

ANALYSIS OF 2007/08 MEMBERS ALLOWANCES RETURNS AND COMMENTARY ON GENERAL ALLOWANCE ISSUES ARISING

The survey and its interpretation

In response to the suggestions at the Independent Remuneration Panel (IRP) Chairs' meeting on 6th July, this year's questionnaire included requests for information about:

- the overall budgets for allowances and members' support;
- the use of external advisers;
- the overall percentage of members receiving special responsibility allowances; and
- the formulae where used to calculate basic allowance.

Overall there has been a good response and the rows on the schedule highlighted **IN PINK** reflect those authorities that responded and show the changes in values. The rows left **IN WHITE** reflect the 2006 information not as yet updated. In some cases, local authorities advised that they were in the middle of an allowances review and hence could not provide updated information at this time.

The survey asked for some information about the rationale or justification for setting special responsibility allowances. The pink lines on the schedule show this against the value where such information was provided.

The key is:

R = responsibility

F = frequency

T = time and effort

O = other (eg external expertise)

Basic Allowance

There is evidence that some Panels have recommended quite dramatic inflation-busting increases in the value of the basic allowance in their authorities over previous levels. Where a justification has been offered it reflects concerns at the growing complexity and responsibility of the role of a front-line councillor. This complexity has been demonstrated to panels through

- face to face interviews with councillors
- written representations
- "a day in the life of.." diary evidence.

Panels have been made aware of the work of the Councillors Commission and the All party Parliamentary Group before that, both on the subject of identifying the barriers and incentives to standing as an elected councillor. Much of the evidence from

councillors seems to reflect issues around the *difficulties of the role and the excessive time and effort demands placed on modern-day councillors.*

(A special meeting of the IRP chairs will be arranged as soon as the Commission's findings are published.)

Not all Panels use a formula to calculate basic allowance. They either update the existing figure or discuss and agree what a suitable level might be for the particular council, given local circumstances and possibly what comparator information was available from the relevant "audit-family" of like councils, or comparisons with neighbouring councils.

There is nothing wrong with this approach and if it achieves a satisfactory outcome for the council and is able to withstand public scrutiny then that is fine.

Where some kind of formula was used, the following aspects were evident:

- the published Local Government Association daily rate – currently £138.75;
- an assessment of the number of hours per month / per week taken as an average within the council – evidenced from councillor questionnaire and diary returns;
- an assessment of between 48 – 52 weeks of the year for calculation purposes (most assessed as 48 x working weeks to take account of holidays and other down time) - *interestingly though one councillor was reported to have stated that he was approached by a constituent while he was swimming in the sea on holiday !!;*
- one Unitary Council assessed the commitment as 104 days per year;
- use of local wage rates for the County area or sub-region.

It does appear that most Panels still seek to apply a voluntary service discount to the formula – and the most common level is 30/33%. This is consistent with the Government's view that part of a councillor's commitment must be voluntary. No doubt the Commission will be considering this aspect for the future.

For those panels that apply a higher percentage, there is evidence they are seeking a gradual reduction over time. There are still some Panels that do not make any percentage reduction, presumably on the basis they are persuaded that a voluntary service discount should not apply.

Special Responsibility Allowances (SRAs)

The IRP Chairs asked for information about the percentage of councillors in any one authority who received SRAs. The Government Guidance on this states that the public might "*raise an eyebrow*" if in excess of 50% of councillors receive such an allowance in any council.

The returns show that the percentage ranges from 5.2% to 59%. It seems that IRPs are looking more seriously at this now.

In most cases Panels are basing SRA assessments on a multiplier of the basic allowance – grading the responsibilities within a scheme in relation to the basic allowance and the basic councillors’ role.

A notable factor is the significant increase awarded to the role of *Chair of Planning* in some schemes. This recognises the level of specialist knowledge of procedures and a high level of responsibility in managing a meeting that is delivering a quasi-judicial process, despite there being officer advice present at all times.

The *licensing committee* on the other hand has in most cases reduced to reflect the changed workload involved at the moment – following the initial peak flow of work. However the workload needs to be monitored in the context of emerging gambling licensing commitments. Also relevant here is the level of office support routinely available to the Chair. There needs to be consistency however in this as similar considerations need to be taken for the planning chair’s function.

Most Panels do still reward *the chairing role* despite the belief in some quarters that chairing a meeting of itself carries no particular responsibility and might be covered by the basic allowance as a responsibility of all councillors from time to time. It obviously depends on the nature and frequency of the meetings and whether the role operates to a significant extent outside of the meeting e.g. as a functional lead member/spokesperson. In most cases, a full justification has been made for allowances to chairs.

Advice to Panels might be to satisfy themselves as to the precise nature of *the chairing role* and issues such as

- frequency;
- role outside of / beyond the meeting itself;
- level and consistency of officer advice at the meeting;
- complexity of the meeting;
- complexity of the subject matter;
- strategic importance of the meeting;
- extent of functional leadership role involved.

It is also worth commenting on the rise in levels of allowance to *chairs of the overview and scrutiny bodies* in all types of Council. There is much national talk about raising the profile of this role in an executive environment. Panels appear in some cases to be accepting evidence of this heightened role and rewarding it accordingly.

On *Leader roles*, it is noticeable that Bristol Unitary Authority is moving towards a more robust allowance over a period of time. The report of their Panel calls for a separate year on year increase taking the allowance to £50,000 (+ index linked rises) over a period of four years. The Panel notes the excessive hours that such a post demands for a Council / City the size of Bristol.

On *Cabinet member roles*, it is unfortunate that respondents did not address the issue of whether or not personal decision making featured in their executive working models. For Panels it is important that they appreciate that the role of a Cabinet

member in one authority which expects only a functional lead role but has only collective cabinet decision-making, will be significantly different from a cabinet member who has personal decision making within his/her portfolio. Panels must be clear as to the level of decision making and the nature of the process. For instance, if only routine administrative decisions are taken, the value might be less than a cabinet member who routinely takes significant decisions even to the extent of making secondary policy decisions.

It is intended to pursue this issue through the Member Support Officer Network enquiry process so that a clearer picture can be developed.

It is worth noting also the shift upwards in the allowances awarded to *Chairs of Standards Committees*. This in some cases recognises the importance and delicacy of the proceedings of such Committees in dealing with allegations of breach of conduct. It also acknowledges the emerging intention to increase the workload of such committees in making more local determinations of such matters. Panels are likely to be faced with this issue in the near future as this workload increase comes on stream in early 2008.

Review Methodologies

The survey sought information about the methodologies followed by Panels in the conduct of their reviews. The most common methodologies employed were as follows:

- Role descriptions (where these formed part of the constitutional framework);
- Questionnaires to councillors (seeking information about average monthly hours spent on duties);
- Questionnaire to senior officers;
- Sample time sheets of councillors daily duties;
- A “day in the life” diary of a councillor;
- Other submissions from councillors and on behalf of political groups;
- Face to face interviews with Group Leaders, individual role-holders, councillors in general (particularly non-executive members) and councillors specifically asked to help the Panel;
- Comparisons with other South West councils – using the SWLGA survey information of which this analysis is part;
- Government Guidance – still relevant in context of present legislative framework;
- Information about the Council – in presentation covering political make-up, constitutional provisions re decision making and roles of councillors, how the particular council works, what support is available to councillors e.g. computer support (which the returns suggest some seek to add into the basic allowance calculation and others pay separately);
- Meeting with all group leaders;
- Invitations to members of the public (they are after all valuable stakeholders and will have concerns about the cost and effectiveness of local democracy);
- Assessment of each councillor’s external commitments e.g. outside bodies served on;
- 1998 DETR survey of councillors (updated by IDeA survey 2006);

- LGA recommended daily rate of remuneration;
- Regional/sub regional wage data;
- Consideration of national local government developments;
- Benchmarking data eg New Unitaries Benchmarking Group (former Avon area councils) and audit families;
- Member commentary on current scheme of allowances;
- Letter to all parish/town councils to invite views on parish levels of remuneration;
- Analysis of schemes from adjoining and other relevant councils.

The normal life cycle of a Panel is as follows:

- Recruitment and selection of suitable independent persons to serve on the panel (up to one month);
- Training of selected members (which can be arranged via South West Provincial Employers on 01823 270101) on all relevant issues including their role, local government in general, the council specifically, the legal provisions and the review process. (3 x hour session – can be tacked onto the first panel meeting);
- Determine relevant information required about councillors roles in that authority and plan how this is to be done (up to one month);
- Analyse information with officer and independent support as required including interviews with councillors and others as required (one or two meetings);
- Produce findings (probably for initial discussion with leading councillors as to its acceptability and affordability) (Chair or independent adviser drafting beforehand for report to the panel one meeting);
- Write report for council with full set of agreed recommendations (Chair of Panel or nominee to attend council meeting to present report);
- Panel meets annually thereafter for up to 4 years to review scheme, or more frequently if issues come to light that need a panel recommendation to the council.

Independent Advisers

The IRP Chairs asked specifically for help in identifying individuals that could be engaged to help panels, particularly where there was a need for training or for ongoing help throughout a review. The first page of the schedule identifies individuals that have been used around the region. In summary they are:

Dr Declan Hall (INLOGOV)

Don Latham – who chairs a number of Panels in the region

Steve Vale – self employed and formerly from Tribal

Professor Michael Cole, Plymouth University

Graham Russell – author of this survey and Senior Associate of SWLGA/SWPE.

Councillors' Commission

Colleagues will be aware that the Councillors' Commission is expecting to report its findings by December 2007. As soon as this report is published, a meeting of IRP

chairs will be arranged with a Commissioner in attendance to discuss the findings and their relevance to future work of Panels. At the time of writing it is hoped that the meeting will be in December.

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