panel recommended that the Council make available the DCA to those Members who have dependants living with them.
93. While it is not often claimed the Panel continues to support the DCA. The only issue raised in this regard was uncertainty on whether it can be claimed when a Member attends a training and development event. The scheme is clear: the DCA can be claimed for attending such a duty.
94. **Consequently, the Panel recommends no change to the current conditions and scope for which the DCA may be claimed for 2016/17 subject to any index that may be applied.**

#### **Independent Members on School Appeals Panels**

95. The School Admission (Appeals Arrangements) (England) Regulations 2012 (paragraph 6.1) provide for the payment of a Financial Loss Allowance (FLA) to independent members appointed to school appeals panels when attending "a meeting of an appeal panel or associated training." The Statutory Guidance 2012<sup>7</sup> provides further clarification in that in addition to a FLA such appointees are eligible to receive travel and subsistence allowances and to be compensated for any expenses, including child minding costs. The Statutory Guidance also states that the "rate of payment for community and voluntary controlled schools is set by the local authority which must have regard to the recommendations of its independent remuneration panel."
96. Currently Darlington Borough Council pays independent appointees to its appeals panels a:

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<sup>7</sup> Department for Education, School Admission Appeals Code: Statutory Guidance for School Leaders, Governing Bodies, and Local Authorities, paragraph 1.15, February 2012

- FLA set at:
    - £27.65 (meetings up to 4 hours)
    - £55.31 (meetings over 4 hours)
  - Subsistence Allowance: at same rates that are applicable to Officers & elected Members although the conditions vary slightly
  - Mileage Allowance:
    - Up to 999cc: 36.4p per mile
    - 1000cc to 1199cc: 40.2p per mile
    - 1200cc and over: 49.9p per mile
  - No provision is made to meet the costs of child care
97. No evidence was received to indicate the FLA requires revisiting so the Panel is not making any recommendations in this respect. However, in the interests of equity **the Panel recommends that independent members appointed to school appeals panels are paid**
- **Mileage Allowance: on the same basis as elected Members i.e., HMRC rates**
  - **Subsistence Allowances: on the same basis as those paid to Members and Officers of the Council**
  - **DCA: on the same basis and conditions that are applicable to elected Members**

### Confirmation of Indexing

98. The Panel has always supported the principle of the indexation of allowances as it helps to prevent the loss of relative value that necessitates periodic increases that go beyond any uplift for cost of living increases.
99. **The Panel recommends and confirms the use of the following indices for allowances for the next four years:**
- **Basic Allowance, SRAs, Civic Allowances & Appeals Panel Members FLA:**
    - Increased by same percentage applied annually to the pay of local government staff, implemented at the start of each municipal year (linked to spinal column point 49 of the NJC scheme) starting from annual meeting on 16 May 2016.
  - **DCA: Elderly/Disabled element:**
    - Indexed to the hourly rate chargeable by the Council for provision of a Home Care Assistant.
  - **Travel:**
    - Mileage rates to be indexed to HMRC rates. Other travel will be reimbursement of actual costs taking into account the most cost effective means of transport available and the convenience of use.
  - **Subsistence (out of authority only):**
    - Indexed to the same rates that apply to Officers of Darlington Borough Council, for reimbursement of actual costs up to the maximum rate applicable.

100. **The Panel further recommends that as per regulations, the indices recommended by the Panel are to run for four years from May 2016, or until the Council requires a further review.**
101. The Panel notes that if the Council does not have provision for indexation in place it cannot apply any indices. Yet, if the provision is in place the Council can still decide not to apply all or any of the indices that may be applicable, e.g., the Council could decide to apply adopted index to the BA but not SRAs in any one year.

### **Implementation**

102. **The Panel recommends that the recommendations within this report (with any amendments as agreed by Council) are implemented from the 1st April 2016 or any date beforehand that the Council may agree upon subsequent to the publication of report.**

## **Appendix One**

### **Members and Officers who met with the Panel**

#### **Members**

Cllr P. Culley:	Conservative Member
Cllr A-M Curry:	Leader of Minority (Liberal Democrat) Opposition Group
Cllr B. Dixon:	Leader of the Council and Labour Group
Cllr S. Harker:	Deputy Leader & Cabinet Member for Resources
Cllr I. Haszeldine:	Chair of Monitoring & Co-ordination Group + Scrutiny Committee (Efficiency & Resources)
Cllr J. Kelley:	Liberal Democrat Member
Cllr K. Kelly:	Labour Member
Cllr W. Newall:	Chair of Scrutiny Committee (Health & Partnerships)
Cllr K. Nicholson:	Independent Member
Cllr T. Nutt:	Chair of Licensing & General Licensing Act 2003 Committees and Mayor of Council
Cllr H. Scott:	Leader of Main (Conservative) Opposition Group
Cllr C. Taylor:	Vice Chair of Scrutiny Committee (Children & Young People)

#### **Written Submissions:**

Cllr C. Johnson:	Deputy Leader of Main (Conservative) Opposition Group - submitted on behalf of Opposition Group
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#### **Officers**

Ada Burns:	Chief Executive of Darlington Borough Council
Linda Todd:	Head of Democratic & Customer Services
Paul Wildsmith:	Director of Neighbourhood Services and Resources

## **Appendix Two**

### **Information Received by the Panel**

1. Itinerary
2. Members Allowances Review - Council Report, 19 November 2015, including terms of reference
3. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)
4. Consolidated Guidance for Panels and Regulations (Department of Communities and Local Government - May 2006 version)
5. Darlington Borough Council Members' Allowances Scheme (2015/16) including all relevant schedules, rates and conditions
6. Details on other support received by Members
7. Full schedule of HMRC approved mileage rates 2015/16
8. Darlington Borough Council Human Resources Advisory Circular No. 11/2015 - Travel & Subsistence Policy (WEF 1 October 2015)
9. Details on full range of support/budgets received by Mayor and Deputy Mayor
10. Darlington Borough Council statutory publication of allowances and expenses received by Member (2014/15)
11. Committee information:
  - Flow Chart showing Council, Committees & Sub Committees
  - Membership of main Cabinet/Committees and Joint Arrangements 2015/16
  - Calendar of meetings, 2015/16
  - Political balance/Council
12. Number of meetings of Licensing Committees and Subs
13. Council Size Submission (including role of Members) - Council Report 2 May 2013
14. Remit or responsibility for functions for main committees and sub committees, including meetings schedule 2015/16
15. Benchmarking information summarizing allowances paid in neighbouring/comparator authorities 2015/16 both regionally and nationally

16. The Fifth Report of the Independent Remuneration Panel (October 2011)
17. Council Minutes 24 November 2011 that shows amendment to recommendations subsequent approval
18. Data derived Councillors Census 2013 showing mean hours worked by Councillors broken down by type of council and positions held
19. Information on Education Appeals including benchmarking from CIPFA Democratic Services Club - Darlington Comparator Report 2015, School Admissions Appeals Code and scale of allowances currently paid
20. PowerPoint presentation on introduction to allowances reviews: Reviewing Members' Allowances: Update on the Darlington Borough Council remuneration model, patterns and issues to consider (by Chair of IRP)
21. Office of National Statistics, 2015 Annual Survey of Earnings Statistical Bulletin showing average salary rates for Darlington
22. Written submissions from members - tabled when IRP convened



<b>Sunderland 2015 Benchmarking adapted for Darlington BC December 2015 Review</b>																
	S'land	Newcastle	South Tyneside	North Tyneside	Gateshead	Durham	N'land	Hartlepool	North Yorks	M'boro	Cumbria	Stockton	Redcar & C'land	Mean	Median	Darlington
Basic Allowance	8,369	8,775	7,226	9,759	10,343	13,300	12,625	5,953	8,994	6,130	8,332	9,300	9,550	9,127	8,994	8,027
Leader	37,667	16,550	26,496	Elected Mayor	31,037	36,575	27,000	17,859	24,704	Elected Mayor	23,166	25,000	12,890	25,359	25,000	22,933
Deputy Leader	25,111	8,275	16,860	Deputy Mayor	20,687	19,950	18,090	NA	15,440	Deputy Mayor	12,743	13,750	11,280	16,219	16,150	13,759
Cabinet Member	20,716	6,207	11,535	3,003	15,519	13,300	14,850	NA	13,896	12,260	8,686	11,250	9,680	11,742	11,898	11,467
Chairs Scrutiny	12,556	4,138	9,635	3,003	15,519	2,660	12,150	NA	4,632	6,130	6,949	6,250	2,852	7,206	6,190	9,173
Vice Chairs Scrutiny	6,277	2,069	7,226	2,100	5,168	1,330	3,645		1,544			3,125	992	3,348	2,613	3,211
Chair Planning (& Highways or Regulation)	6,277	4,138	7,226	3,003	12,927	3,325	12,150	5,953	3,088	9,200	6,949	6,250	Inc in Licensing	6,707	6,264	9,173
Vice Chair Planning		2,069	4,817	2,100	6,467	1,662	5,468		1,544			3,125		3,406	2,613	3,211
Chair Audit (& Standards or Governance)	6,277	4,138	4,817	Co-optee	12,927	2,660	4,005	5,953	3,088	6,130	6,949	6,250	2,108	5,442	5,385	558
Chair Licensing (&/or Regulation)	8,369	4,138	7,226	2,100	12,927	3,325	9,450	3,572	Inc in DCC	9,200	Inc in DCC	6,250	4,836	6,490	6,250	9,173
Vice Chair Licensing		2,069	4,817	1,473	6,467	1,662	2,363					3,125	1,984	2,995	2,216	3,211
Leader Main Opposition	12,556	6,207	2,409	3,003	15,519	6,650	12,150	1,786	4,632	9,200	12,166	5,000	8,070	7,642	6,650	9,173

## **Appendix 2**

### **Members' Allowances Scheme**

The Darlington Borough Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended), hereby makes the following scheme:-

#### **- Introduction**

1. This scheme may be cited as the Darlington Borough Council Members' Allowances Scheme, and shall have effect for the period commencing 1<sup>st</sup> April, 2016 and shall continue in force thereafter until amended.

2. The previous Darlington Borough Council Members' Allowances Scheme is revoked with effect from 31<sup>st</sup> March 2016.

3. In this scheme,

'the Authority' means Darlington Borough Council;

'Councillor' means a Member of the Darlington Borough Council who is a Councillor; and

'Year' means the period beginning 1st April to 31st March.

#### **Basic Allowance**

4. For each year a basic allowance ('Basic Allowance') set out in Schedule 1 shall be paid to each Councillor.

5. Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, his/her entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office as Councillor subsists bears to the number of days in that year.

#### **Special Responsibility Allowances**

6. For each year for which this scheme relates a Special Responsibility Allowance ('Special Responsibility Allowance') shall be paid to those Councillors who have the special responsibilities in relation to the

Authority that are specified in Schedule 2.

7. The amount of each Special Responsibility Allowance shall be the amount specified against that special responsibility in Schedule 2.
8. Where a Councillor does not have throughout the whole of the year any such special responsibilities as entitle him/her to a Special Responsibility Allowance, his/her entitlement shall be to payment of such part of the Special Responsibility Allowance as bears to whole of the same proportion as the number of days during which he/she has such Special Responsibilities bears to the number of days in that year.
9. Any Councillor who will be entitled to claim more than one special responsibility allowance in accordance with Schedule 2, shall only be entitled to receive one such allowance (and where the allowances are of different amounts, the entitlement shall be to the highest amount), unless otherwise provided in Schedule 2.

### **Mayoral Allowances**

10. Allowances will be payable as detailed in Schedule 3

#### **- Dependent Carers' Allowance**

11. An Allowance ('the Dependent Carers' Allowance') will be paid to each Councillor who needs to incur the expenses of arranging for the care of their children or dependants whilst undertaking the duties as specified in Schedule 4.
12. The Dependents' Carers' Allowance will be payable in respect of actual expenditure up to a maximum of 35 hours in any one week, as specified in Schedule 4.

### **Travel and Subsistence Allowances**

13. No allowance will be made to any Councillor for any travelling or subsistence incurred whilst performing Council duties within the Borough Council boundary.
14. Travelling and Subsistence Allowances will be paid as specified in Schedule 5.

## **Education Appeals Panel Members**

15. Allowances will be payable as detailed in Schedule 6.

## **Amendments and Repayment of Part of Allowances**

16. This scheme may be amended at any time but may only be revoked with effect from the beginning of a year.

17. This scheme makes provision for an annual adjustment of the Basic, Special Responsibility allowances for a period of four years as detailed in paragraph 25 below.

18. Where an amendment is to be made which affects an allowance payable for the year in which the amendment is made, the entitlement to such allowance may apply with effect from the beginning of the year in which the amendment is made.

19. Where payment of any allowance already being made in respect of any period during which the Councillor concerned :-

- ceases to be a Councillor; or
- is in any other way not entitled to receive the allowance in respect of that period,

The Authority may require that such part of the allowances relates to any such period be repaid to the Authority.

20. Where a Councillor is also a Member of another Authority (as defined in the Regulations) that Councillor may not receive allowances from more than one Authority in respect of the same duties.

## **- Election to Forego Allowances**

21. A person may, by notice in writing given to the Director of Neighbourhood Services and Resources, elect to forego all or part of his/her entitlement to any allowances under this scheme.

## **Payments**

22. Payments shall be made in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in

this scheme.

23. Where a payment of one-twelfth of the amount specified in this scheme in respect of the basic allowance or a special responsibility will result in the Councillor receiving more than the amount to which, by virtue of the basic and special responsibility allowance, he/she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he/she is entitled.

### **Publicity**

24. The Council is required to make arrangements for the publication of this Scheme within the Council's area as soon as practicable after it is made.
25. The Council is also required to publish after the end of the year the total sum paid to each Councillor during the year.

### **Indexation**

26. The following indices are applied to the remuneration and allowances paid to Members of Darlington Borough Council:-

#### **Basic Allowance, SRAs, Civic Allowances and Education Appeals Panel Members Financial Loss Allowance:-**

- Increased by same percentage applied annually to the pay of local government staff, implemented at the start of each municipal year (linked to spinal column point 49 of the NJC scheme) starting from annual meeting on 16 May 2016.

#### **Dependant Carers Allowance: Elderly/Disabled element:**

- Indexed to the rate chargeable by the Council for provision of a Home Care Assistant

#### **Travel:-**

- Mileage rates to be indexed to HMRC rates. Other travel will be reimbursement of actual costs taking into account the most cost effective means of transport available and the convenience of use.

#### **Subsistence (out of authority only):-**

- Indexed to the same rates that apply to Officers of Darlington

Borough Council, for reimbursement of actual costs up to the maximum rate applicable.

**SCHEDULE 1**

**Basic Allowance 2016/17**

The amount of the Basic Allowance payable to each Member of the Council is **£8,285**

The Basic Allowance is deemed sufficient to include incidental expenses and the current provision of ICT equipment, consumables, and peripherals by Members. Accordingly, the direct provision of ICT equipment, related consumables, and peripherals is not provided unless Members re-imburse the Council for an ICT package and support from their Basic Allowance.

**SCHEDULE 2****- Special Responsibility Allowance 2016/17**

-

The following are specified as special responsibility allowances in respect of which special responsibility allowances are payable, and the amounts of those allowances, subject to the provisions contained in this scheme are:

	£
Leader	22,933.00
Deputy Leader (60 per cent of Leader)	13,759.00
Cabinet Member (50 per cent of Leader)	11,467.00
Chair of Monitoring and Co-ordination Group (to include role of Chair of Scrutiny Committee) (42.5 per cent of Leader)	9,747.00
Scrutiny - Chair (40 per cent of Leader)	9,173.00
Scrutiny - Vice-Chair (25 per cent of Scrutiny Chair)	2,293.00
Chair - Planning (40 per cent of Leader)	9,173.00
Vice-Chair - Planning (25 per cent of Chair of Planning)	2,293.00
Chair - Licensing (40 per cent of Leader)	9,173.00
Vice-Chair - Licensing (25 per cent of Chair of Licensing)	2,293.00
Leader of Opposition (40 per cent of Leader)	9,173.00
Deputy Leader of Opposition (5 per cent of Leader)	1,147.00
Leader of Minority Group (5 per cent of Leader)	1,147.00
Chair Audit Committee	2,293.00



**SCHEDULE 3**

**MAYORAL ALLOWANCES**

The following allowances are payable:-

Mayor                                    £11,000

Deputy Mayor                        £    929

**SCHEDULE 4**

**Darlington Borough Council**

**Dependent Carers' Allowance Scheme**

1. A Councillor may claim a Carers' Allowance in accordance with this scheme when they incur additional expenditure for the care of children or dependent relatives whilst undertaking the following 'approved duties' :-

- a meeting of Council
- a meeting of Cabinet or its Sub-Committee
- a meeting of a Scrutiny Committee or a Task and Finish Group
- a meeting of Planning Applications Committee or its Sub-Committee
- a meeting of Licensing Committee and its Sub-Committee
- a meeting of the Audit Committee
- a meeting of a Subsidiary Body appointed by the Council
- a Training and Development Session
- a meeting of an outside body

- **The Childcare Element**

2. The childcare element reimburses reasonable expenses incurred for the care of dependent children whilst a Member carries out approved duties as specified in the 2003 Members' Allowances Regulations.

3. The re-imbursment is for actual expenditure incurred up to a maximum of 35 hours in any one week. A Member can therefore claim for care for multiple children but the total number of hours claimed for can be no more than 35 hours in total in any one week. The maximum hours claimable also allows for cancellation of meetings and for childcare that has to be booked in pre-defined blocks of time.

## **Qualifying Criteria**

4. The childcare element of the allowance is paid on the basis of self monitoring. A Member must :-
  - (a) self-register with the Council's Monitoring Officer (the Assistant Director – Law and Democracy) that they have a dependent child or children under the age of 16 living with them; and
  - (b) claim the allowance on production of a receipt or signed statement, which declares that the childcare has actually been provided by a childminder and not by a member of the immediate family normally resident at the Member's home address.

## **Care for Dependents on Social/Medical Grounds**

5. The DCA also provides for care of dependents on social/medical grounds, such as dependents who are elderly and/or disabled. The social/medical dependent care element of the allowance will be paid at a similar rate chargeable by Darlington Borough Council for provision of a Home Care Assistance.
6. The allowance is to be paid only on the production of a receipt for actual expenditure incurred whilst a Member is on approved duties. As care for dependents with social/medical needs will be provided by professional carers they will be in a position to provide formal receipts in a way that many child carers will not be able to do so.
7. The social/medical element of the Dependants' Carers Allowance is available to Members who have an express need for such an allowance. This express need is to take the form of a written declaration by a Member, which is lodged with the Monitoring Officer (the Assistant Director - Chief Executive).

### **- Further Restrictions on Claiming the DCA**

8. Members cannot claim for multiple carers for multiple dependents within the same category of care.

**SCHEDULE 5****Travelling and Subsistence Allowances****Subsistence Allowance: Outside the Darlington Borough Council area**

The Subsistence Allowances, and the conditions by which they can be claimed, by Members attending approved duties outside the Darlington Borough Council area are based and indexed to the same rates that apply to Council Officers.

The relevant rates and conditions are set out below:

<b>Allowance</b>	<b>Rates (£)</b>	<b>Condition</b>
Breakfast	£4.92	Only if travelling before 8am
Lunch	£6.77	When lunch is not provided, a lunch allowance will be paid to Members who are away from Darlington during the lunchtime period between 12noon and 2pm
Tea	£2.67	When a Member returns to Darlington/home after 6.30pm but before 8.30pm
Dinner	£8.38	When a Member returns to Darlington/Home after 8.30pm N.B. a tea allowance cannot be claimed in addition to a dinner allowance

- **Overnight Accommodation:** Any overnight accommodation required by Members will be reserved and paid for in advance by the Council

**Mileage Allowance – Within Darlington Borough Council Area**

There is no change to the provision prohibiting Members claiming Mileage Allowance for attending meetings within the Darlington Borough Council area.

**Mileage Allowance – Outside Darlington Borough Council Area**

No change to the mileage rates claimable by Members undertaking approved duties outside the Borough; they are linked to rates applicable to Officers (casual user rate).

The applicable mileage rates are set out below:-

<b>Vehicle Type</b>	<b>First 10,000 business miles in the tax year</b>	<b>Each business mile over 10,000 in the tax year</b>
<b>Cars and vans</b>	45p	25p
<b>Motor cycles</b>	24p	24p
<b>Bicycles</b>	20p	20p
<b>Passenger Supplement Rate</b>	5p per passenger	5p per passenger

### **Approved Duties and Attendance at other Statutory Bodies**

A full schedule of approved duties for which Members may claim travel and subsistence allowances (when taking place outside the Borough Boundary is detailed in the schedule below:-

**Travelling and Subsistence Allowances can be claimed for the activities and meetings below when the sessions take place outside the Borough Boundary**

**Travelling and Subsistence Allowances cannot be claimed where the external body pays a travel and subsistence allowance or when has its own Members Allowances Scheme**

#### **Training and Development Events**

#### **Courses, Seminars and Conferences**

#### **Council Appointments**

Association of Councillors (a) General Management Committee (b) Northern Branch Committee
Association of North East Councils:- (a) Leaders' and Elected Mayor's Group (b) Director (c) North East Cultural Partnership (d) Health and Well Being Chairs Network
Combined Fire Authority – <b>Travelling and Subsistence not claimable</b> (a) Appeals Committee (b) Audit and Risk Committee (c) Finance and General Purpose Committee

(d) Policy and Performance Committee
(e) Joint Consultative Committee
(f) Community Interest Group
(g) Local Government Association
Cruse Bereavement Care (Tees Valley)
Darlington and District Town Twinning Association Management Committee
Darlington Community Carnival Committee
Darlington Young Men's Christian Association – Local Management Board
Local Government Association
Poor Moor Charity
Sadberge Village Hall Association - Management Committee
Standing Advisory Council on Religious Education (SACRE)
Willow Road Community Centre – Management Committee

### **Cabinet Appointments**

Association of Rail North Partnership Authorities
Business Improvement District (BID) Board
Charitable Organisations for the Blind (COB)
County Durham and Darlington Foundation Trust – Board of Governors
Darlington and District Youth and Community Association (2002)
Darlington Cares
Darlington Borough Council Family Placement Panel
Darlington Partnership Board
Darlington Railway Museum Trust
Durham County Pension Fund Committee
Durham Tees Valley Airport Limited - Board
Durham Tees Valley Airport Limited - Consultative Committee
Family Help Organisation

Groundwork North East:- (a) Board (b) Sub-Regional Board
Maidendale Nature and Fishing Reserve (Associate Member)
North East Strategic Migration Partnership (NESMP)
North Eastern Purchasing Organisation Collaborative Procurement Sub-Committee
North East Regional Employers Organisation
North East Regional Employers Organisation – Executive Committee
Northern Housing Authorities
Northumbrian Regional Flood and Coastal Committee
Rail North Limited
RELATE North East
Shopmobility Steering Group
Tees Valley Local Access Forum
Tees Valley Rivers and Fisheries Association
Tees Valley Unlimited – Leadership Board
Tidy North Regional Consultative Committee

**SCHEDULE 6****Education Appeals Panel Members**

1. Panel Members are entitled to claim any financial loss occurred whilst attending a Panel meeting at the following rates:-

- £27.65 (meetings up to 4 hours)
- £55.31 (meetings over 4 hours)

2. Dependant Carers Allowances are payable to Education Appeals Panel Members as detailed in Schedule 4.

**Subsistence Allowances**

3. Subsistence Allowances and the conditions by which they can be claimed as follows:-

<b>Allowance</b>	<b>Rates (£)</b>	<b>Condition</b>
Breakfast	£4.92	Only if travelling before 8am
Lunch	£6.77	When lunch is not provided, a lunch allowance will be paid to Members who are away from Darlington during the lunchtime period between 12noon and 2pm
Tea	£2.67	When a Member returns to Darlington/home after 6.30pm but before 8.30pm
Dinner	£8.38	When a Member returns to Darlington/Home after 8.30pm N.B. a tea allowance cannot be claimed in addition to a dinner allowance

**Mileage Allowances**

4. The applicable mileage rates are set out below:-

<b>Vehicle Type</b>	<b>First 10,000 business miles in the tax year</b>	<b>Each business mile over 10,000 in the tax year</b>
<b>Cars and vans</b>	45p	25p
<b>Motor cycles</b>	24p	24p
<b>Bicycles</b>	20p	20p
<b>Passenger Supplement Rate</b>	5p per passenger	5p per passenger