

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

**Twelfth Report of the Independent Remuneration Panel  
2015**

**March 2015**

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## FOREWORD

This is the twelfth report from of the Isle of Wight Independent Remuneration Panel on the members' allowances scheme for the 2015/16 year. This report makes recommendations on the members' allowances scheme taking into account the changes agreed by the Council at its meeting on the 19 November 2014.

We have reviewed benchmarking data, specifically considered the role of the Chair of the Hampshire and Isle of Wight Police and Crime Panel, which is held by an Isle of Wight Councillor, and also undertook interviews with a number of members and officers together with the responses to questions we asked through a consultation with all members.

Our recommendations are that there should be a very slight reduction in the basic allowance (amounting to 2.57%) an amendment to one of the special responsibility allowances (SRA) to reflect actual responsibility taken from the evidence obtained from our interviews. We have also recommended SRA s for the proposed Select Committee Chairs and the Executive Secretary.

We are continuing, following our recommendation last year, with the system of expressing all special responsibility allowances as a ratio of the basic allowance to allow transparency and simplicity of budgeting.

In our report last year, we indicated that we would reconsider the distribution of the block allowance for Island travel in the light of both comments made and the need not to have an over bureaucratic (and hence costly to administer) process. At that time we recommended that this remain unchanged for the year but that we would look again at this for our next report. We have formed the view that the current system is fair and not over bureaucratic and we propose that it remain unchanged for this year. We will continue to keep this under review as whilst not over bureaucratic, it could be simplified further but at the risk of providing a solution that may not be as fair to individual members.

We have, in our final recommendations, had regard to the council's current financial provision and have sought, in our recommendation, to recommend a scheme that is within the budget available for the year 2015/16. This follows on from the request by full council last year when we were asked to not exceed the existing budget provision for member allowances. In response to the request last year we recommended, and members adopted, a scheme that remained within the allocated budget and we have, particularly in light of the current economic situation, continued to have this as a guiding principle. There has been a reduction in the provisional budget allocated for member allowances and we have therefore recommended a slight reduction in the basic Allowance paid to all members, which has the effect of reducing the Special Responsibility Allowances by the same proportion to achieve this.

However Council is of course free to agree a further reduction if they wish, reflecting the Council's financial position, or no reduction.

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 Strategic Manager: Legal Services and Marie Bartlett in undertaking this work.

*Max Morrison  
Chairman, Isle of Wight Independent Remuneration Panel  
March 2015*

## EXECUTIVE SUMMARY

1. That there be a slight reduction in the basic allowance for all elected members from £7,903 to £7,700.00.
2. That the Special Responsibility Allowances (SRAs) for 2015/16 be as set out below:

Position	Multiplier of the basic	Special Responsibility Allowance
<b>Leader</b>	<b>2</b>	£15,400.00
<b>Deputy Leader</b>	<b>1.25</b>	£9,625.00
<b>Executive Member</b>	<b>1</b>	£7,700.00
<b>Executive Secretary</b>	<b>0.6</b>	£4,620.00
<b>Overview &amp; Scrutiny Chair</b>	<b>1</b>	£7,700.00
<b>Select Committee Chair</b>	<b>0.4</b>	£3,080.00
<b>Audit Chair</b>	<b>0.4</b>	£3,080.00
<b>Employment Chair</b>	<b>0.3</b>	£2,310.00
<b>Planning Chair</b>	<b>0.8</b>	£6,160.00
<b>Planning Vice Chair</b>	<b>0.2</b>	£1,540.00
<b>Licensing Chair</b>	<b>0.6</b>	£4,620.00
<b>Pension Fund Chair</b>	<b>0.2</b>	£1,540.00
<b>Appeals Chair</b>	<b>0.2</b>	£1,540.00
<b>Chairman of Council</b>	<b>0.7</b>	£5,390.00
<b>Vice Chairman of Council</b>	<b>0.2</b>	£1,540.00
<b>Leaders of Groups of 10 or more</b>	<b>0.2</b>	£1,540.00
<b>Health Scrutiny Sub-Committee</b>	<b>0.4</b>	£3080.00
<b>Hampshire Police and Crime Panel Chair*</b>	<b>0.6</b>	£4,620.00

\*Not from the Isle of Wight Council budget (see paragraph 11)

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 continue to keep this under review in future reports.
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 twelfth report of the Independent Remuneration Panel that makes recommendations on the suggested allowances scheme for the members taking into account the 19 November 2014 decision of the Council to remove the Executive Advisory Committees and to create 3 Select Committees, and the decision of the former Leader to appoint an Executive Secretary. Whilst this role has not as yet been appointed to, that option is still open to the Leader and we have therefore taken that into account.
6. Since our 2014 Report there has been a change to our membership with the resignation of Mrs Sue Poston. We will be seeking a new Independent Member, but currently our membership is:  
  

Mr Max Morrison – Chairman  
Mr Brian Herbert  
Mr Mike Anderson
7. 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 16 years or so, with not all the recommendations of previous panels having been adopted.
8. 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**

9. The last full review undertaken by the panel was in the autumn of 2013 with our recommendations submitted (and approved) by the Council on 19 March 2014
10. For 2014/15 year the Council introduced a change 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. Last year we made recommendations on what the allowances should be, taking into account this system, the intention being that we would review that this year to see if our initial thoughts were correct or needed amendment. The council decided formally at its meeting on the 19 November 2014 to introduce 3 Select Committee's in place of the Executive Advisory Committees, along with 1

Overview and Scrutiny Committee and a Health Scrutiny sub-committee with immediate effect.

11. One Councillor currently is the Chair of the Hampshire and Isle of Wight Police and Crime Panel. He is also the leader of a group of over 10 members. Currently he is in receipt of a SRA for being the leader of a group of over 10 members. The Police and Crime Panel sets out its own arrangements for Allowances, and in the case of the Chairman, an allowance is payable to the Chairman, provided the member is not already in receipt of a SRA from the Appointing Authority – in this case the Isle of Wight Council. The allowance payable has to be set by the Appointing Authority but the cost is met through the Central Government Grant that Hampshire receives for the Panel. Provided therefore that the Councillor does not receive an allowance from this authority, he can receive an allowance in recognition of his work on the Hampshire and IOW Police and Crime Panel.

## **Methodology**

12. The panel began its review of the members' allowances scheme in September 2014. 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.
13. 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 11 responses) in relation to the 2015/16 allowances only.
14. 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 Steve Stubbings – Deputy Leader of the Council
  - Cllr Dave Stewart – Leader of the next largest group/Chair of the Hampshire IOW Police and Crime Panel
  - Mr David Burbage – Managing Director
  - Ms Davina Fiore – Deputy Director Resources (Corporate Governance)
  - Cllr Jonathon Bacon – Executive Member for Children and Corporate Governance
  - Cllr Bob Blezzard – Chair of Pension Fund and Health Scrutiny Sub
15. An anonymised summary of the comments made at the interviews is attached at appendix 3.
16. The panel also considered the benchmarking data for member's allowances across the region.
17. Following the production of a draft of the report that was shared with Group Leaders, two members raised questions, which included a further letter of representation and we interviewed the two members so that we could take their views and representations into account in concluding this report.



## THE PANEL'S DELIBERATIONS AND ANALYSIS

18. Of the 11 responses to the written questionnaire the following in particular were made:
- a) *There were mixed views about the level of the basic and SRA's. Those views included that they are about right but should be annually adjusted to take into account annual pay rises in the public sector, that the basic allowance is too high based on the amount of work involved and hours of attendance required within County Hall, that SRA's for Executive positions are too low for the amount of work required, that the allowances are not high enough to attract other than retired or self-employed people as Members.*
  - b) *There were mixed views as to whether to change the travel lump sum to an equal distribution with the majority of responses not in support. It was felt that equal distribution would not be fair or proportionate to the amount of travel required for different members, both in terms of frequency or distance. Comment was made that there should be a level playing field for those using public transport.*
  - c) *There were mixed comments as to whether it is felt necessary to reduce allowances because of the current financial position of the Council. Concern was expressed that a cut will deter future councillors from coming forward. Generally it was felt that SRA's should not be cut, and whilst some members felt there should be no reduction in allowances, others felt that a cut in the basic would be preferable to any cut in SRA's.*
19. In terms of the interviews the particular points made were:
- a) *That the Isle of Wight Council could set the SRA for the Chairman (an Isle of Wight Councillor) of the Hampshire and IW Police and Crime Panel, the cost of which will be met by the budget allocation of the Panel, not Isle of Wight Council.*
  - b) *The Chair of the Health Scrutiny Sub-committee is a statutory role to scrutinise health which will include adult social care. It was noted that this was a responsible role.*
  - c) *The allowances were about right although for some members it is a main income and believe reasonable payments needed to be made. One interviewee suggested that the current basic allowance could be reduced and increase the SRA's as the majority of extra work (not ward work) took more time and there wasn't a good balance.*
  - d) *Being an Executive member is nearly a full time job as it takes about four days a week.*
  - e) *The travel allowance should be left as it is, it was felt that the current travel allowance was fair and it would become less so if divided equally between all members.*

- f) *Hopefully the new Select Committees would enable more cross chamber engagement, it was not just a name change the new committees would be different to the old executive advisory committees.*
  - g) *The leader and deputy leader role was underpaid compared to the amount of responsibility that goes with the roles.*
  - h) *A Cabinet Secretary post would be introduced following a Local Government Association report and a job description had been drawn up, the role would include organising the group, helping out executive members it was thought it would be around 0.75 of the basic allowance, this would be available as there was one less Executive member.*
  - i) *The role of the Health Scrutiny Sub-committee chairman which would also include adult social care meets every other month, so less than a day a week. Due to the increased responsibility (Adult Social care) it was thought that the allowance should be increased. The Health Scrutiny Sub Committee make recommendations, they do not have the powers to make decisions*
  - j) *Pension fund committee meet four times a year. Members of the pension fund committee are trustees. Training sessions are provided prior to each pension fund committee for all members. The SRA for the chairman should be in line with the Audit chair. The Chairman for pension fund would be similar to the audit committee chair.*
  - k) *Cabinet Secretary/business manager role should be about 0.4.*
20. The Panel has considered the benchmarking data produced by the South East Employers, 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 proposed slightly reduced basic (£7,700) is still above the overall regional average (of £6,058) but is below the average for unitary authorities (£8,651). SRAs are always trickier to compare like for like however the Leader's SRA is a good benchmark. The proposed SRA for 2015/16 (allowing for the slight reduction in the Basic and therefore alteration to the SRA) is £15,400, which is below the regional average of all authorities of £16617, with the average for unitary councils being £20,459.

## **General**

21. As some of the roles we have considered may evolve over the coming year, the Panel will be recommending that all the allowances be reviewed in the autumn of 2015.
22. Last year, we considered the Executive Advisory Committees proposed at that time, and what would be an appropriate allowance for the Chair of each

of these. As these have now been replaced by 3 Select Committees, we have considered the role of the Chair of these and the level of responsibility. This will need to be reviewed next year. We have reviewed the role of the Health and Adult Social Care Scrutiny Sub-Committee, which was introduced last year, and consider that the SRA recommended last year was appropriate.

23. The role of the recently approved Executive Secretary has also formed part of our consideration. The role is to support the Executive across a range of functions, to undertake a specific role in terms of Performance monitoring and management, ensuring priorities are communicated and consulted on where appropriate, and to attend a range of meetings. This role attracts a SRA, and again, will need to be reviewed next year

## **CONCLUSIONS AND RECOMMENDATIONS**

24. We have previously expressed the view that we believe a scheme whereby the SRAs are based on relevant multiplier's of the basic is most appropriate and we remain of this view. 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, as is recommended in this report, then the SRA's are automatically adjusted by the same proportion – thus bringing greater fairness to any such changes.
25. Last year we were given the remit by the Council to recommend a scheme of allowances that remained within the existing overall budget provision for members' allowances. This year, taking into account the current financial position of the council and the slight reduction in the proposed budget provision for members' allowances, whilst maintaining our independence we have followed the same general approach. We have ensured in our recommendation that the allowances that could be paid under the scheme should be within budget. The actual position each year is that quite often not all of the allowances are claimed and if that occurs again this year, then there will be a small underspend on the available budget.
26. The panel saw and heard evidence that largely reflected that the SRA's are correct, save for those of the Leader and Deputy Leader. This is reflected in the benchmarking data as well. We consider that the current SRA for the Leader and the Deputy Leader are not reflective of the roles that they undertake. Our recommendation last year was that the Leaders SRA be increased to twice that of the basic allowance as this was in our view a better reflection of the responsibility this post carries, however we do not consider that even that is a true reflection. Likewise with the Deputy Leader, who undertakes an increased role, above that of an Executive Member and we do not consider that this allowance reflects fully the role. However, we also consider, in view the current financial climate, that it would be imprudent to consider increasing these SRA's at this stage but we will revisit these in our report next year.
27. The role of the Chairman of the Hampshire and Isle of Wight Police and Crime Panel has been a new role for us to consider. Whilst the same Isle of Wight Councillor has been the chairman of this panel since its inception, we have not previously considered an SRA for this role and the member, in reality, has

been undertaking this role without proper recognition in terms of a SRA. We understand that whilst the funding for this role is met by Hampshire County Council via a government grant, that the responsibility for setting the level of the SRA rests with the Isle of Wight Council, being what is referred to as the Appointing Authority – in that one of this council's members is appointed to the panel. We have met with the member concerned and considered the role, the number of meetings and level of responsibility and have taken into consideration the overall budget funding for the Panel before recommending an SRA.

28. Last year we agreed that the case for a new SRA for the chair of the Pension Fund Committee was well made. Whilst not a huge responsibility there is a responsibility in ensuring the Committee appropriately oversees the Pension Fund. We therefore recommended a modest SRA for this post. In reviewing this year we have very slightly increased this allowance, having now had the benefit of being able to review the role a year on from when we first looked at it.
29. As with the Executive Advisory Committees last year, it is more challenging for us to correctly determine the level of SRA for the new Select Committees. These Committees are not under the direction of the Executive, their role is aligned to the Scrutiny function in that they will carry out the overview function of Scrutiny and they will help to review and develop policies. We are of the view that the level of SRA that we recommended for the Executive Advisory Committees last year was a little high and have therefore adjusted this in relation to the new Select Committees. We will of course review these next year when we will have the benefit of seeing how they have evolved.
30. The majority of both members and officers who expressed a view in relation to the travel lump sum that is currently distributed on the basis of distance a member lives from County Hall and their post (so an Executive Member for example has an increased level of entitlement to that of a member with no SRA) felt that this system works well and is fair. 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). The scheme at the moment is straightforward to implement taking up only a small amount of officer time. In view of the recommended small reduction in the basic allowance, it is considered appropriate to leave the travel arrangement as it is for this year as it does represent a fair system.
31. This travel allowance is currently taxed. The Chancellor confirmed in his Autumn Statement the exemption from liability to Income Tax (and NICs) for travel expenses paid to elected members of local authorities (councilors) will be effective from 6 April 2015. However, it is understood that this only relates to the reimbursement of home-to-office travel expenses where a claim is made demonstrating the actual travel, and not to a lump sum allowance which is an inclusive sum. However, at the present time the regulations that will detail this have not been produced and so it is unclear how the changes will impact on this scheme. Any proposal to move to a system where all travel is recorded and claims submitted would be of concern as this would considerably increase the administration required to operate such a system

and currently there is not the staffing available for this. The council will monitor this and should there be any need for us to review this matter before our next report, no doubt we will be advised.

32. We have therefore decided to recommend on balance, to leave things as they are. We will address our minds to this matter again next year to consider whether to leave the existing system as is.
33. We estimate that if the recommendations are implemented the maximum claimable (under the proposals) amounts to £453,865.
34. It may be recalled that last year, we felt that any decision to generally reduce allowances is one for the full Council to take. That remains the case, however, in view of the financial climate, we have felt it appropriate to recommend a reduction in the basic allowance, which then has the effect of automatically adjusting the SRAs by the same proportion. This ensures 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.
- 35. As a result of this review the Panel recommends:**
36. That there be a slight reduction in the basis allowance for all elected members from £7,903 to £7,700.
37. That the Special Responsibility Allowances (SRAs) for 2015/16 be as set out below:

Position	Multiplier of the basic	Special Responsibility Allowance
<b>Leader</b>	<b>2</b>	£15,400.00
<b>Deputy Leader</b>	<b>1.25</b>	£9,625.00
<b>Executive Member</b>	<b>1</b>	£7,700.00
<b>Executive Secretary</b>	<b>0.6</b>	£4,620.00
<b>Overview &amp; Scrutiny Chair</b>	<b>1</b>	£7,700.00
<b>Select Committee Chair</b>	<b>0.4</b>	£3,080.00
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<b>Employment Chair</b>	<b>0.3</b>	£2,310.00
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<b>Appeals Chair</b>	<b>0.2</b>	£1,540.00
<b>Chairman of Council</b>	<b>0.7</b>	£5,390.00
<b>Vice Chairman of Council</b>	<b>0.2</b>	£1,540.00
<b>Leaders of Groups of 10 or more</b>	<b>0.2</b>	£1,540.00
<b>Health Scrutiny Sub-Committee</b>	<b>0.4</b>	£3080.00
<b>Hampshire Police and Crime Panel Chair</b>	<b>0.6</b>	£4,620.00

38. 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. The Panel will continue to keep this under review in further reports.
39. That if the Councillor who is the Chair of the Hampshire and Isle of Wight Police and Crime Panel elects to receive an SRA from them, he shall not receive a SRA from the Isle of Wight Council.
40. 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).

## **LIST OF APPENDICES**

- Appendix 1: Proposed new Members Allowances Scheme for 2015/16 (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 2015/2016 the allowance is £7,700.

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 2015/2016 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 2015/2016 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 2016.

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 2015/16. Only one special responsibility allowance will be paid to any member. These allowances are payable in addition to the basic allowance of £7,700.

Position	Multiplier of the basic	Special Responsibility Allowance
<b>Leader</b>	<b>2</b>	£15,400.00
<b>Deputy Leader</b>	<b>1.25</b>	£9,625.00
<b>Executive Member</b>	<b>1</b>	£7,700.00
<b>Executive Secretary</b>	<b>0.6</b>	£4,620.00
<b>Overview &amp; Scrutiny Chair</b>	<b>1</b>	£7,700.00
<b>Select Committee Chair</b>	<b>0.4</b>	£3,080.00
<b>Audit Chair</b>	<b>0.4</b>	£3,080.00
<b>Employment Chair</b>	<b>0.3</b>	£2,310.00
<b>Planning Chair</b>	<b>0.8</b>	£6,160.00
<b>Planning Vice Chair</b>	<b>0.2</b>	£1,540.00
<b>Licensing Chair</b>	<b>0.6</b>	£4,620.00
<b>Pension Fund Chair</b>	<b>0.2</b>	£1,540.00
<b>Appeals Chair</b>	<b>0.2</b>	£1,540.00
<b>Chairman of Council</b>	<b>0.7</b>	£5,390.00
<b>Vice Chairman of Council</b>	<b>0.2</b>	£1,540.00
<b>Leaders of Groups of 10 or more</b>	<b>0.2</b>	£1,540.00
<b>Health Scrutiny Sub-Committee</b>	<b>0.4</b>	£3080.00
<b>Hampshire Police and Crime Panel Chair</b>	<b>0.6</b>	£4,620.00

## APPENDIX 2

### Proposed Allowances for 2015/16

#### INDEPENDENT REMUNERATION PANEL REVIEW OF MEMBER ALLOWANCES 2015-16 QUESTIONNAIRE FOR RECEIPTS OF AN ALLOWANCE

As part of its review of the Members Allowances Scheme for the 2015-16 year the Independent Remuneration Panel is keen to hear the views of all those who currently receive a member's allowance from the Council.

Whilst the Panel's report will include data from this consultation it will be anonymised and no comments will be attributed to an individual.

### Current year's allowances

These were agreed by the Council on 19 March 2014 (subject to the views of this Panel) and are as set out in Appendix A.

### Question 1

Considering the various allowances that are currently being paid, in terms of both the basic and the Special Responsibility Allowances, (as set out in Appendix A) do you:

- a) Have any comment to make on the amounts?
- b) Have any particular issue you would like to raise in respect of the allowance that you actually receive?

Responses:-

- (a) The allowances payable to the Chairs of the (thankfully now abolished) Executive Advisory Committees were with hindsight set at too high a level as none of these committees made any meaningful contribution to the work of the council. Interrogation of the minutes of these bodies will I believe confirm this view as being correct. The role of Chair of the Employment Committee has on the other hand been seriously undervalued (if it is done correctly). As a previous holder of this post I can say that I took the initiative in developing new joint consultative arrangements with the trade unions taking on the reservations of both leading members of the administration and senior officers. This role should at least be pitched at the same level as applied to the Executive Advisory committees.

I believe the basic allowance should remain unchanged for the remainder of the term of this council. The total value of SRA's payable should be contained within the total currently payable.

- (b) As chair of both the Health Scrutiny Committee and the Isle of Wight Pension Fund Committee I have a number of observations. I agreed to take on the role of Chair of the Health Scrutiny Sub Committee at the time when the IRP had decided it was of zero value. The Council subsequently, on the recommendation of the Chair of Scrutiny agreed to give this role a value of 0.4 of the multiplier. This has to be reviewed by the IRP and I appreciate that I will have to refund any overpayment if the Panel judges this figure to be too high. What I would say is that since this post was established the role has been expanded to include scrutiny of adult social services (including integration arrangements with the NHS Trust) and public health. The role has recently included looking at the results of the recent CQC inspection of the Trust and responding to the Trust's Improvement Plan. The role is therefore more similar to that of the chair of the previous scrutiny panel for Health and Adult Care which had an allowance in line with the Scrutiny Chair. Whilst I am not suggesting that this should be the case now, it is difficult to see how this role is of anything other than of greater value than that of the chairs of the former Executive Advisory committees.

It is noted that whilst an allowance has been introduced for the Chair of the Isle of Wight Pension Fund Committee this is the lowest payable. Whilst I do not receive this allowance, as I am only entitled to one I have to express the view that this is another role which has been seriously undervalued, especially given that the value of the fund is about double the council's annual budget. The responsibility certainly goes way beyond simply chairing meetings of the committee. I have recently, for example been a member of the procurement panel for new software for the pension scheme administration and am now involved in working up new management arrangements to comply with legislation arising from the Hutton Report on Public Sector pensions. I believe the responsibilities of this role to be on a par with the Chair of the Audit Committee.

- (a) No. I prefer to leave this issue to the IRP.
- (b) No
- (a) For the work undertaken I believe the payments are about right. Councillors are also understanding of the pressure with budgetary issues and also from public expectation. Outside payment of the allowance a lot of additional work is still undertaken which has to be fitted into daily life
- (b) No.
- (a) The basic allowance is too high based on the amount of work involved and the number of hours of attendance required within County Hall.

The SRAs for Executive positions are therefore too low for the amount of work (hours) required.

The SRAs for committee chairs would be better spread across all committee members to reflect the work and commitment that they put into attending.

- (b) The SRA for an Executive role does not adequately reflect the amount of work involved and the fact that it is not a role that can be carried out in addition to another employment. Unless a member is also in receipt of a pension or is self-employed it is very difficult for a person to take on as a sole job and source of income.
  
- (a) Insufficient.
- (b) No.
  
- (a) The major downside of the limited allowances is that there are few employed people who are able to devote the time needed to do the job and so Members of the Council are overwhelmingly those who have retired, with a small number who are able to take time from their own businesses. This is not reflective of the electorate. However in the present time of such financial stringency there is not the opportunity to correct this; but that doesn't make it right
- (b) No.
  
- (a) They are about right though they should be annually adjusted to take into account annual pay rises in the public sector.
- (b) As the Chair of the Scrutiny Committee I work as hard at my role as all ordinary Executive members and parity should be maintained

## Question 2

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.

The IRP are considering whether to move from this formula based lump sum, and to simply distribute the travel allowance currently within the budget of £22,215 equally amongst members as part of the basic allowance. This would reduce the administration that the current system involves.

Do you agree with this suggested change in the distribution of the travel allowance?

If not, why not?

Responses:-

I totally disagree with the suggestion to give all members an equal share of the travelling allowance pot. This takes no account of the travelling expenses incurred by

members living considerably different distances from County Hall nor the varying levels of engagement with council business. The present system is not overly bureaucratic and whilst not perfect is acceptable.

Yes.

I disagree with this idea. I am perhaps the only Cllr who travels by bus. I think all the others travel by their own car. They are provided with free parking at IWC sites so their only cost is some pence in used petrol to travel a few miles.

For me to come to County Hall for one meeting costs £4.50 and as there is no return fare, this means £9.00 per round trip. There are week/month tickets but they still cost around £6.00 per round journey depending on use.

Considering the Council's policies on carbon reduction and reduced car use there should be consideration given to creating a level playing field for those using public transport.

Yes.

What are the costs of administration? Why should someone living in Newport receive the same as a councillor living further afield some councillors spend more time than others in County Hall.

No. It would be fundamentally unfair. I live in Newport and represent a Newport East ward and this change would lead to me getting the same allowance as a Member from the West Wight/Bembridge/St Helens/Ventnor.

Some members attend County Hall for just one meeting per month. Others travel in daily, sometimes twice per day to fit around other commitments, eg returning for evening meetings. Equal distribution would therefore not be proportionate to the amount of travel required.

Perhaps it would be easier to incorporate this budget into the SRAs – perhaps this could fund my idea above that all committee members get a small payment dependent on the number of meetings they are required to attend. Or offset a reduction in the basic allowance for those with a SRA.

No. Distance and frequency variation between Councillors too great to be equitable.

Yes.

No. To suggest that a member who lives in Newport should receive a similar travel allowance to one who lives on the coast of the island seems nonsensical. If there has to be a change a better solution would be simply to have no travel allowance at all rather than create a glaring inequity, although my personal view would be that the system should remain as it is.



Anything that reduces administrative overheads is welcome. Over the course of a four year council the amount of off-Island travel, which is a small proportion of the total recompense for the office, will probably not be significantly different for most members. However those holding Executive office, or who chair committees, are in a different position and usually have greater occasion to travel off-Island. I should not like to see any change disadvantage those Members.

### Question 3

If it is felt necessary to reduce allowances because of the current financial position of the Council, do you have any views about how this should be achieved, a cut to the basic allowance, to SRA's or both?

Responses:-

No

Given comments in Q1 I would be reluctant to take a cut for what we as cllrs deliver, both in time and work involved. I think any cut will deter future councillors from coming forward. SRA's should not be cut as these allowances are paid to achieve quality and expertise on local issues and would discourage members from coming forward.

There is substantial scope for reducing costs without reducing either basic allowances or the pot available for SRAs. This could be done by reducing payments for mainland travel. I attend meetings on the mainland from time to time and it is my practice to access the cheapest reasonably available transport. This includes advance purchase rail tickets or National Express bus travel. I typically travel to London and back for approximately £30 compared with £80 to £90 when rail tickets are booked through the council. It is therefore my view that mainland travel expenses are capped at the cheapest cost using either coach or rail travel as appropriate. Members wishing to travel by more expensive means should be required to fund the difference themselves.

The other area where costs could be reduced is around the issue of the Local Government Pension Scheme (LGPS). Currently a number of councillors are members of the pension scheme and this attracts an additional cost to the Council of 22% of their allowance. This is to increase to 23.5% by 2016. If all members had elected to join the pension scheme this would have added £100K to the Council's costs. The IRP could be minded to recommend that members who join the LGPS have their allowances abated so that the total cost to the Council is the same as for members who have not opted to join the LGPS. This would require an allowance reduction of approximately 18%.

I entirely oppose reductions. I depend on my allowances to compensate me for loss of earnings. As I spend at least 35-40 hours per week on Council business, Ward related, you can see how little opportunity I now have to earn my living.

Considering the hours put in by SRA holders as managers of the policy process being delivered I feel that they should be protected. By contrast the basic allowance is fair for those who work hard but there are some who make a relatively very limited contribution and service to their wards.

I believe that a cut to the basis allowance would be preferable due to the small amount of work that is required. However, as an Executive member the amount of SRA and basic allowance combined is very low for the amount of work and responsibility involved. It is incredibly difficult for Executive members to take on any other work outside the council due to the frequency of meetings and therefore a cut to the overall allowance could make the position unaffordable for those that do not receive a pension to subsidise their income.

It seems fairest that any reduction is shared evenly across all allowances. To target SRA's when those receiving them -irrespective of whichever is the ruling group - are some of the hardest working members of the council giving the greatest time commitment, seems unduly harsh.

I would not agree with any reduction in allowances.

No cuts at all.

I would suggest a cut to the basic allowance and not to SRA's as they relate to specific duties and time commitment whereas the basic allowance, save for a minimum requirement of attendance at full council meetings, does not.

SRA

#### Question 4

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

Responses

Mileage related allowance is a fair way of distributing member's allowances as it takes into account the amount of miles undertaken by a member (I suggested home to office and a register to sign in).

It is noted that of the six members in receipt of SRAs interviewed before the Eleventh Report of the IRP was published five received fairly hefty increases in their allowances. Those whose allowances were cut were not offered an interview. It seems to me that if it is proposed to cut an SRA then at the very least the member concerned should be afforded the courtesy of a face to face meeting with the IRP.

Good luck. Like us you have a pretty thankless task!

To attract and retain a wider variety (age, gender etc) of members the Council needs to be able to provide an allowance which makes it financially viable for those without income from a pension to stand in elections. I had to resign from a well-paid job due to the demands of my Executive position which has required massive commitments

of time. We must therefore be aware that if the overall allowance for Executive positions is reduced it may become unfeasible for some members to continue in their roles.

I would prefer all decisions on allowances to be totally the responsibility of the Independent Panel, whether it is an increase or decrease, and after taking into account all relevant factors, including comparison with other authorities of similar size and responsibilities. It has never seemed to me to be right that Councillors should vote on their own remuneration. We don't allow staff to do it, why should councillors be different?

I would welcome and support any recommendation to this effect from the Panel.

I believe the current system and the amounts paid are about right.

## APPENDIX 3

### 3 November 2014 – Notes of Interviews

#### Interviewee 1

*Understood that the local IRP had to set the SRA for the Hampshire Police and Crime panel chairman, although it would be paid from the budget allocation of the panel, not the Local Authority. To date an SRA for the chairman had not been paid although it had been allocated for in the budget.*

*The panel consists of 20 people with the panel nominating a chairman annually, they meet 4 to 5 times a year and the meeting usually lasts all day, the chairman was also expected to attend 4 meetings of a working group and a pre agenda setting meeting for that group.*

*An informal meeting with the Hampshire Police and Crime Commissioner would take place a couple of times a month to discuss informal issues. Time spent on work for the police and crime panel is approximately 3 days a week.*

#### Interviewee 2

*The Executive Advisory Committees failed to work as there was no cross party involvement, terms of reference for three Select Committees would be discussed at full Council in November 2014. The Select committees would meet four times a year.*

*The Health Scrutiny Sub is a statutory role to scrutinise health which will include adult social care. It was believed that this was a responsible role.*

*Employment Committee is to be reduced to two meetings per year plus additional meetings if required, Pension Fund chair is a responsible role.*

*A new cabinet secretary/business manager would be created as there is one less executive member due to a reshuffle earlier in the year*

### Interviewee 3

*Felt that the allowances were about right although some members take it as a main income and believe reasonable payments needed to be made.*

*Being an Executive member is nearly a full time job as it takes about four days a week.*

*The travel allowance should be left as it is, it was felt that the current travel allowance was fair and it would become less so if divided equally between all members.*

### Interviewee 4

*Hopefully the new Select Committees would enable more cross chamber engagement, it was not just a name change the new committees would be different to the executive advisory committees.*

*The current basic allowance could be reduced and increase the SRA's as the majority of extra work (not ward work) took more time and there wasn't a good balance. The leader and deputy leader role was underpaid as the amount of responsibility that goes with the roles.*

*Could see no reason to change the current travel allowance scheme as it was a fair system.*

*A Cabinet Secretary post would be introduced following the LGA report and a job description had been drawn up, the role would include organising the group, helping out executive members it was thought it would be around 0.75 or the basic allowance, this would be available as there was one less Executive member.*

### Interviewee 5

*Advised the role of the Health Scrutiny Sub chairman which would also include adult social care, they meet every other month it take approximately less than a day a week. Due to the increased responsibility (Adult Social care) it was thought that the allowance should be increased.*

*Pension fund committee meet four times a year had recently been involved in the procurement of a new IT package. Members of the pension fund committee are trustees. Training sessions are provided prior to each pension fund committee for all members. The SRA for the chairman should be in line with the Audit chair*

*The travel allowance should remain at the current system as it was fair.*

*Suggestions regarding savings was made, in relation to off island travel, travelling by coach should be encouraged as it was a much cheaper way of travelling. Also Councillors should pay the employers contribution from their allowance.*

*Interviewee 6*

*Budget pressure over the next few years would be challenging although this had not been set for next year. The leaders SRA is not enough given the amount of work and responsibility involved.*

*Pension Fund committee act in trustee role, the annual accounts go through audit committee prior to being presented at Pension fund. The Chairman for pension fund would be similar to the audit committee chair.*

*The Health Scrutiny Sub Committee made recommendations they do not have the powers to make decisions.*

*Cabinet Secretary/business manager role should be about 0.4.*

*The number of Employment Committee meetings would be reduced to two a year*

*The Select committees would get everyone involved in policy development.*