

**A Review of the Isle of Wight Council
Members' Allowances Scheme**

**Eleventh Report of the Independent Remuneration Panel
2014**

February 2014

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FOREWORD

This is the eleventh report from of the Isle of Wight Independent Remuneration Panel on the members' allowances scheme for the 2014/15 year. This follows on from the interim report of the panel that was approved by the Council in January 2014. This report makes detailed recommendations on the members' allowances scheme taking into account the proposed governance changes due to be considered by the Council at its annual meeting in March 2014.

Since the completion of our interim report we have undertaken further work to provide clear recommendations, supported by evidence, on the level of allowances for the new structures. This has included reviewing benchmarking data and also undertaking interviews with a number of members and officers.

Our recommendations are that there be no general increase in member allowances, however there should be amendments to some of the special responsibility allowances (SRA) to reflect actual responsibility taken from the evidence obtained from our interviews.

We are also recommending that the Council reverts back the system of expressing all special responsibility allowances as a factor of the basic allowance to allow transparency and simplicity of budgeting – to achieve this there are also some minor (and in some cases very minor) changes to the special responsibility allowances for some positions.

We have also looked at the distribution of the block allowance for Island travel particularly in the light of comments made and the need not to have an over bureaucratic (and hence costly to administer) process. We are recommending that this remain unchanged for this year but we will be looking again at this for our next report. We would like eventually to move to a position so that the allowances are simplified even further, by not having in effect three separate parts to the allowances that can be paid.

Council in June last year asked that our final recommendations “do not exceed the existing budget provision for member allowances”. In response to the request and in the current economic situation, we have agreed this as a guiding principle. Thus in our deliberations the total potential spend is less than the total potential spend with the existing arrangements (which itself is less than the budget provision). This means that there is an overall saving to the Council.

However Council is of course free to agree a further reduction if they wish, reflecting the Council's financial position.

Given the way our recommendations have been developed, should the Council wish to see a larger reduction then our recommendation would be that the basic allowance be reduced and this would then have the effect of reducing the Special Responsibility Allowances by the same proportion. But the Panel wishes to be clear that such a reduction is a matter for the Council to determine and not the Panel.

In developing this report, the Panel wishes to thank those members and senior officers who provided their views and those who gave up their time to be interviewed by us. We also wish to gratefully acknowledge the administrative and technical

support given to us by the Corporate Governance Manager and Marie Bartlett in undertaking this work.

*Max Morrison
Chairman, Isle of Wight Independent Remuneration Panel
February 2014*

EXECUTIVE SUMMARY

1. That there be no general increase in the basic allowance for all elected members and that this remains at £7903 for the 6th year running.
2. That the Special Responsibility Allowances (SRAs) for 2014/15 (based on the assumption that the Council will agree the new Governance arrangements as per its 20 November 2013 decision) be as set out below:

Position	Multiplier of the basic	Special Responsibility Allowance
Leader	2	£15,806.00
Deputy Leader	1.25	£9,878.75
Executive Member	1	£7,903.00
Overview & Scrutiny Chair	1	£7,903.00
Audit Chair	0.4	£3,161.20
Employment Chair	0.3	£2,370.90
Planning Chair	0.8	£6,322.40
Planning Vice Chair	0.2	£1,580.60
Licensing Chair	0.6	£4,741.80
Pension Fund Chair	0.15	£1,185.45
Appeals Chair	0.2	£1,580.60
Executive Advisory Chairs	0.5	£3,951.50
Chairman of Council	0.7	£5,532.10
Vice Chairman of Council	0.2	£1,580.60
Leaders of Groups of 10 or more	0.2	£1,580.60

3. That the process for the distribution of the on island travel lump sum be left unchanged. This is currently based on the distribution of a lump sum divided between the members on the basis of a formula reflecting distance of county hall from their homes and office they hold. However the Panel will reconsider this as part of its next report with a view to simplifying the whole allowance scheme even further.
4. That all other allowances (for example those for co-opted members and child allowance) remain unchanged

(A full copy of the proposed new Members Allowances Scheme is set out at Appendix 1).

INTRODUCTION AND BACKGROUND TO THE REVIEW

Introduction

5. This is the eleventh report of the Independent Remuneration Panel that makes recommendations on the suggested allowances scheme for the members taking into account the 20 November 2013 decision of the Council to move to a different form of governance (due to be considered again at the annual meeting of the Council on 19 March 2014).
6. An interim report of the panel, to deal with the level of special responsibility allowances for this year, was submitted to the Council on 15 January 2014 when our recommendations were adopted in full.
7. Since our Interim Report there have been no changes to our membership which is:

Mr Max Morrison – Chairman
Mr Brian Herbert
Mr Mike Anderson
Mrs Sue Poston

8. Under the Local Authorities (Members' Allowances) (England) Regulations 2003 and subsequent amendments to these regulations (SI 1022 and SI 1692), all authorities have to establish an Independent Remuneration Panel to make recommendations to the Council on members' allowances. The Council needs to have regard to the recommendations of the panel but can substitute its own decisions. It is crucial to recognise this, as the existing members' allowances scheme (as set out in the Council's constitution) has been developed over the last 15 years or so, with not all the recommendations of previous panels having been adopted.
9. However, at its annual meeting on 17 June 2009 Council agreed that when receiving the recommendations of any future review, Council would adopt a members' allowance scheme in line with those recommendations. Council have consequently adopted, in full, the panel's recommendations since that date.

Background

10. The last full review undertaken by the panel was in the autumn of 2012 with our recommendations submitted (and approved) by the Council on 16 January 2013.
11. Following the elections in May 2013 the new political administration amended its approach to the governance arrangements in a number of ways, and these have been dealt with in our interim report. However for the 2014/15 year the Council has indicated that it will be introducing further changes to its governance arrangement by having what is termed a hybrid system consisting of a one party executive, with four politically proportionate executive advisory committees, and one overview and scrutiny committee. We have been asked to make recommendations on what the allowances should be once these new

arrangements are in place (expected to be from the annual meeting of the Council on 19 March 2014).

12. The Council also made it clear that the total of the allowances payable must be retained within the existing overall budget provision for members' allowances.

Methodology

13. The panel began its review of the members' allowances scheme in October 2013. The panel agreed at an early stage that, in the prevailing economic circumstances and with the continued public sector pay restraint, it was unlikely that it would feel it appropriate to agree any across the board increases in basic allowances.
14. The panel then spent some time developing its interim report and since early January this year has focussed its time on the allowances for post March 2014.
15. On behalf of the chairman of the panel an email was sent to all members seeking their views. At appendix 2 is a list of the responses received (a total of 4 responses) in relation to the 2014/15 allowances only.
16. The panel also held interviews with the following members and officers so as to fully understand the consequences of the proposed new arrangements and the relative levels of responsibility:

Cllr Ian Stephens - Leader of the Council
Cllr David Eccles – Non SRA member not part of the administration
Cllr Jonathan Gilbey – Cabinet Member
Mr Bill Murphy – Head of Planning and Regulatory Services
Cllr Steve Stubbings – Deputy Leader of the Council
Cllr Dave Stewart – Leader of the next largest group
Cllr John Howe – Vice Chairman of the Planning Committee
Mr David Burbage – Managing Director
Ms Davina Fiore – Deputy Director Resources (Corporate Governance)
Cllr Geoff Lumley – Leader of one of the 2 smaller Groups
Cllr Rodney Downer – a non SRA holder of the majority group
(Due to work commitments Cllr Downer submitted his response by email)

17. An anonymised summary of the comments made at the interviews is attached at appendix 3.
18. The panel also considered the benchmarking data for member's allowances across the region.

THE PANEL'S DELIBERATIONS AND ANALYSIS

19. Of the 4 responses to the written questionnaire the following in particular were made:

- a. *That the responsibility for a number of roles seems broadly unchanged in the new arrangements, though there was a comment that the chair of the Employment Committee should receive an increased SRA owing to the impact on employees of the level of savings required.*
- b. *That the chairs of the proposed new Executive Advisory Committees should receive a separate SRA.*
- c. *The changed role of the Overview and Scrutiny Committee merits an increase in the SRA for the Chair of that committee.*
- d. *That the chair of the proposed Scrutiny Sub Committee should receive an SRA.*
- e. *That the allowances paid to the Designated Independent Persons and other co-opted members are fair – but that the IWALC representatives that support the Monitoring Officer should get the same as the Designated Independent Persons and the IWALC co-optee should get the same as the Education co-optees.*
- f. *That the current arrangements for distributing a sum for on Island travel and subsistence should not be changed.*

20. In terms of the interviews the particular points made were:

- a. *That the basic allowance was broadly right, although given the long period of time since there had been an increase there was an emerging view that this may well need to be increased at some point.*
- b. *The Leader's current SRA was inadequate and should be increased (fairly universal view on this).*
- c. *The responsibility of the Deputy Leader is greater than that of a cabinet member.*
- d. *The Pension Fund Committee merits some SRA at a low level.*
- e. *The proposed changes to the role of the Overview and Scrutiny Committee means that this role does merit an increase in SRA (again a fairly universal view on this).*
- f. *The chairs of the proposed Executive Advisory Committees merit a small SRA.*
- g. *Allowance for the leader of a minority group needs to "kick in" at a higher number of members within the Group (currently 4) as whilst the role is recognised real responsibility arises with a larger group.*

- h. The role of the Chair of the Planning Committee needs to more adequately reflect the responsibility.*
- i. The roles of Chair of Audit and Employment, whilst having a responsibility these areas are very much internal facing with much of the detailed work being undertaken by officers, suggesting a slight reduction in the special responsibility allowance.*
- j. Any travel allowance needs to be kept simple – though some comment that the current arrangements barely reflected actual amount of on Island travel undertaken.*
- k. It was unlikely that the Deputy Cabinet Members would continue in the proposed new arrangements.*

21. The Panel has considered the benchmarking data produced by the South East Employers (available on request from Chris Mathews), and whilst comparisons need to be treated with caution it is noted that the Isle of Wight Council's allowances are in the "middle of the field". Certainly the basic (£7,903) is above the overall regional average (of £6,182) but is below the average for unitary authorities (£8,677). SRAs are always trickier to compare like for like however the Leader's SRA is a good benchmark. Currently the Council (following the decision in June this year) pays £11,549, which is below the regional average of all authorities of £17,626, with the average for unitary councils being £20,176.

General

22. It must be emphasised that this report is based on the understanding of the new governance arrangements that Council are due to finally consider at its annual meeting. The panel noted that in November the Council resolved to introduce as from the annual meeting these new arrangements, though inevitably at the time of the preparation of this report not all the details had been finally agreed.
23. In theory of course the annual meeting of the Council could decide not to implement the proposals and remain with the existing arrangements (for which the allowance scheme agreed at the January council meeting already exists); or Council could decide to implement something with greater differences.
24. If the latter happens then the Panel will be happy to reconvene to consider what allowances should be paid.
25. In any event given the unknowns of exactly how the various roles will actually evolve during the operation of the new arrangements the Panel will be recommending that all the allowances be reviewed in the autumn of 2014.

CONCLUSIONS AND RECOMMENDATIONS

26. As set out in our interim report we are keen to see that the Council reverts back to a scheme whereby the SRAs are based on relevant multiplier's of the basic. This means that it is clearer what the relative responsibility of each post is when compared to the basic. It also means that **if** there is any general change to the level of the basic allowance (not recommended this time) then the SRA are automatically adjusted by the same proportion – thus bringing greater fairness to any such changes.
27. To achieve this will mean that some SRA will have to be adjusted by small (in some cases very small) amounts. But the panel is strongly of the opinion that such an arrangement is essential for transparency and fairness.
28. Part of the remit set by the Council for this panel was to recommend a scheme of allowances that remained within the existing overall budget provision for members' allowances. This actually created something of a dilemma for us as under the existing scheme the maximum technically claimable (if all allowances were claimed which they are not) totalled £472,517.27, whereas the actual budget available is £475,865.00 (£3,347.73 more). This means that if we recommended a scheme that worked to the budget we would actually be recommending an overall increase (no matter how small) to the tax payer. Therefore we have decided to interpret our instruction so as to ensure that there is no increase on the amounts that could technically be paid under the existing scheme.
29. The panel saw and heard evidence that for the following roles the current SRA is broadly about right now and for the proposed new governance arrangements, and this is reflected in the benchmarking data as well:
- Cabinet Member
 - Licensing Chair
 - Appeals Chair
 - Chairman of the Council
 - Vice Chairman of the Council
 - Leaders of other significant groups
30. With regard to the last of the above the evidence from the interviews was that whilst there is a level of responsibility for assisting in the work flow of the Council for such a role this is really only significant if the Group is larger than the previously agreed number of 4. This was accepted and the Panel are therefore recommending that the threshold for the size of the Group for this allowance should be increased to 10. This effectively reduces the number of potential claims for this allowance, but does better reflect the true responsibility (the figure of 4 appearing to be a historic figure).
31. For the Leader of the Council it was noted that in June 2013 the Leader's SRA reduced from £23,709 to £11,549 – a reduction of some 51%. It is acknowledged that the greater role of the Deputy Leader in the current arrangements does mean that the some of the responsibility of the Leader is shared with the Deputy Leader. However. Despite this, It is clear from the evidence that we have been presented with that this reduction was a step too

far. Therefore the Panel are recommending that the Leader's SRA be increased to twice that of the basic allowance (£15,806). This is still appreciably less than paid to the Leader prior to May 2013, but is in our view a better reflection of the responsibility that this post carries.

32. Given the evidence on the increased role of the Deputy Leader we are also recommending a new SRA for the role of Deputy Leader – this being slightly higher than that of a Cabinet Member but still significantly less of that of the Leader.
33. In all the interviews there was a clear view that the role of the chair of the Overview & Scrutiny Committee does significantly change as a result of the proposed governance changes. This will be the only committee that undertakes the overview & scrutiny function and part of this role is holding the cabinet to account. To fully undertake this role the chair of the committee has to consider all the Cabinet agendas with the Committee meeting on the same frequency as the Cabinet. This increased role is accepted and understood and hence our recommendation is that the SRA for this post be increased so as to be in line with that of a Cabinet Member – as the responsibility of the roles (whilst different) are at the same level.
34. The case for a new SRA for the chair of the Pension Fund Committee has also been well made, whilst not a huge responsibility there is a responsibility in ensuring the Committee appropriately oversees the Pension Fund. Therefore a modest SRA for this post is also recommended.
35. One of the more challenging areas for us all to determine the correct level of SRA is for that of the chairs of the proposed new Executive Advisory Committees. These are new committees that are being established to assist the Cabinet (to be called the Executive) in its policy development. Previously this role (helping to develop policy) was part of the role of the Overview & Scrutiny Committee and the three Scrutiny Panels with these panels disappearing under the new arrangements. But it needs to be emphasised that this was only part of their role as they also held the cabinet members to account – this is not a role of the new executive advisory committees. As these committees are only advisory committees, there is little (if any) direct decision making (as that will be a matter for the Cabinet) nor is there any responsibility for ensuring the implementation of the policies and initiatives (which again will rest with the Cabinet member).
36. Of course until such time as these new committees are up and running it is difficult to be precise on their level of responsibility but from the evidence we have been given we feel that it is at a point that is less than those for the roles of Chair of Planning and Licensing (who are involved in making a lot of decisions) but more than the roles of the chairs of Audit and Employment Committees. Therefore we are suggesting an SRA at half that of the basic allowance.
37. We are recommending slight decreases for the SRA's for the Chairs of the Audit Committee and Employment Committee and also slight increases for the Chair of Planning. These changes reflect the evidence we have received of the need for a slight movement in the direction recommended but these

changes also reflect our intention to have the SRA's as multipliers of the basic allowance.

38. We have heard some conflicting evidence about the travel lump sum that is distributed on the basis of distance a member lives from County Hall and their post (so a Cabinet Member for example has an increased level of entitlement to that of a member with no SRA). It is recognised that this is not perfect and some anomalies will appear but the rationale for such a scheme is to ensure that there is some recognition of these costs, and to ensure that the scheme is not overly bureaucratic to implement (as a scheme based on actual claims would be). Whilst we can see the arguments both sides it is also important that however this is replaced it does not add to the administrative work of officers to implement. The scheme at the moment is straightforward to implement taking up only a small amount of officer time.
39. This allowance is taxed, whereas the previous claim based process was not. However HMRC have indicated that claims, even from elected members, for home to work (in members case home to County Hall) will be treated as a taxable expense, so this argument no longer exists. It is also worth noting that officers cannot claim for home to work and senior officers also do not claim for on island travel.
40. We accept that this is a difficult issue but for the moment the balance is to leave things as they are – which we will be recommending – however we will look at this again and do expect to move towards something that reduces any complexity.
41. We estimate that if the recommendations are implemented the maximum claimable (under the proposals) amounts to £471,696 – a reduction of £821.27 of that currently technically payable, and within the actual budget of £475,865.
42. Finally, we did consider if, in the current climate and following the lead set by the Managing Director and some senior staff, we should recommend a general reduction in the level of allowances. However we have decided that as we are recommending a scheme that reduces the overall predicted spend, against that for this year, and one that broadly places us in the middle area when we benchmark across other unitary councils we feel that any decision to generally reduce allowances is one for the full Council to take. However we would recommend that IF this is the direction that the Council wishes to take then the basic allowance should be adjusted, as this automatically adjusts the SRAs by the same proportion. Thus ensuring that all members have the same reduction rather than just focussing any reduction on a limited number of members and potentially moving away from the link as a multiplier of the basic which we consider to be important for transparency and accountability.
- 43. As a result of this review the Panel recommends:**
44. That there be no general increase in the basic allowance for all elected members and that this remains at £7903 for the 6th year running.

45. That the Special Responsibility Allowances (SRAs) for 2014/15 (based on the assumption that the Council will agree the new Governance arrangements as per its 20 November 2013 decision) be as set out below using the terminology for the proposed new arrangements:

Position	Multiplier of the basic	Special Responsibility Allowance
Leader	2	£15,806.00
Deputy Leader	1.25	£9,878.75
Executive Member	1	£7,903.00
Overview & Scrutiny Chair	1	£7,903.00
Audit Chair	0.4	£3,161.20
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Executive Advisory Chairs	0.5	£3,951.50
Chairman of Council	0.7	£5,532.10
Vice Chairman of Council	0.2	£1,580.60
Leaders of Groups of 10 or more	0.2	£1,580.60

46. That there be no change to the process for the distribution of the on island travel lump sum, currently based on the distribution of a lump sum divided between the members on the basis of a formula reflecting distance of county hall from their homes and office they hold. However the Panel will reconsider this as part of its next report with a view to simplifying the whole allowance scheme even further.

47. That all other allowances (for example those for co-opted members and child allowance) remain unchanged

- a. (A full copy of the proposed new Members Allowances Scheme is set out at Appendix 1).

LIST OF APPENDICES

Appendix 1: Proposed new Members Allowances Scheme for 2014/15 (using the terminology as if the new proposed governance arrangements have been introduced).

Appendix 2: Summary of responses received following the consultation exercise.

Appendix 3: Summary of the responses from the interview process.

APPENDIX 1

MEMBERS' ALLOWANCES SCHEME

This Member' Allowances Scheme has been established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (and any amendments to those regulations).

1. This scheme may be cited as the Isle of Wight Council Members' Allowances Scheme.

2. In this scheme,

"councillor" means a member of the Isle of Wight Council who is a councillor;

"co-opted member" means a Co-opted or Independent Member of the Scrutiny Committee and Designated Independent Persons;

"year" means the 12 months ending with 31 March.

3. **Basic Allowance**

Subject to paragraph (6), for each year a basic allowance shall be paid to each councillor. The amount of the allowance will be reviewed in accordance with paragraph (8). For the year 2014/2015 the allowance is £7,903.

4. **Special Responsibility Allowances**

(a) For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the authority that are specified in Schedule 1 to this scheme.

(b) Subject to paragraph (6), the amount of each such allowance for 2014/2015 shall be the amount specified against that special responsibility in that schedule. The allowances will be reviewed in accordance with paragraph (8).

5. **Renunciation**

A councillor or co-opted member may by notice in writing given to the Chief Financial Officer elect to forego any part of his entitlement to an allowance under this scheme.

6. **Part-year Entitlements**

(a) The provisions of this paragraph shall have effect to regulate the entitlements of a councillor or co-opted member to allowances where, in the course of a year, this scheme is amended or that councillor or co-opted member becomes, or ceases to be, a councillor or co-optee, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

- (b) If an amendment to this scheme changes the amount to which a councillor or co-opted member is entitled by way of any allowance, then in relation to each of the periods
- (i) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, and
 - (ii) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year,

the entitlement to such an allowance shall be to payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.

- (c) Where the term of office of a councillor or co-opted member begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor or co-opted member to any allowance shall be to the payment to such part of the allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.
- (d) Where this scheme is amended as mentioned in sub-paragraph (b), and the term of office of a councillor or co-opted member does not subsist throughout the period mentioned in sub-paragraph (b)(i), the entitlement of any such councillor or co-opted member to any allowance shall be to the payment of such part of the allowance referable to each such period (ascertained in accordance with that subparagraph) as bears to the whole the same proportion as the number of days during which his term of office as a councillor or co-opted member subsists bears to the number of days in that period.
- (e) Where a councillor or co-opted member has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- (f) Where this scheme is amended as mentioned in sub-paragraph (b), and a councillor or co-opted member has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph (b)(i) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's or co-opted member's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

7. **Payment of Allowances**

- (a) Payments shall be made
- (i) in respect of any allowances, subject to sub-paragraph (b), in instalments of one-twelfth of the amount specified in this scheme on the last working day of each month;
 - (ii) in respect of claims for travelling, for Council business off the Isle of Wight, on the last working day of each month in respect of claims received up to the day 14 days before that date. Claims shall be made on the prescribed forms obtainable from the resources business hub. The maximum amounts reimbursable are prescribed by the Secretary of State for the Environment; the rates for 2014/2015 are set out in paragraph 12 below. The duties for which these claims are approved are all off Island activity connected with Council business. All such claims must be supported by evidence of expenditure for every item in the claim.
- (b) Where a payment of one-twelfth of the amount specified in this scheme in respect of any allowance would result in the councillor or co-opted member receiving more than the amount to which, by virtue of paragraph (6), he or 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 or she is entitled.

8. **Annual Review**

The Independent Remuneration Panel will review the Scheme in 2014.

Motor Mileage Allowances and Subsistence Rates (for off Island business) are reviewed by the Secretary of State, normally on an annual basis.

9. **Pensions**

That all councillors who are eligible to join the Local Government Pension Scheme, be able to do so and that it should apply to both Basic Allowance and Special Responsibility Allowance.

10. **Dependant Carer's Allowance**

Where a councillor or co-opted member has either:

- a dependant child living with them under the age of 14, or
- cares for a dependant elderly or disabled person

The following are claimable:

For child care: the actual expenditure incurred up to a maximum of £6.19 per hour. This is the rate paid by the Local Government Association (LGA), which reviews its rates annually and therefore the amount quoted is subject to change.

For dependents who are elderly or disabled: the actual expenditure up to a maximum of £10.90 per hour, which is the rate paid by the Isle of Wight Council Adult Services Department under their Direct Payment Scheme. Adult Services review their rates annually and therefore the amount quoted is subject to change.

11. Travel and Subsistence Allowances – on the Island

Councillors can elect to have an additional sum added to their basic and special responsibility allowance that is payable instead of any claims for travel or subsistence for on Island activity. No other payments can be made for on island travel or subsistence.

This “Expenses Sum” is calculated as follows:

Factor A – distance from Members home to County Hall – 3 bands:
Band 1 – less than 3 miles, Band 2 – between 3 and 8 miles, and Band 3 – more than 8 miles.

Factor B – type of office held – 4 bands: Band 1 – frontline member (without an SRA); Band 2 – Leader of group with 4 or more members, Vice Chairman of the Council, Vice Chairman of Regulatory Committee, Chairman of Appeals Committee; Band 3 – Chairman of Council, Chairman of Regulatory, Audit, Overview & Scrutiny Committees and Scrutiny Panels; Band 4 – Leader, Cabinet Member.

The two factors are added together to give a “Factor” for each member. All the factors are added together and this is then divided by £21,224. This is the “Amount Factor”. The “Factor” and “Amount Factor” are multiplied together to give the total “Expenses Sum”.

The amount paid to each councillor is fixed at the rate being paid as at 30 June 2013, until the end of their term of office, only to be altered if the councillor changes address or responsibility so that they would be entitled to a different amount in accordance with the two factors set out above. The rate paid will be fixed again after each election for the life of the administration, unless it is altered following a recommendation of the Independent Remuneration Panel.

12. Accommodation and Expenses– Out of Authority

Whenever a councillor or co-opted member has to travel off the Island on Council Business this paragraph applies.

That wherever possible Members organise their travel and accommodation through the Council which pre books and makes payment. If it is not possible to pre book travel and accommodation then these costs will only be reimbursed against production of a proper receipt. The most efficient form of transport to be used in all circumstances, any changes from this have to be supported by a detailed justification. In addition to paying the cost of the most efficient form of public transport for off island travel the following mileage rates (where it is more efficient not to use public transport) will apply:

Motor Mileage Allowances (for OFF ISLAND TRAVEL ONLY)

(a) Motorcycles

Up to 150cc	8.5p per mile
151cc to 500cc	12.3p per mile
Over 500cc	16.5p per mile

(b) Motorcars

All vehicles	45p per mile
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13. **Co-optees Allowances**

That the following allowances be paid to co-optees on the following:

Designated Independent Persons	£301.00
Education Co-optees	£818.00

14. **Members of the Independent Education Appeals Panels**

Members of the Independent Education Appeals Panels are entitled to claim a mileage rate and subsistence (when attending any meetings of the appeals panels) at a rate equivalent to that payable to other members when they attend off island meetings.

15. **Reporting to Public**

Each Councillor is required to produce an annual report (no more than 300 words) covering what they have achieved, what they hope to achieve in the following year, and what they have been unable to achieve in the current year. This annual report is to be prepared for the annual Council each year and will not be required in the year of Council ordinary elections, when new and returning members all have the opportunity to set out their aspirations to the new Council.

16. **Exceptional Mobile Phone Allowance**

Members are supplied with a Council provided mobile phone or blackberry, however for those members who are unable to receive a signal from the Council's mobile phone provider at their home have the option to take a one-off annual payment (subject to tax and NI as appropriate) equivalent to the average cost of providing a basic mobile phone (from 2014 - £24pa for a non-cabinet member).

SCHEDULE I

SPECIAL RESPONSIBILITY ALLOWANCES

The following are specified as the special responsibilities in respect of which special responsibility allowances are payable, together with the amounts of those allowances for 2014/15. Only one special responsibility allowance will be paid to any member. These allowances are payable in addition to the basic allowance of £7,903.

Position	Multiplier of the basic	Special Responsibility Allowance
Leader	2	£15,806.00
Deputy Leader	1.25	£9,878.75
Executive Member	1	£7,903.00
Overview & Scrutiny Chair	1	£7,903.00
Audit Chair	0.4	£3,161.20
Employment Chair	0.3	£2,370.90
Planning Chair	0.8	£6,322.40
Planning Vice Chair	0.2	£1,580.60
Licensing Chair	0.6	£4,741.80
Pension Fund Chair	0.15	£1,185.45
Appeals Chair	0.2	£1,580.60
Executive Advisory Chairs	0.5	£3,951.50
Chairman of Council	0.7	£5,532.10
Vice Chairman of Council	0.2	£1,580.60
Leaders of Groups of 10 or more	0.2	£1,580.60

Appendix 2

Proposed Allowances for 2014/15

As you will all be aware at its November meeting Council agreed a new governance structure to be introduced from the next annual meeting. This is termed the “hybrid” model. Looking at the structure it appears that there may be a need for the Panel to consider Special Responsibility Allowances for the following:

Leader

Executive Members (some of whom may also chair an Executive Advisory Committee)

Chairman of the Overview & Scrutiny Committee (which is to be increased in size and which will now cover all the scrutiny function of the council)

Chairman of the Overview & Scrutiny Sub Committee (looking after the statutory scrutiny functions of health, flooding and crime)

Chairman of the following:

Chairman of the Council

Vice Chairman of the Council

Planning Committee (and Vice Chairman)

Licensing Committee

Appeals Committee

Pension Fund Committee

Audit Committee

Employment Committee (currently does not receive an SRA)

Question 2

Under the proposed arrangements it appears that the level of responsibility for:

The Leader

Chairman of the Council

Vice Chairman of the Council

Planning Committee (and Vice Chairman)

Licensing Committee

Appeals Committee

Pension Fund Committee

Audit Committee

Employment Committee (currently does not receive an SRA)

is unaltered from the current arrangements – would you agree?

Response 1 – No comment

Response 2 – points out that the Pension Fund Committee does not get an SRA and that the Employment Committee Chair does (*These points are accepted – apology for the error*)

This responder also said:

Yes: The Employment Committee chair (who also chairs the Pension Fund Committee) receives an allowance which is less than that paid to the chairs of either Scrutiny Panel chairs or the chair of the audit Committee, all of which

meet quarterly. Given the relevance of Employment issues in the light of the need to reduce the Council's budget by £28M over the next three years, the chair of the Employment Committee should receive an allowance at least in line with that paid to Scrutiny Panel chairs.

Response 3 - yes

Response 4 - Unsure

If not please explain why

Response 1 – No comment

Response 2 – No comment

Response 3 – Not relevant

Response 4 – The review is ongoing

Question 3

Under the current proposals the executive advisory committees may well be chaired by an Executive member – do you think that this is an increased responsibility that merits an increased Special Responsibility Allowance for Executive Members when compared to that currently paid to Cabinet Members?

Response 1 – No comment

Response 2 - **There should be no increase in Cabinet members SRAs to reflect this. Executive Committees should be chaired by someone other than a Cabinet member.**

Response 3 – Yes

Response 4 – **We do not know this for certain yet – you are jumping the gun.**

If so why?

Response 1 – no comment

Response 2 – no comment

Response 3 - **It is self-evident. Chairing any Committee requires additional commitment.**

Response 4 – no comment

Question 3

Under the proposals there is no specific mention of Deputy Executive Members – although it is expected that the Leader will still have the ability to appoint such deputies. If they are appointed should they receive a Special Responsibility Allowance?

Response 1 - yes

Response 2 - **No. Deputy Executive members are an unnecessary indulgence. The money currently spent on their allowances should be paid to chairs of Executive Committees who should not be Executive portfolio holders.**

Response 3 – Yes

Response 4 – As now

If so how much (can be expressed as a percentage of the Executive Members' SRA)?

Response 1 – 10% of SRA

Response 2 – no comment

Response 3 – 40%

Response 4 – As now

Question 4

It is proposed that the Overview & Scrutiny Committee will increase in size (from 10 to 14 members) and will be responsible for all the Council's scrutiny function. Does this increase the responsibility of the Chairman of that Committee (from the current arrangements) to merit an increased Special Responsibility Allowance?

Response 1 - Yes

Response 2 - **Yes, as there will no longer be separate Scrutiny panels. In the past when there were no separate scrutiny panels the chair of O & S was paid the same as Cabinet members. We should revert to that situation.**

Response 3 - Yes

Response 4 - No

If so why?

Response 1 - Chairman has increased role and responsibility to ensure the Council is getting **Real Value** on ALL contracts and services.

Response 2 – for reasons set out above.

Response 3 - **They will have leadership of the main internal counterpoint to the Cabinet/Executive model of governance– the overview and scrutiny function. When this model was previously used – 2005-2007 – the Chair received an SRA equal to that of a Cabinet Member.**

Response 4 – no comment

Question 5

The proposed Scrutiny Sub Committee will have a specific role to undertake the statutory scrutiny functions relating to health, flooding and crime – does this merit a Special Responsibility Allowance for the Chairman of that sub committee?

Response 1 - Yes

Response 2 - Yes

Response 3 - Yes

Response 4 – No comment

If so how much and why?

Response 1 - 25% of Overview & Scrutiny Committee, as it is focused only on statutory element.

Response 2 - **It should be in line with the allowances currently paid to chairs of Scrutiny panels to reflect a similar level of responsibility**

Response 3 - **As it is now. They will have leadership of the main outward-facing scrutiny committee.**

Response 4 – no comment

Question 6

Do you think that the allowances paid to the following roles (and amounts) need any amendment:

Designated Independent Persons (who assist members and the monitoring officer with ethical issues) – currently £301 pa

Education co-optees for the education scrutiny function – currently £818 pa

Independent Members of the Education Appeals Panels – mileage and subsistence based on that paid to other members travelling off island

Response 1 – not appropriate for me to comment

Response 2 - **IWALC nominees appointed to assist the Monitoring Officer with regard to town and parish councillor issues should receive the same allowance as the other DIPs.**

The IWALC nominated member on the O & S Committee should receive at least the same level of allowance as Education Scrutiny co optees.

Response 3 - **Education co-optees allowance seems quite high.**

Response 4 - no

Question 7

Currently (other than Independent Members of the Education Appeals Panels) elected members receive a lump sum (calculated on a formula reflecting distance from home and office held) for on island travel and off island travel is paid on basis of most efficient transport and where mileage is claimed the HMRC levels. Do you think this needs changing?

Response 1 - no

Response 2 - **No, it is reasonable**

Response 3 – No

Response 4 - No

If so why?

Response 1 – not relevant

Response 2 – not relevant

Response 3 - **It keeps it simple and efficient**

Response 4 – not relevant

Question 8

Please set out any other comments that you wish to make below:

Response 1 - Well presented form, thanks for giving me the opportunity to comment.

Response 2 – no comment

Response 3 – None

Response 4 – no comment

Appendix 3

Interviewee 1

Believed that the basic allowance was inadequate to some members, there was some concern that it doesn't fully cover parking, broadband etc, it was noted that given the financial situation the Council is currently facing it was felt all members should show the way by possibly taking a small reduction. The basic allowance was not enough to encourage younger members to take up a position as local Councillor.

The candidate advised that the leader role was a full time position and deserved an increase on the current SRA to double the amount currently received, Cabinet members have a lot of responsibility, following the deletion of delegated decisions by members. A sub committee had been set up to consider asset management decisions, the cabinet member SRA was considered to be reasonable , although the Overview and Scrutiny Chair deserved a higher level of remuneration for the role. The deputy Cabinet member role was included to share the responsibility of the Cabinet role although it hadn't seemed to work as well as expected and would be reviewed under the new governance system

The pension fund committee chair would be worth between £1000-£1500 there are still some discussions regarding the role the Employment Committee Chair will have.

It was noted that the travel allowance allocated to members on top of their basic allowance needed looking at, as some members struggled to make it meet their requirements.

Interviewee 2

The interviewee considered the basic allowance and felt that although it worked for some members, it was not attracting younger/working people as a second job would be needed to financially support them, if the allowance was reduced then people wouldn't do the work.

The candidate felt that all the SRA's should be in line with the amount of responsibility and time involved in the role. There was some uncertainty about how the new advisory committees would work under the new governance system. The overview and Scrutiny Chair role has a lot of responsibility and the allowance should reflect that.

It was felt that the travel allowance was adequate although it was believed it didn't cover all motoring expenses with the rise in fuel prices etc.

Interviewee 3

The basic allowance was enough to cover costs for ward issues, although the role needs to be financially attractive for people to take up becoming a local councillor, it was felt that if there was a reduction in allowances there would be a reduction in the number of hours dedicated to ward issues.

It was felt that the cabinet member SRA seemed reasonable and understood that councillors need to lead by example. The Overview and Scrutiny Chair had more responsibility and it was felt that it should be paid equally to a cabinet member. Chair of Pension fund Committee should be paid an SRA, it was understood that it would all need to be paid within the budget allocation.

The travel allowance would cover ward travel although some Cabinet members spend more time travelling to and from County hall and therefore the allowance might not be enough.

It was noted that members should pay for their own mobile phones/blackberry's with the allowance on the councils contract to help reduce the overall cost of the contract.

Interviewee 4

Believed that the basic allowance was adequate for members depending on the role each member takes on. It was felt that the allowance was needed to attract the right sort of person to the role and it would not be sensible to reduce the allowance.

The level of responsibility the leader has is worth more than the current SRA allocated to that role, the Cabinet member role also has a lot of responsibility although it is believed that in order to attract younger people into the role it needs to be more financially viable. The Overview and Scrutiny Chair SRA needed to be higher. It was noted that the leader of groups with four or more was probably historical, the planning chair is too low and needs to be increased given the level of decisions made by the Committee.

Leaders of groups with 4 or more should not be related to the number of members in the group.

The travel allowance allocated to each member was seen to be adequate and felt it should be incorporated into the basic allowance.

Interviewee 5

The basic allowance adequately reflects ward work, and felt that there needed to be a certain sum to encourage people to do the job, although it could be reduced slightly as a token gesture, although SRA's would need to be increased.

The SRA allowance needs to reflect the responsibility of the role, the leaders SRA needs to be increased to around £15000, Cabinet members have significant responsibility although it was unsure how much involvement the Deputy Cabinet members had. The Overview and Scrutiny Chair needed to be brought in line with a cabinet member SRA given the amount of responsibility, the Pension fund committee chair should receive something. It was felt that the others could either be reduced or remain the same. It is believed that the new advisory committees which will replace the scrutiny panels will feed into Cabinet.

The travel allowance given to members was inadequate on the amount of time spent travelling to the numbers of meetings members were expected to attend and believed it should be reflected where possible, especially for cabinet members who spend more time at county hall.

Interviewee 6

Thought that the basic allowance was adequate and fair and there should be no increase or decrease.

The leaders SRA needs to reflect the level of responsibility the post has and felt that an increase would be required. The Cabinet member SRA was adequate. A review of the Scrutiny chairs and the new advisory committees would be required, the SRA for a group of 4 or more was discussed, although it was understood that the number 4 was probably an historical figure and this could be increased to possibly 8-10 The

pension fund committee chair needs some recognition and the Employment Committee chair was seen as an important role.

Interviewee 7

The basic allowance is adequate and it was understood councillors are not in a position to ask for more, the basic allowance is used to help subsidise travel.

The SRA's are reasonable and reflect the number of hours undertaken in each role, it was noted that financial situations differed which each member and the SRA's need to be based on the role and responsibilities involved not the person doing the job. Pension Fund Committee chair should receive an SRA equivalent to the responsibility of the role.

The interviewee advised that the travel allowance was not adequate for those who travel further than others, travel is expensive.

Interviewee 8

It was understood that the allowance given to members was adequate and it shouldn't always be the councillors that took a cut to allowances given the amount of responsibility some of them have.

The leader has a lot of responsibility leading the group, keeping dialog with officers it is almost a full time job and the SRA needs to be increased to reflect this, The Cabinet member role has a lot of important work to undertake in specific areas and put in a lot of hours, meeting with officers at weekend, over the Christmas period etc the Overview and Scrutiny chair is an important role and there is a lot of work to undertake. All the other SRA's seem to be reasonable for the level of responsibility.

It was noted that the leader and deputy leader have the most front facing roles, with cabinet member for Children's Services, Economy and Environment and Adult Social Care have a lot of responsibility and are very important roles, with other cabinet roles not holding quite as much responsibility.

Interviewee 9

Feel that some members treat this as a full time job and others less time, and therefore the allowance is reasonable to some and not to others, given the financial situation feel an increase is wrong.

The leaders SRA needs to reflect the time and responsibility of the post, it is up to the individual if he/she takes a reduction on that figure, The cabinet member SRA is about right although the deputy cabinet member posts are not as effective as originally thought they would be. It would be reasonable to raise the Overview and Scrutiny Chair in line with the cabinet member SRA. Not sure why the SRA for leader of group with 4 or more was introduced, although it is an important role and deserves some recognition, maybe raise the number in the group. Audit Chair SRA could be reduced as it is less significant than other Chairs, Employment Committee do not make key decisions, it is a more officer led committee, planning chair has a significant role as there are regular meetings, compulsory training is required of all members that sit on that committee. Pension fund committee have expert advice and don't require training. The appeals Committee don't meet on a regular basis so it was thought this could remain unchanged. The Chairman is a ceremonial role which is seen as an honour, although there is a lot of time involved.

There has been a rise in the cost of petrol and the travel allowance has remained the same, it was felt that it would be better to increase SRA's than increase the travel allowance or add it into the basic allowance. The time taken to process travel allowance could be reduced if it was added to the basic allowance.

There had been some issues regarding the use of personal IT equipment, although due to the safety and security of documents, it was felt that if a council device was used then security can be guaranteed.

Interviewee 10

The interviewee believed that the basic allowance was in line with other authorities, it was noted that the basic allowance was used in this case to top up loss of earnings when hours at work were reduced to take on Councillor Work.

The overview and scrutiny role had expanded to include attendance at Cabinet and the introduction of task and finish groups There will be a different governance model from March regarding the scrutiny panels

The leaders SRA is not adequate and does not reflect the responsibility, the Cabinet member allowance should then be relative to the leaders allowance, Overview and scrutiny chair needs to be in line with the cabinet members, the scrutiny panel chairs will be replaced with the Executive advisory committees, Employment Committee is important given the changes in the council regarding staffing issues. If there is to be an increase for the leader and cabinet members the rest should remain the same as they seem generous.

It was noted that to attract younger people to become councillors then the basic allowance needs to be increased with inflation

The travel allowance needs to be looked into.