



**LEICESTERSHIRE POLICE AUTHORITY**

**FIFTH REPORT OF THE  
INDEPENDENT REMUNERATION PANEL  
ON MEMBERS' ALLOWANCES**

**JANUARY 2009**

**Leicestershire Police Authority**  
**Report of the Independent Remuneration Panel into Members' Allowances**  
**to take effect 1 April 2009**

**Introduction**

1. The Criminal Justice and Police Act 2001 deregulated allowances paid to members of police authorities. Each Authority was required to make provision to decide their own local allowance schemes to be effective from 1 December 2001. A new scheme of allowances was adopted by Leicestershire Police Authority on 1 April 2002. The Scheme followed recommendations made by the Independent Panel convened by the Association of Police Authorities.
2. On 16 October 2003 the Police Authority agreed that a review of the levels of allowance paid be undertaken by a panel of independent persons. Since this time different aspects of the Members' Allowance Scheme have been reviewed by the Independent Panel on four separate occasions.

**Background**

3. The Independent Remuneration Panel was appointed in November 2003. The membership of the Panel is follows:-
  - Professor David Wilson, Dean of the Faculty of Business and Law, De Montfort University, Leicester
  - Mr Martin Traynor, Chief Executive, Leicestershire Chamber of Commerce and Industry
  - Ms Ruth Ingman, Employment Law Consultant
4. The first report of the Panel was presented to the Police Authority on 17 February 2004. All the recommendations contained in the first report were approved by the Police Authority with the addition that an allowance of £1,000 be paid to the Chairman of Panels. The recommendations came into effect on 1 April 2004.

5. Recommendation 4 of the Panel's first report proposed that members of the Panel should familiarise themselves more widely with the work of the Authority members in order to undertake a review of the level of allowances in 2005. The Panel interviewed four members of the Authority and met with the full membership at a Members Discussion Day held on 28 October 2004. Following this the Panel met on 12 November 2004.
6. The Second Report of the Panel was presented to the Police Authority at their meeting on 27 January 2005. The Panel recommended
  - the adjustment on levels of allowances for basic and special responsibilities,
  - that a job role be adopted for Panel Chairmen,
  - that members continue to record their time on Authority business, and
  - that no further reviews occur until April 2007.
7. The Authority agreed to the recommendations save that it asked the Panel to reconvene prior to April 2006. It also amended the Allowances Scheme to include payment of the daily rate for any APA meeting, and introduced a clause designed to cover poor attendance at meetings. The Authority requested the Panel to review the allowance paid to Committee Chairmen and to consider the mileage rates paid to members.
8. The Panel met again on 11 November 2005 to consider these two issues and, at the request of members, to provide recommendations on an allowance paid to members serving on Appeal Committees, special responsibility allowances and an allowance paid to members appointed to outside bodies.
9. The Third Report of the Independent Remuneration Panel was presented to the Authority at its meeting on 26 January 2006. The Panel recommended

- revising the allowance paid to Committee Chairmen and amending that job role
  - that no separate allowance be introduced for hearing staff appeals and forfeiture cases
  - that no amendment be made to travel allowances
  - that no member be entitled to draw more than one special responsibility allowance, and
  - that no separate allowance be paid for appointments on outside bodies
10. All the recommendations were adopted by the Authority. It requested that the Panel meet in future to consider attendance at APA events, overnight subsistence and evening meal subsistence.
11. Subsequently the Panel met on 8 November 2006 to consider these issues, and whether the prohibition on receiving more than one special responsibility allowance was contradictory to receiving a daily allowance for attending APA meetings.
12. This time the Panel recommended
- introducing a daily allowance for attending APA training and conferences
  - adjusting the overnight subsistence allowance and day subsistence allowance
  - that receiving a daily allowance for attending APA meetings should not compromise the two special responsibility allowance rule, and
  - that members produce annually a written account of their activities in the role and complete feedback forms on conferences, training and external meetings they attend.
13. On 25 January 2007 the Authority agreed to the recommendations subject to three conditions. Firstly, the level of payment of overnight subsistence where staying with friends or relatives was ultimately reduced to £25. Secondly, members linked the mileage rates to the

scheme applicable to Magistrates. Thirdly, the annual précis of activities and completion of feedback forms was left for discussion at member development review meetings. The Authority also agreed that the Panel next be convened in Autumn 2008.

### **The Current Review Exercise**

14. The Association of Police Authorities commissioned an independent report into members' allowances early in 2008. Although dated June 2008, it was published to police authorities in October 2008 and raised issues for the Panel to consider. Hereinafter this is referred to as "the APA Review".
15. In addition, members were provided with the opportunity to raise any other issues for consideration. This was notified on the Newsletter dated 3 October 2008. One issue was proposed as follows, namely the lack of provision of IT and stationery, particularly printer ink and paper for material printed at home.

### **Basic Allowance**

16. The first main issue is to determine the Basic Allowance. We noted the APA Review recommended an annual allowance of £8.6k based on a 7 hour week. We examined the evidence of members' hours for 2007/08 and the hours for April 2008 to November 2009. We noted the great variance of the hours undertaken in the role amongst members who do not have an existing special responsibility allowance. Overall, we felt there was justification for raising the existing allowance to £8.6k for 2009/10.
17. The rise in the basic allowance is substantially above inflation yet we recognise that the fieldwork undertaken in the APA Review cannot be ignored. To fail to take account of the national picture would risk leaving the Authority trailing other similar authorities. However, we think that with the increased allowance there should be a corresponding increase in transparency and accountability.

Accordingly, we suggest that the Authority should publish on its website the hours members undertake in the role and the allowances drawn each year. We also recommend members undertake a robust performance development review (PDR) with the Chairman or Vice-Chairman each year. We welcome the local objective members have set themselves in providing a written account of their year in office.

### **Special Responsibility Allowances (SRAs)**

18. The APA Review suggests a Chairman's SRA should reflect the extra time the role entails and the added responsibility it carries. The APA Review suggests the time parameters should be between 2 and 3½ days; it proposes a 20% uplift to account for the added responsibilities. We have examined the time recorded by the current Chairman since April 2007. We conclude it is fair to base this role on 2½ days a week and apply a 20% uplift. This gives an annual figure of £25,800.

$$£8,600 \times 2.5 \times 120\% = £25,800$$

19. The Vice-Chairman's SRA, according to the APA Review, should reflect the time spent plus a 10% uplift. The data from April 2007 suggests 1¾ days per week is fair for this role. This gives an annual figure of £16,555.

$$£8,600 \times 1.75 \times 110\% = £16,555$$

20. The APA Review suggests that the SRA for Committee Chairmen and other relevant lead roles should fall between the basic allowance and the Vice-Chairman's SRA. We have dealt with representations in previous reviews involving the allowances paid for these roles and feel it would be sensible to keep the differential between the basic allowance and these other SRAs in tact in the following manner. Currently the differential that the Committee Chairman has above the basic allowance is £3,452. The Panel Chairman and Champion differential above the basic allowance is £1,087. Hence from 1 April 2009 we recommend the Committee Chairman receives £12,052 and the Panel Chairman and Champion £9,687. We emphasise that a Chairman's role is to make their committee or panel function effectively and this should be explored in the PDR scheme.

21. All of the SRAs are inclusive of, not in addition to, the basic allowance.
22. The APA Review also discusses Standards Committee membership. We also considered representations made by AIMScE, a support network for lay Standards Committee members. We think there is no justification for giving Authority members an additional allowance for sitting on this Authority's Standards Committee. We believe the Lay Standards Committee members are correctly remunerated via the daily allowance in the current scheme. We see no justification at present for providing the lay members with any SRA despite the recent law changes requiring them to chair Standards Committees and sub-committees.
23. We considered the APA Review conclusions regarding other roles within the Allowances Scheme. We recommend the Police Appeal Tribunal members continue to receive the allowance set by the Home Office, as afforded to their colleagues on that body. We recommend the other roles in the Authority's Allowances Scheme, including Lay Standards Members, be increased by the usual annual increase according to the Police Staff Council (2.6% this year), rounded to the nearest pound.

### **Other Issues**

24. The APA Review reaffirms the recommendation to pay mileage at the HM Revenue and Customs statutory exempt amount. This is known as the authorised mileage allowance payment (AMAP). The payments are statutorily exempt from tax and there is no requirement for the employer to make a return to the Inland Revenue, (although the employer still needs to keep records of the payments made and business journeys to which they relate). The current level of AMAPs is set out in Table 1 below. The Authority rate currently adopts the Magistrates' rate. However, this may reflect the fact that Magistrates receive no allowances for their services. We strongly recommend the Authority adopts AMAPS as its mileage rate.

**Table 1** – level of AMAPs

<b>Kind of vehicle</b>	<b>Business miles</b>	<b>Per mile</b>
Car or van	first 10,000	40p
	after that	25p
Motor cycle	all	24p
Cycle	all	20p

25. Members are currently entitled to travel First Class in trains and we suggest this should continue. We recognise that forward planning and use of railcards can help attract cheaper travel than the full price fare.
26. We have carefully studied the suggestion made to us in respect of IT and stationery. The Chief Executive informs us that members can request the office staff to print off long or multi-coloured documents. Further, to provide an extra payment may encourage more local printing and exacerbate slack practice. Occasionally members may need to print documents due to particular circumstances. However, we think the cost of printer cartridges and paper should be borne by members from their basic allowance and SRA. We do not consider the Authority should purchase computers for use by members. However, if this creates any severe hardship we would be willing to review the position in future.

### **Recommendations**

27. We recommend
- (a) Basic Allowance be £8,600 for 2009/10
  - (b) Chairman's SRA be £25,800 for 2009/10
  - (c) Vice Chairman's SRA be £16,555 for 2009/10
  - (d) Committee Chairman's SRA be £12,052 for 2009/10
  - (e) Panel Chairman's SRA be £9,687 for 2009/10
  - (f) Champion's SRA be £9,687 for 2009/10
  - (g) Accountability be strengthened by (i) operating a robust PDR system for members, (ii) publishing on the Authority website Members' hours and Members' individual allowances.

- (h) Police Appeal Tribunal Members continue to be paid at the Home Office rate.
- (i) Other daily rate responsibilities in 2009/10 be 2.6% higher than the current corresponding figure.
- (j) Mileage rate be set at the AMAP rates.
- (k) No extra provision be accorded for IT or stationery.

Signed .....

*Professor David Wilson, Chairman, on behalf of the Panel*

Date .....