

REPORT TO: DUNDEE CITY COUNCIL

REPORT ON: MEMBERS SALARIES, PENSIONS & EXPENSES

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 290-2007

1 PURPOSE OF REPORT

The purpose of this report is to seek the Council's approval to a Scheme of Salaries and Expenses for elected members, with the scheme to be effective from 4 May 2007.

2 RECOMMENDATIONS

- 2.1 That the Council agrees the contents of this report, including the salaries proposals detailed in Appendix C.
- 2.2 That the Council agrees that a Scheme of Salaries and Expenses based on this report be prepared and issued to all elected members.
- 2.3 That the Council agrees to pay members' salaries and expenses on a calendar monthly basis, in accordance with the Regulations.

3 FINANCIAL IMPLICATIONS

- 3.1 A provision for members salaries, pensions and expenses of £624,000, as detailed in Appendix A was made in the Finance (General) 2007/08 Revenue Budget.

The 2007/08 revenue costs for members' salaries, pensions and expenses (see Appendix B) shows a projected spend of £659,660, an under provision on the approved budget of £35,660. It is proposed to meet this underprovision from the 2007/08 General contingency.

4 SUSTAINABILITY POLICY IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

- 6.1 The Scottish Local Authorities Remuneration Committee (SLARC) was established under the provisions of the Local Governance (Scotland) Act 2004. The remit of the Committee was to review, prepare and submit to the Scottish Ministers advice in relation to the payment by local authorities of remuneration (including pensions) and allowances to and reimbursement of expenses incurred by members of local authorities.

6.2 In January 2006, the SLARC published its report on the "Review of Remuneration Arrangements for Local Authority Councillors" and this report was submitted to Scottish Ministers for their consideration. The Minister for Finance and Public Service Reform issued the Scottish Executive's response to the SLARC report on 23 March 2006 and accepted 19 of the 26 report recommendations, modified 2 and rejected 5. The content of the Minister's response formed the basis of regulations which were laid before the Scottish Parliament on 10 and 20 March 2007. The content of this report is in line with these regulations.

6.3 The following paragraph details the key elements of the following Regulations:-

- Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007
- Local Government Pensions Etc (Councillors and VisitScotland) (Scotland) Amendment Regulations 2007
- Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007

7 SALARIES, PENSIONS & EXPENSES

7.1 SALARIES

Under the aforementioned regulations the elected members' salaries for the City Council are detailed below:-

- The Leader of the Administration shall receive a salary of £30,905.
- The Civic Head, ie Lord Provost, shall receive a salary of £23,179.
- In addition to the Civic Head's remuneration, the Council may pay the Lord Provost a civic allowance of up to £3,000. This allowance shall be reimbursed in respect of receipted expenditure which has been incurred by the Civic Head.
- The City Council can pay remuneration up to 13 Senior Councillors.
- Each local authority shall pay to each of its Senior Councillors an amount to be determined by the authority, but which shall be greater than the basic Councillor's salary.
- The total amount payable to Senior Councillors is determined by a formula and for the City Council this total sum is £251,108.
- Each Council shall not pay its senior Councillors any amount of remuneration as the Leader of Administration, the Civic Head or as a basic Councillor.
- The remaining Councillors who are not the Leader of Administration, Civic Head or Senior Councillors shall each be a Basic Councillor and will receive remuneration of £15,452 per annum.

- In terms of the Police and Fire and Rescue Joint Boards, the regulations permit the payment of remuneration to one Convener and one Vice-Convener for each Joint Board. The remuneration is payable by the local authority of which the Convener or Vice-Convener is a member and then recovered from the Joint Board.
- Since 1995 the Convener and Vice-Conveners of the three Tayside Joint Boards, being Police, Fire & Rescue and Valuation, have rotated between the three Tayside Councils at each election. After the 2007 elections, the City Council will have the Convener of Valuation Joint Board and the Vice-Convener of Tayside Joint Police Board.
- The total amount payable to a Dundee elected member as convener of either the Police or Fire and Rescue Joint Boards, when added to his/her Basic Councillor or Senior Councillor remuneration, shall not exceed 75% of the Leader of Administration remuneration, being £23,179. It should be noted that the Convenerships will not be filled by Dundee City Council in 2007.
- In respect of the Vice-Convener of either of the Police or Fire and Rescue Joint Boards, the amount payable shall be an amount which equates to 75% of the Convener's remuneration, and shall not exceed £17,384. The Vice-Convener of Tayside Joint Police Board is a position which will be filled by Dundee City Council in 2007, but ultimately Tayside Joint Police Board will determine which Vice-Convener should be paid in accordance with the Regulations.
- In terms of any other Joint Board, being Tayside Valuation Joint Board and Tay Road Bridge Joint Board, the Convener shall be paid a total yearly amount of £19,316 (inclusive of any amount payable to the Convener as a Councillor or Senior Councillor), or if greater, the amount payable to the Convener as a Senior Councillor. These two Convenerships are positions which will be filled by Dundee City Council in 2007.
- The Vice Conveners of the two Joint Boards referred to immediately above shall be paid a total yearly amount of £18,350 (inclusive of any amount payable to the Vice Convener as a Councillor or Senior Councillor), or if greater, the amount payable to the elected member as a Senior Councillor. It should be noted that these two Vice-Convenerships will not be filled by Dundee City Council in 2007.
- It should be noted that for the four year term 2007 to 2011, the City Council will provide the following Joint Boards posts at the following salaries:-

Convener of Tay Road Bridge Joint Board	£19,316
Convener of Tayside Valuation Joint Board	£19,316
Vice Convener of Tayside Joint Police Board	£17,384
- It should be noted that an elected member cannot receive more than one salary and he/she will receive the higher salary of the respective posts they are holding.

- If a member is suspended in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000 for a period in excess of 2 calendar months, then the member's remuneration shall be reduced by 50%.

7.2 PENSIONS

Under the pension regulations referred to in Paragraph 6.3, the following conditions will apply:-

- Elected members should have access to the Local Government Pension Scheme (LGPS) and must formally decide if they wish to join the LGPS or not.
- The same normal retirement age and employee contribution rate, ie aged 65 and 6%, should apply to elected members as others in the scheme.
- The pension would be a career average scheme, rather than a final salary, as is the case for employees, to reflect the possibility that elected members may hold positions of responsibility with higher remuneration at various points in their career.
- Elected members re-elected at May 2007 will be included in the Local Government Pension Scheme and may also wish to have an arrangement to buy back pension entitlement in respect of previous years served since 1995. An election to buy back service must be made within 12 months of 3 May 2007. The Council may require the relevant elected member to produce a report from their registered medical practitioner indicating that they have a normal life expectancy.
- The buy-back of service by the elected member can be made by lump sum, or by installments over a period not exceeding 5 years, or the period between the date of the election and the date on which the elected member attains the age of 65 years, whichever is the shorter.

7.3 EXPENSES

Under the expenses regulations referred to in Paragraph 6.3, the following conditions will apply:-

- Expenditure on travel, subsistence or other expenses by an elected member on approved duties must be receipted and will be reimbursed by the local authorities, see Appendix 2.
- Each local authority shall not make any payments to its members by way of travel or subsistence allowances (as opposed to the reimbursement of receipted expenditure incurred) in respect of carrying out any approved duty, except where that is permitted by these Regulations.

- A member of a local authority shall be entitled to receive payments by way of a mileage allowance in respect of travelling (whether inside or outside the United Kingdom) which is reasonably incurred by them for the purpose of enabling them to perform any approved duty as a member of that local authority.
- The mileage allowance in respect of the types and rates of travelling are as follows:-
 - car or van - 49.3 pence per mile;
 - motorcycle - 24 pence per mile;
 - bicycle - 20 pence per mile; and
 - passenger travelling allowance (where both the member and the passengers are carrying out any approved duties) - 5 pence per mile, per passenger.
- Any member of a local authority may claim amounts of expenditure or allowance by completing and lodging a claim form with the local authority.
- The maximum subsistence rates payable by the local authority shall be as follows:-
 - Breakfast (where no overnight subsistence is claimed) £8 per day
 - Lunch £12 per day
 - Dinner £25 per day
- Overnight accommodation away from home and local authority premises
 - within London £118.63
 - elsewhere £ 94.82
- Road and Bridge tolls (no receipt required) actual cost of expenses
- Other transport cost eg parking charges, ferry fares, taxi fares and public transport fares Received cost of expenses
- Telephone and computer line rental for use of personal telephone and computer for approved duties 50% of line rental costs
- Other telephone and computer costs (including business calls) Received cost of expense
- Members may retain their Council Pay As You Go mobile or use their own mobile, but no business calls will be reimbursed.

Members will be offered a Council contract mobile phone and will be able to reclaim any business calls through its itemised billing.

- It should be stressed that all expenditure, with the exception of road and bridge tolls will only be refunded on production of a receipt.
- Every local authority shall keep a record of the payments of expenditure and allowances made by it in accordance with these Regulations.

7.4 PAYMENT OF SALARIES AND EXPENSES

The Remuneration Regulations make provision for local authorities to make payments either calendar monthly or every 4 weeks.

It is proposed that payments of salaries and expenses should be paid on a calendar monthly basis.

8 CONSULTATIONS

The Chief Executive, Depute Chief Executive (Support Services) and Head of Finance have been consulted on the content of this report.

**DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)**

16 MAY 2007

REVENUE BUDGET 2007/08**MEMBERS SALARIES & EXPENSES**

	<u>£</u>
Members Allowances	528,334
Allowances National Insurance	48,843
Conferences	10,000
Travel & Subsistence	16,469
Car Allowances	10,000
Telephones	9,693
	<hr/>
	<u>623,339</u>
Rounded to	<u>624,000</u>

APPENDIX B**MEMBERS SALARIES, PENSIONS & EXPENSES****REVENUE PROJECTION 2007/08**

	<u>Pre-election</u>	<u>Post-election</u>	<u>Total</u>
	<u>(5 weeks)</u>	<u>(48 weeks)</u>	
	£	£	£
Members Allowances	43,050	481,400	524,450
Members Allowances National Insurance	3,687	36,873	40,560
Conferences			10,000
Travel & subsistence/Car Allowances			20,000
Telephones			5,000
Pension Contribution (17.7%)*	-	59,650	59,650

			659,660
Approved 2007/08 Revenue Budget			624,000

Shortfall in Revenue Budget to be met from the General Contingency			<u>35,660</u>

* It is assumed that 20 eligible elected members would elect to join the Pension Scheme.

<u>MEMBERS' SALARIES 2007/08</u>		<u>APPENDIX C</u>
<u>EXPENDITURE MET BY CITY COUNCIL</u>		<u>Salary (£)</u>
1	Leader	30,905
2	Lord Provost	23,179
3	Basic Councillor Salaries (14)	216,328
4	Depute P&R Convener (specific responsibility for Best Value, Performance and Strategy Committee, Finance, Audit Committee and Personnel)	
5	Convener Planning and Transportation	
6	Convener, Economic Development	
7	Convener Leisure, Arts and Communities Committee	
8	Convener Housing, DCS and Environmental Services Committee	
9	Convener Education Committee	
10	Convener Social Work Committee	
11	Convener Licensing Committee and Licensing Board	
12	Convener Development Quality Committee	
13	Depute Convener Leisure, Arts and Communities Committee	
14	Depute Convener Planning and Transportation	
15	Depute Convener, Economic Development Committee	
16	Depute Convener Housing, DCS and Environmental Services Committee	
17	Depute Convener Education Committee	
18	Depute Convener Social Work Committee	
19	Depute Convener Development Quality Committee	
20	Depute Convener Licensing Committee	
TOTAL SALARIES PAID BY DUNDEE CITY COUNCIL		<u>251,108</u> <u>£521,520</u>
 <u>EXPENDITURE MET BY JOINT BOARDS</u>		
	Convener of Tay Road Bridge Joint Board	£19,316
	<u>Less</u> Basic Councillor salary	<u>15,452</u>
		<u>3,864</u>
	Convener of Tayside Valuation Joint Board	£19,316
	<u>Less</u> Basic Councillor Salary	<u>15,452</u>
		<u>3,864</u>
	Vice Convener of Tayside Joint Police Board	£17,384
	<u>Less</u> Basic Councillor salary	<u>15,452</u>
		<u>1,932</u>