

**COUNCIL  
30 JANUARY 2020**

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**MEMBERS' ALLOWANCES REVIEW**

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**Responsible Cabinet Member - Councillor Heather Scott, Leader**

**Responsible Director - Paul Wildsmith, Managing Director**

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**SUMMARY REPORT**

**Purpose of the Report**

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

**Summary**

2. The Independent Remuneration Panel has produced a report (**Appendix 1**) 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.
3. Members will see from the report that the Panel have made some limited changes to the current scheme, these relate to an increase in the basic allowance for all Members, (the basic allowance has only increased by 2% since 2012) an increase in the Special Responsibility Allowance for the Chair of the Audit Committee and the removal of some Special Responsibility Allowances for Scrutiny Vice-Chairs and the Chair of the Monitoring and Co-ordination Group. All other Special Responsibility allowances will not increase. If implemented, the Panel's recommendations will result in a slight increase in the Council's total spend on Members' allowances.
4. Members can accept all or some of the Panel's recommendations or reject them. If all the Panel's recommendations are accepted, details of the Members' Allowances Scheme, including the basic allowance and SRA's are set out in **Appendix 2**.

**Recommendation**

5. Members are requested to :-
  - (a) consider the Members' Independent Remuneration Panel's recommendations as detailed in **Appendix 1** (and as detailed in paragraphs 9 to 16 below) and accept the recommendations in full or part, with effect from 1 April 2020; 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.

## Reasons

6. To implement a new Members' Allowances Scheme with effect from 1 April 2020

**Paul Wildsmith**  
**Managing Director**

## Background Papers

Independent Panel's report to Council dated December 2019; and  
Members' Allowances Scheme

Shirley Wright 5998

S17 Crime and Disorder	This report has no implications for Crime and Disorder.
Health and Well Being	This report has no implications to address Health and Well Being for the residents of Darlington.
Carbon Impact and Climate Change	There are no direct implications which this report needs to address.
Diversity	There are no direct implications to Diversity which this report needs to address.
Wards Affected	There is no direct impact on any individual Ward
Groups Affected	There are no Groups affected.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
One Darlington: Perfectly Placed	There are no links.
Efficiency	There are no efficiency proposals identified as part of this review.
Impact of Looked After Children and Care Leavers	This report does not impact on Looked After Children

## MAIN REPORT

### Information and Analysis

7. Council at its meeting held on 26 September 2019 asked its Independent Remuneration Panel to review its Members' Allowances, as a review was due (reviews have to be undertaken every 4 years – the maximum period that indexation extends to allowances). 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 Council and the report of the Panel is attached at **Appendix 1**.

## Panel's Review

8. The report covers a wide range of issues and the Panel's reasoning for its recommendations. The process and methodology of the Review is detailed in paragraphs 9 and 10 of Appendix 1 and the Principles and Key Messages are detailed in Paragraphs 13 and 14.
9. The Panel found that Darlington Borough Council's current Members' Allowances Scheme is based on a number of principles that are not always apparent in other schemes i.e Transparency, Equity and Simplicity and there was a general view that these principles should continue to be adhered to unless there was a clear case to deviate from them.
10. If all of the recommended changes, as detailed in the table below are accepted, this will result in an increase in the allowances payable of approximately £6,200, however, it should be noted that not all of the allowances are being/or may not be payable under the 1 SRA rule.

Allowance	Current Rate	Suggested Rate	Annual Impact
Basic Allowance	£8,188.00	£8,519.00	£16,550.00
Special Responsibility payments to Vice-Chairs (x 5)	£2,293.00	£0	(£11,465.00)
Special Responsibility to Chair of Monitoring and Co-ordination Group	£574.00	£0	(£574.00)
Chair of the Audit Committee	£557.99	£2,293.00	£1,735.01
<b>TOTAL</b>			<b>£6,246.01</b>

## Recommendations of the Panel

11. Details of the Members' Allowances Scheme (as recommended by the Panel) including the basic allowance and SRA's are set out in **Appendix 2**.
12. In respect of the **Basic Allowance** (paid to all Members of the Council), the Panel has recommended that the Basic Allowance for 2020/21 should be increased to £8,519 subject to any indexation that may apply. In making this recommendation the Panel noted that the Basic Allowance has not increased since 2012 (apart from a two per cent increase in 2017 to compensate for a tax exemption withdrawal). The Panel also noted that the Council had chosen not to increase the Basic Allowance to £8,285 as recommended as part of the 2016 review and that it had also chosen not to apply indexation for the last seven years.
13. The Panel is also of the view that the Basic Allowance is still deemed sufficient to include incidental expenses and ICT equipment, consumables and peripherals by

Members. However, if and when the Council adopts a 'paper-light' policy, the Panel recommends that the Council should provide all Members with a standard ICT package to enable them to comply with such a Policy at no cost to them directly or through a deduction in the Basic Allowance.

14. In relation to **Special Responsibility Allowances (SRA's)**, 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 Vice-Chairs of Scrutiny, the Chair of the Monitoring and Co-ordination Group and the Chair of the Audit Committee. They also recommended that Members continue 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 2020/21, subject to any indexation that may apply.
16. In relation to the payment of SRA's to the **Vice-Chairs of Scrutiny Committees**, the Panel has recommended that the SRA be removed with effect from 31 March 2020.
17. In relation to the payment of an SRA to the **Chair of the Monitoring and Co-Ordination Group**, the Panel has recommended that the SRA be removed with effect from 31 March 2020.
18. In relation to the **Mayoral Allowances**, the Panel has recommended that there is no increase in the current Mayoral and Deputy Mayoral Allowances subject to any index that may apply.
19. In relation to the **Independent Members on School Appeals Panels**, the Panel has recommended that the Financial Loss Allowance (FLA) and allowances that may be claimed by the Independent Members appointed to the Council's School Appeals Panels are maintained at their current rates for 2020/21, subject to any indexation that may apply.
20. In relation to other allowances and expenses, the Panel has recommended the following :-
  - (a) **Dependent Carer's Allowances (DCA)** – The Panel recommends no change to the current conditions and scope for which the DCA may be claimed for 2020/21 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, the Panel makes no recommendations 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 Allowance Scheme
    - (ii) **Travel Allowances** –

**Within the Borough.** The Panel recommends that no change be made to the current scheme in relation to travel within the Borough

**Outside the Borough.** The Panel recommends that no change be made to the current scheme in relation to travel outside the Borough, but that it be clarified that, where a Member is using an electric or hybrid vehicle on an approved duty outside of the Borough, that they are able to claim mileage at AMAP rates (currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter).

- (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, SRA's, Civic Allowances and Appeals Panel Members Financial Loss Allowance – to be increased by the same percentage applied annually to the pay of local government staff, implemented at the start of each Municipal Year (linked to spinal column point 43 of the NJC scheme) starting from annual meeting on 21 May 2020;
  - (ii) DCA – Elderly/Disabled Element – Indexed to the hourly rate chargeable by the Council for provision of a Home Care Assistant;
  - (iii) Travel – (out of authority only) - Mileage rates to be indexed to HRMC 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 the maximum rate applicable.
- (f) The Panel further recommends that, as per the regulations, the indices recommended by the Panel are to run for four years from 21 May 2020, or until the Council requires a further review.

### **Members' Allowances Scheme**

21. Should any, or all of the Independent Remuneration 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 Remuneration Panel.

### **Panel's Recommendations**

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