

Executive Committee

No specific Ward Relevance

9th January 2008

12. SCHEME OF MEMBERS' ALLOWANCES 2008/09 - REPORT OF INDEPENDENT REMUNERATION PANEL 2007

(Report of Borough Director,
on behalf of the Independent Remuneration Panel)

1. Purpose of Report

To consider the report of the Independent Remuneration Panel in respect of their review of Members' Allowances for the financial year 2008/09 and ongoing.

2. Recommendation

The Committee is asked to RECOMMEND that

- 1) the recommendations of the Independent Remuneration Panel as detailed at Section 7 and Appendix A of this report be adopted / noted as indicated at Section 7 of the report;
- 2) the new Scheme of Members' Allowances be introduced with effect from and including the 4th of May 2008 (the date from which newly elected Members take office / former Members stand down);
- 3) Allowances remain cumulative and that they not be capped (on the basis that every additional Special Responsibility brings with it additional burdens);
- 4) as a minimum, Members' Allowances be routinely increased each year in line with the Council's agreed inflation rate;
- 5) subsistence figures be increased to:-

Lunchtime - £10.00
Evening Meal - £15.00

and thereafter each year on the same annual review basis as stated at 4) above;

- 6) a) the following revised definition of "Approved Duties" be approved and adopted with immediate effect:-

“Approved Duties are:-

- ***any meeting of a Council-appointed body, or involving Council-nominated representation; or one to which Officers have invited Members;***
 - ***attendance at meetings required as part of Overview and Scrutiny, or similar Member-led Review;***
 - ***attendance at relevant meetings by Leaders, Portfolio Holders / O&S Chair where required by virtue of their position; and***
- b) **authority to be delegated to the Democratic Services Manager to adjudicate on such duties, and to determine whether duties are approved or not for payment, within the above definitions;**
- c) **any dispute arising on such adjudication to be settled in consultation with the Portfolio Holder for Corporate Management.”**
- 6) **the Scheme include a new rule to deal with mileage payments in situations where Members move out of the area, or otherwise change circumstances, as follows:-**
- “Home to meetings mileages**
- maximum distance for mileage to be paid per journey for an approved duty - (suggested) 40 miles each way;***
- Home to Conferences, Seminars, Training, etc.**
- no limit on mileage.”***
- 7) **unless otherwise stated or determined, all changes be applied from the 4th of May 2008;**
- 8) **further to Members’ decisions, relevant feedback be passed to the Independent Remuneration Panel.**

3. Financial, Legal, Policy and Risk ImplicationsFinancial

- 3.1 Should any amendment be made to the amounts payable under the Scheme of Members' Allowances, then provision would have to be made within the budget for 2008/09 to take account of such change.

Policy

- 3.2 The operation of the Independent review process is a matter of statutory requirement rather than of Council Policy.

The Scheme of Allowances is one of the Council's Constitutional documents.

Legal

- 3.3 Under the Local Authorities (Members' Allowances) (England) Regulations 2003 (made under the Local Government and Housing Act 1989 and Local Government Act 2000), the Council has to make a scheme for the payment of Members' Allowances.

The scheme may be amended at any time but may only be revoked with effect from the beginning of a financial year.

- 3.4 Before an authority makes or amends a scheme, it must have regard to recommendations made by an Independent Remuneration Panel.

- 3.5 An Independent Remuneration Panel (IRP) should consist of at least three members, none of whom -

- (a) is also a member of an authority in respect of which it makes recommendations or is a member of a Committee or Sub-Committee of such an authority; or
- (b) is disqualified from being or becoming a member of an authority.

Risk

- 3.6 The Council must have an approved Scheme. Risks relate to the difficulty of encouraging and retaining membership of the Council, when the costs of being a Councillor can be considerable in terms of lost time / income, travelling costs, telephone & line rental costs, stationery & equipment costs, childcare, etc.

Report4. Background

- 4.1 The Council last significantly reviewed Members' Allowances in December 2004. Levels of allowances have been reconsidered by the Council each year subsequently as part of the budget-setting process. However, Members have not amended the Scheme since 2004.
- 4.2 The IRP presented proposals earlier this year for revised Allowances for 2007/08 which received broad support from Members. However a proposal that these be put out for public consultation considerably delayed their implementation, as no reasonable means to achieve a balanced outcome from any such consultation could be determined. Subsequently the proposals remained unfunded in the 2007/08 round of Revenue Bids, and could not therefore be implemented in the current year.
- 4.3 Member proposals for minor amendments to the current scheme during the current year were not supported by Party Group Leaders and therefore not progressed through Committee to formal decision.
- 4.4 Current budget levels 2007/08 are:-

| | | |
|-----------------------------------|---|----------------|
| General Allowances | - | £ 72,500 |
| Special Responsibility Allowances | - | £ 36,820 |
| Mileage Allowances | - | <u>£ 3,310</u> |
| Total | - | £112,630 |

The Review Panel does not have within its formal remit:-

- Members' Training or Support Budgets;
- Equipment Provision budgets;
- Subsistence; or
- Mayoral Allowances.

However, it has elected to comment on these matters as they are closely related issues and have been demonstrated to be of importance to Council Members in their responses to consultation.

- 4.5 The Panel once more looked at the Schemes of Allowances for other neighbouring local authorities and those within the Council's "audit family", with the attached result (Appendix B refers).

- 4.6 The Panel was reconvened in October 2007 and has now met on three occasions. Panel Members considered that, subject to inflation increases being applied, and based on the lack of controversy or substantial challenge to the balance of their proposals when considered by Members earlier in the year, the essence of their previous proposals should remain.
- 4.7 The IRP only supplemented their previous work with a Member survey (e.mailed x 24 / paper copy x 5) and a single, joint interview with the three Group Leaders (or Deputies, in Leaders' absence), together with the Borough Director, on the 22nd of November 2007.
- 4.8 Feckenham Parish Council submitted a request that the IRP also look into allowances for the Parish Council (Appendix C refers).

5. Key Issues

- 5.1 The Panel expressed a degree of dissatisfaction that, in spite of their work to date, and the reasoned arguments they had presented, the Council had not yet adopted any of their latest recommendations. However they understood the influences and constraints on Members' decisions in this area.
- 5.2 It was clear that that the value of the allowances paid to Members of Redditch Borough Council had continued to fall and that they remained considerably lower than those paid in any of the comparable authorities. The IRP considered that this risked sending negative messages about the value placed on the work of Redditch elected Members.
- 5.3 The IRP also considered that, to provide a greater degree of balance in their report and improve understanding of the cost-benefits of payment of Members' Allowances, it would be useful to supplement the report with an indication of the amounts, and percentages, of time Members spent on their general Councillor duties and Ward Work respectively (see paragraphs 5.11 -13 below).
- 5.4 The IRP also noted a number of representations made during recent months by members of the Overview & Scrutiny Committee and acceded that it would be possible to offer Special Responsibility Allowance to them on the following basis:-
- The increased frequency of O&S meetings now matched the frequency of the Executive Committee.
 - Most O&S members would at some point be expected to Chair Task & Finish Group Reviews.

- Task & Finish Reviews seemed currently to be significant pieces of work, involving higher levels of work and responsibility, rather than short, sharp Reviews.
- It was reasonable to differentiate between the 16 Exec and O&S Members and the 13 “unattached” non Exec Members.

However, the IRP did not agree to pay other Chairs of Task & Finish, on the basis that the Constitution generally expected this to be the role of O&S Committee members.

Feckenham Parish Council

- 5.5 The consideration of Allowances and / or expenses for the Parish Council, was a new area for the Panel.

However, it did appear from the evidence currently available, that it was reasonable to recommend a payment for a Chair of the Parish Council, and reimbursement of travel and subsistence expenses on the same terms as currently in force for Borough Members.

- 5.6 In further discussion with the Parish Clerk, it appeared that the Parish Council was effectively only seeking reimbursement of expenses. However, the Panel’s work in the meantime indicated that some Parish Council Chairs did receive a small Special Responsibility Allowance, and on that basis a nominal figure of £100 was proposed (Appendix C refers).
- 5.7 Whilst in this area, the Panel also remarked on the current low levels of subsistence payments. Officers advised that a Borough Member had also recently commented on this fact, in relation to a recent approved duty, and that there was currently no agreed system for increasing subsistence figures for Members or Officers.

Approved Duties

- 5.8 The Panel considered the current definition of Approved Duties which, since the introduction of more Member-led processes such as Portfolio Holders and Overview & Scrutiny (and Task & Finish) was found to be wanting. The current definition could be summarised as:- “any meeting of a Council appointed body; or involving Council-nominated representation; or one to which Officers have invited Members’ attendance”.
- 5.9 It was therefore suggested that this definition should now be extended to include:-

- *meetings required as part of O&S, or similar, Member-led Review;*
- *attendance at relevant meetings by Leaders, Portfolio Holders and /or O&S Chair where required by virtue of their position;*
- *authority to be delegated to the Democratic Services Manager to adjudicate on such duties, and to determine whether duties are approved or not for payment, within this definition; and*
- *any dispute arising on such adjudication to be settled in consultation with the Portfolio Holder for Corporate Management.”*

5.10 The Scheme should include a new rule to deal with mileage payments in situations when Members move out of the area or otherwise change circumstances:-

“a) Home to meetings mileages

- *maximum distance for mileage to be paid per journey for an approved duty - (suggested) 40 miles;*

b) Home to Conferences, Seminars, Training, etc.

- *no limit on mileage.”*

Member’s Assessment of Time Allocations

5.11 At the IRP’s request, Councillors were surveyed on their estimated proportion of time spent on “Town Hall-based” work versus Ward work.

5.12 Of the 29 current Members, 13 responded. From those responses, the average allocation of time between Council / Committee work and Ward work was 57.2% and 42.8% respectively.

5.13 Total hours spent on Council work per week varied according to Members’ circumstances, and ranged between 10 and 42 hours per week, the average being around 25 hours per week.

6. Other Implications

6.1 No direct Community Safety or Sustainability implications have been identified.

- 6.2 Human Resources implications are touched on briefly in terms of current levels of support to Members in the additional recommendations in Section 7 below.
- 6.3 In terms of Social Inclusion, allowances form part of the strategy to ensure equality of access to Council Membership and community representation.

7. **Conclusions**

Key additional recommendations:-

- 7.1 Key points which the Panel concluded and which they now wish to formally recommend are given below:-

([N] = to be noted / [A] = to be adopted)

1. Current proposals are for a number of re-allocations and reductions, as well as the recommended increases to allowances. [N]
2. Any higher increase to bring Allowances in to line with those of other Authorities beyond the current proposals should be staggered over 1 - 2 years. [N]
3. The Panel meet annually to monitor and review the Scheme of Allowances. [A]
4. Executive Panel Chairs - the relevant Portfolio Holder normally to chair relevant projects, without separate payment; the proposed separate Special Responsibility Allowance (SRA) for other, non Portfolio Holder Panel Chairs being paid pro rata in arrears for the duration of the work of the Panel only. [A]
5. Planning & Licensing Committees - Additional SRA - consideration to be given to SRA for Planning and Licensing Committee ordinary members in view of mandatory training requirements.
[N - subject to further separate consideration by the Council].
6. Outside Bodies - suggested that SRA be £250 per year, with relevant outside bodies to be determined annually by the Council. [A]
7. Mileage rate to remain at the agreed Inland Revenue maximum rate (currently 40 pence per mile). [A]

8. Reimbursement of carer costs to be simplified - payment on production of auditable evidence, to a maximum cost per hour of current minimum wage level; and the requirement for Registered Carer only to be rescinded. [A]
9. Personal Development Plans and Ward Work:- consideration to be given to a means of rewarding Members' personal development and Ward work via a lump sum payment per Group, equivalent to the size of each political group, the distribution of which to be administered, agreed and awarded within each Group, based on the Group's own criteria and judgement.
[N - further consideration required if the Council wishes to pursue this option].
10. Definitions of Basic Allowance and Approved Duties - clearer definition to be provided as to what is covered by the Basic Allowance and what constitutes an Approved Duty, such as when/whether mileage can be claimed. [A]
11. Members to be kept more aware of what allowances are available. [A]

Supplementary recommendations:-

12. Further information and assistance to be made more routinely available to Members in terms of tax advice. [A]
13. Individual Support Budget - in light of Members' comments, this be increased from £500 to £1,000 per head per year. [A]
14. Provision of higher levels of administrative / clerical support direct to Councillors (a bid was put forward for this, but failed, within the Council's Budget Bids process 2007).
[N - subject to further separate consideration by the Council].
15. Baseline provision of IT equipment and increased access to electronic systems. [N - detail to be considered and established in another place / via a different decision route - other than IRP].

Final Conclusions

- 7.2 The Panel strongly believes that this Council's Allowances should be brought into line with those of other similar authorities. In their view not to do so will further compound the already wide differential and is likely to impact on the recruitment and retention of Councillors.

- 7.3 The Panel's recommendations arise out of comments and information provided by Members of the Council and therefore the Panel considers that these largely reflect the will of the Council.
- 7.4 The Panel wished to remind Members that within the Local Authorities (Members' Allowances) (England) Regulations 2003 there was provision for any Councillor to elect to forego any of his or her entitlement to an allowance under the Scheme by giving notice in writing to the Chief Finance Officer (Borough Director).
- 7.4 The Council is therefore asked to consider the recommendations set out under Section 2 (and 7) of this report.

8. Background Papers

Working papers and notes of IRP meetings.

9. Consultation

- 9.1 This report has been written on behalf of the Independent Remuneration Panel.
- 9.2 The Democratic Services Manager and Members' Services Officer have been directly involved in the report's preparation. Members' views via written consultation and a Panel, consisting of the 3 Party Group Leaders plus Borough Director was interviewed.
- 9.3 The draft report has been considered by the Borough Director, Head of Finance, Revenues & Benefits, Head of Human Resources & Communications, Head of Audit and Head of Legal, Democratic and Property Services.

10. Author of Report

The author of this report is Steve Skinner (Democratic Services Manager), on behalf of the Independent Remuneration Panel, who can be contacted on extension 3256 (email: steve.skinner@redditchbc.gov.uk) for more information.

11. Appendices

Appendix A - Draft Revised Scheme of Allowances.

Appendix B - Comparison with other Councils.

Appendix C - Feckenham Parish Council proposals.

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SCHEME OF ALLOWANCES

(figures rounded to nearest £)

SCHEDULE 1 - BASIC ALLOWANCE PAYABLE TO EACH MEMBER OF THE COUNCIL

| BASIC ALLOWANCE | <i>Current amounts</i> £2,500 | PROPOSED AMOUNT OF ALLOWANCE £3,219 | ROLE Payable to each member of the Council (29) |
|------------------------|---|--|---|
| | <i>Total</i> £72,500 | Total £93,351 | (25% "catch-up" increase 2007/08, plus 3% 2008/09) |

SCHEDULE 2 - POSITIONS DEEMED TO CARRY SPECIAL RESPONSIBILITIES AND THE AMOUNTS PAYABLE

| SPECIAL RESP ALLOWANCE | <i>Current amounts</i> | PROPOSED AMOUNT OF ALLOWANCE | ROLE |
|-------------------------------|--|--|---|
| 1. | £5,000 | £6,250 + 3% £6,438 | Leader of the Council & Chair of Executive Committee (1) |
| 2. | £3,500 | £4,375 + 3% £4,506 | Deputy Leader of the Council & Vice Chair of Executive Committee (1) |
| 3. | £1,000 <i>(per Group Leader therefore £2,000)</i> | <u>£1,000</u> per minority Group Leader, therefore £2,000 | Minority Group Leader(s) (currently 2) |
| 4. | £2,000 <i>(to ordinary "Executive" members therefore £12,000)</i> | £1,000 + 3% <u>£1,030</u> Therefore Total £2,060 | Each "ordinary" Executive Committee member (currently 2) (excludes: Chair and Vice-Chair ; and Portfolio Holders.) |
| 5. | <i>Nil</i> | <u>£1,500</u> Total £9,000 | Portfolio Holders (6) (includes Exec Panel Chair role) |
| 6. | £1,500 <i>Total</i> £10,500 | £1,250 + 3% <u>£1,288</u> Total £3,870 | Executive Panel Chairs (currently 3) - if not Portfolio Holders - payable in arrears from first meeting of relevant Panel. |

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| SPECIAL RESP ALLOWANCE | <i>Current amounts</i> | PROPOSED AMOUNT OF ALLOWANCE | ROLE |
|-------------------------------|---|--|---|
| 7. | <i>£1,500 x 4 plus Vice Chairs Total £7,000</i> | £1,875 + 3% <u>£1,931</u> | Chair of Overview & Scrutiny (1) <i>(No payment for Vice-Chair)</i> |
| 8. | <i>Nil</i> | <u>£1,030</u> Total £7,210 | Overview & Scrutiny "Ordinary Members" (7) <i>(same as "ordinary" Exec Member)</i> |
| 9. | <i>£1,500</i> | £3,000 + 3% <u>£3,090</u> | Chair of Planning (1) |
| 10. | <i>£350</i> | £1,000 + 3% <u>£1,030</u> | Vice-Chair of Planning (1) |
| 11. | <i>£1,000</i> | £1,250 + 3% <u>£1,288</u> | Chair of Licensing Committee (1) |
| 12. | <i>£250</i> | £250 + 3% <u>£258</u> | Vice-Chair of Licensing Committee |
| 13. | <i>No equivalent</i> | £1,250 + 3% <u>£1,288</u> | Chair of Regulatory Committee |
| 14. | <i>£200</i> | £250 + 3% <u>£258</u> | Independent Chair of Standards Committee |
| | <i>Budget Total</i> £43,300 | Total <u>£44,227</u> | |

SCHEDULE 3 - POSITIONS ON OUTSIDE BODIES

| OUTSIDE BODIES PAYMENT | <i>Current amounts</i> | PROPOSED AMOUNT OF ALLOWANCE | ROLE |
|-------------------------------|------------------------|-------------------------------------|--|
| | <i>£200 x 5</i> | £250 + 3% <u>£258</u> | To be determined annually at Council. (Currently 5) |
| | <i>Total £1,000</i> | Total £1,290 | |

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SCHEDULE 4 - PERSONAL SUPPORT BUDGET

| PERSONAL SUPPORT BUDGET | <i>Current amounts</i> | PROPOSED AMOUNT OF ALLOWANCE | ROLE |
|--------------------------------|------------------------|-------------------------------------|---|
| | £500 x 29 | <u>£1,000</u> | Members' Personal Support Budget for Training & Development and / or Equipment support. |
| | Total £14,500 | Total £29,000 | |

TOTALS:

| Element: | OLD | PROPOSED | |
|----------------------------|-----------------|------------------------|--|
| 1. BASIC | £ 72,500 | £ 93,351 | |
| 2. SRA | £ 43,300 | £ 44,227 | |
| 3. O/B's | £ 1,000 | £ 1,290 | |
| <u>TOTAL</u> | <u>£116,800</u> | <u>£138,868</u> | |
| 4. SUPPORT | £ 14,500 | £ 29,000 | |
| <u>GRAND TOTAL:</u> | <u>£131,300</u> | <u>£167,868</u> | |

NOTES

1. Total implications are therefore for an increase of approx. **£36,568**, which takes into account **£22,068** for the Allowances Scheme itself, plus £14,500, for the increase in Members' individual support budgets.
2. Further work is still required on a number of the other suggestions, such as the establishment of a revised baseline level of IT equipment for Members.

The implications of any change here have not been considered in any detail and are not funded.

| Comparison of Allowances paid - within Worcestershire and "family" | | | | | | | | | | |
|---|----------------------|--------------------------|----------------------|----------------------------------|-----------------------|----------------------|------------------------|------------------------|--------------------------|---|
| (Updated as at 26.11.07) | | | | | | | | | | |
| Authority | Basic | Leader | Deputy Leader | Cabinet/ Executive Member | Planning Chair | O&S Chair | Licensing Chair | Standards Chair | Portfolio holders | Opposition Leader(s) |
| RBC | 2,500 | 5,000 | 3,500 | 2,000 | 1,500 | 1,500 | 1,250 | 200 | Nil | 1,000 |
| Bromsgrove | 3,450 | 7,000 +125 per mbr | 6,250 | 4,500 | 3,250 | 3,000 | 100 per mtg | 1,750 | - | 500 + 125 per mbr Other Group leaders 125 per mbr |
| Malvern | 3,634 | 8,260 | | | | 5,507 | 1,033 | 650 | 5,507 | 81 x mbrs |
| Worcester City | 3,775 | 9,437 | 5,662 | 5,662 | 3,775 | 3,775 | 2,831 | 943 | | 84 per mbr, reduced by 50% where other SRA |
| Wychavon | 3,775 | 9,437 | - | 5,662 | 5,662 | 5,662 | 1,132 | 943 | | Per Worc City |
| Wyre Forest | 4,698 | 11,742 | 8,808 | 7,635 | 5,283 | 5,871 | 5,283 | | | 5,871 |
| | No change this year | | | | | | | | | |
| WCC | 8,800 | 30,316.54 | - | 16,097.28 | 16,097.28 | 16,097.28 | - | - | 16,097.28 | 16,097.28 |
| Tamworth | 4,677 | 9,353 | 7,015 | 6,125 | 4,231 | 4,231 | 4,231 | 1,392 | | 4,231 |
| | No change this year | | | | | | | | | |
| Rugby * | 5,103 | 9,468 | 4,737 | 4,017 | 2,559 | - | 2,559 | 717 | = Cabinet mbrs | 1,500 |
| Stevenage | 6,933 | 17,336 | | 9,533 | 9,533 | 9,533 | 9,533 | 1,537 | - | - |
| Wellingborough | 3,140 | 6,280 | 4,710 | | | 4,710 | 1,175 | 290 | 390 | 4,710 |
| | No change this year. | | | | | | | | | |

* Upon completion of required training (specified in job profiles), Member moves to a higher rate of allowance.

g:\working parties\IRP\2007-2008\comparison of allowances paid updated at 261107

Parish Council proposals

Under the Local Authorities (Members' Allowances) (England) Regulations 2003, Parish Councils are able to approach the local authority to seek recommendations from that authority's Independent Remuneration Panel in respect of payments to Parish Councillors.

Further to an approach from the Feckenham Parish Council, the IRP has recommended that:

1. the Chairman receive an allowance of £100 per annum;
2. Parish Councillors be able to claim "reasonable" * expenses incurred while on Council business where those expenses have been agreed in advance by the Council;
3. Travel and Subsistence expenses be reimbursable at the same rates as currently in force for the Borough Council:

2007/08:

*Mileage **40 pence per mile***

*Lunch allowance **£10.00***

*Evening Meal allowance **£15.00***

and

4. the Parish Council be advised accordingly.

* Note:

In respect of 2) above, "*reasonable*" to be a matter for the judgement of the Parish Clerk, in consultation with the Chairman of the Council; any exceptions or disputes to be determined by decision of the Parish Council.

In respect of 3) above, the Borough Council has yet to approve the figures in bold italics in respect of meal allowances. Current approved figures are £6.17 and £7.34, rather than the £10 and £15 recommended by the IRP as part of this review. The mileage figure is currently correct (set by the Inland Revenue).

Officer comments (if any)