

SOUTH WEST LOCAL GOVERNMENT ASSOCIATION SURVEY OF MEMBERS' ALLOWANCES – 2006/07

NOTES TO INDEPENDENT REMUNERATION PANELS

Introduction

1. This survey was undertaken by the South West Local Government Association at the instigation of the region's Chairs of Independent Remuneration Panels who had:
 - commented on the need to share best / good practice among Panels; and
 - asked for some research to be commissioned to establish benchmarking data for the region.
2. At the time of writing this commentary, a total of 38 local authorities participated out of a possible 51.
3. The Schedule / spreadsheet linked to this summary shows the data by type of allowance - *Basic, Executive/4th Option, Overview and Scrutiny, Regulatory, Civic/Political and Travel etc.* and by type of local authority – *Unitary, 4th Option, CC Executive and DC Executive*
4. The following textual analysis includes references to the Government's recent White Paper "*Strong and Prosperous Communities*" at key points. Independent Remuneration Panels will need to take account of changes in due course and might benefit from early consideration of issues as they arise.

General issues on interpretation of Basic Allowance data

5. Independent Remuneration Panels (IRPs) need to be aware that:
 - although formulae exist to help them establish a basis for setting the Basic Allowance – eg a daily median wage rate published by the Local Government Association - there is by no means consistency on this approach. Indeed some returns show IRPs are unaware of the historical basis for current allowances and use them merely as a starting point for discussion;
 - most returns suggest there is an acceptance that the role of a local councillor is regarded in part as voluntary public service. A % reduction is therefore applied to any formula used to calculate the Basic Allowance. The most common reduction in any formula is 33%;

- most authorities build into their Scheme of Allowances an index that can be applied each year to the whole scheme to cover inflation. The most common index is Retail (now Consumer) Price Index. The other common application is to match the nationally negotiated staff pay award, or at least what % has been budgeted for staff salary increases;
- there is no consistent basis for determining which roles of the councillor are recognised by the Basic Allowance – some rely on the published guidance which states - “*Basic Allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their houses.*”;
- some IRPs have considered specific role descriptions in which the relevant roles recognised by the Basic Allowance are covered as well as other local assumptions. Some IRPs (eg Mendip) have applied a hierarchy of allowances to help them assess what aspects of special responsibility currently applied should be regarded as reasonably covered by a robust Basic Allowance – an example would be chairing a number of meetings;
- in all of this, IRPs need to be mindful of the Government’s intention to review the incentives and barriers to serving as a councillor, including allowances – announced in its recent White Paper “*Strong and Prosperous Communities*”.

General issues on interpretation of Executive / 4th Option SRA data

6. IRPs are reminded that under the provisions of the Local Government Act, 2000, smaller councils with a population of 85,000 and under were permitted to revise their committee structures rather than to adopt formal executive arrangements / cabinets. Such smaller councils were termed “4th Option”.
 - in most cases, the basis for awarding a Special Responsibility Allowance (SRA) was to recognise the time and effort put into the role and the responsibility level carried. Responsibility in this context was often linked directly to accountability for spending budgets.
 - Some use has been made of the legal provision to reward through an SRA those who participate in meetings with excessive frequency, for example the early peak workload of the Committees set up under the Licensing Act 2003.

- the most common basis for calculating SRAs was as a multiplier of the Basic Allowance. For example, Leader = 5 x times BA and other SRAs were applied in proportion. Another common basis was to make every SRA a % of the Leader's SRA – itself calculated as a multiplier of the Basic Allowance.
- not all local authorities use the same terminology to describe their executive arrangements. Caution must therefore be applied in making direct comparisons.
- 4th Option Councils invariably recognise with an SRA the role of a Committee Chair – sometimes called and Executive Committee - as being of some significance. These are usually representative of the controlling political group and individually and collectively responsible for the administration and policy of the Council.
- it is important to be aware that not all “Cabinet Members” or “Portfolio Holders” identified in the survey have the same level of authority. Some are advisory only while others take full executive authority within their portfolios of responsibility. In some Councils, Cabinet Members / Portfolio Holders only make decisions collectively as a full Cabinet. In others they will have both individual and collective decision making responsibilities. The allowances often reflect these differences. The Schedule does not offer any information on average wards because of this wide variation.
- some returns show that in addition to the Cabinet structure, other “Lead members” are appointed to support executive working but without executive authority to act.

General issues on interpretation of Regulatory SRA data

7. IRPs will note that this is the largest table in the Schedule. This is because there are many and diverse roles that Council's have agreed should be supported through an SRA. However, some of these roles are limited to only a few authorities e.g. Area Chairs.
 - a recent “creation” in local authorities is the Audit Committee – a separate body of elected members charged with overseeing the good governance of the Council through its Statement of Internal Control under the Accounts and Audit Regulations 2003. There are not many authorities recording SRAs for the chairs of these Committees but those that do show a large discrepancy in the SRA values. This role may develop over the coming years.

- not all returns were clear as to the precise role of what were termed “Regulatory Committees”. In some cases the term was used for a wide range of service issues such as planning, licensing and public rights of way. Where more specific committees have been identified, these are shown separately in the Schedule.
- the most prolific returns in this section described the SRAs for Planning / Development Control and Licensing Committee Chairs and Deputy Chairs. The justification offered for most of these as related to level of responsibility and frequency of the meetings required, linked to time and effort.
- in a few cases, the schedule flags up (red comment flash in box) issues around the payment of an SRA for ordinary members of high frequency meetings – this is permitted under the Regulations and recognises the special impact of being readily available to support the particular and detailed work involved. The most prolific example of this is the members of the Licensing Committees. IRPs will need to be satisfied that the demands on these Committees continue at a level that justifies a special responsibility payment.
- The Schedule includes reference to Standards Committees which have a role in overseeing councillors’ conduct. Again the range of SRA payments is significant. The Chair of the Standards Committee has to be a person independent of councillors. It is therefore reasonable to assume that a person outside the local authority will require a greater degree of time and effort in keeping themselves up to date with the relevant issues and case work involved.
- IRPs should also be aware for the future of Government plans to review the conduct regime for councillors with a more active role for local Standards Committees in upholding good standards of conduct and dealing locally with alleged breaches.
- It is worth noting that there is no clear evidence as to the role of area committees where these are shown on the Schedule. The law does provide for an area committee to exercise delegated executive functions as well as regulatory (planning) functions. It is not possible therefore to generalise on the value of any allowance that is appropriate and IRPs will need to look at local circumstances.

General issues on interpretation of Overview and Scrutiny SRA data

8. IRPs need to be aware that although exempted from the need to adopt full executive arrangements, all local authorities including 4th Option Councils are required to have at least 1 x Overview and Scrutiny Committee.
9. In Government guidance, such committees were to be complementary to the role of the executive or policy committees as well as calling them to account. In practice, the balance of this working, and possible the level of responsibility required of the Chair may depend on whether the OS Committee is led by a member of the opposition.
 - in general the SRA awards for Chairs of O & S are significant across all councils which does suggest their role is taken seriously by local authorities;
 - the Schedule identifies those councils where the scrutiny role is separated out from any overview or policy development role;
 - IRPs may need to register that the role of overview and scrutiny generally is set to increase as new legislation emerges on community safety which gives O & S greater powers of scrutiny over relevant partner bodies and in the review of community concerns. Parallel powers are indicated for other community issues, in the recent Government White Paper *“Stronger and Prosperous Communities”*.

General issues on interpretation of Civic / Political SRA data

10. The principal issues here are
 - most Councils pay an allowance to the Chair / Mayor / Lord Mayor of the Council and the deputy. IRPs need to be clear that the use of the term “Mayor” in this context does not refer to an executive Mayor – e.g. Ken Livingstone – but a civic and ceremonial office.
 - it is possible that those Councils that have not identified an award to the Chair etc in the Schedule do in fact pay an allowance but not as an SRA but from a separate budget for the Chair’s office. IRPs will need to be clear whether such an allowance is to feature within the Scheme of Allowances for their authorities.
 - the returns show a number of approaches to the payment of an SRA to Group Leader. IRPs will need to be aware that the Leader of a majority political group will often be shown as the Leader under executive

arrangements. Local Schemes may also identify SRA entitlements to other group leaders or more specifically to opposition group leaders.

- IRPs will need to assess the value of SRAs to group leaders relative to the role they perform and to the size (and perhaps influence) of their group. The returns show that many councils provide a basic level of award supplemented by an award for each member of the group. This keeps the overall SRA in proportion to group strength.
- The member champion role is identified in 3 returns. This is an emerging role in modern local governance and one where there has been little information or guidance to IRPs. That will change with the issue in December of guidance about this specific role.

General issues on interpretation of travel and subsistence data

11. In this area of the returns there was a great deal of common ground in the approach.
 - the Inland Revenue mileage criteria were used by many Councils in setting a 40p car rate – others specified that the rates would be identical to employee rates
 - most councils now pay a bicycle allowance – 20p being a common value per mile (although there are one or two more specific values!)
 - subsistence was generally common around breakfast, lunch, tea and evening meal payments with the criterion applying of absence for 4 hours or more respectively up to 11am, including 12-2pm, including 3 - 5pm and ending after 6 or 7 pm
 - there was a greater degree of discrepancy over the value of the dependent carers' allowance where paid. The Schedule shows that the minimum national average wage is used to set the hourly limit. Others specify that actual costs with or without an annual or monthly limit will be met.
 - IRPs will need to be aware that support for dependent relatives will remove one of the identified barriers to people standing for the council. The level of this particular allowance should not serve to deter people who have dependency care as an issue.

Best Practice Notes - IRP Review Evidence

12. In most cases, IRPs will find it useful to receive information from serving councillors about
 - time commitments on their specific duties
 - levels of general and specific workload
 - current levels of allowance payments and the roles currently recognised in this way
 - need for an increase in the values of such allowances, and
 - the acceptable level of any increase in the overall budget
13. The methods of extracting this information include
 - questionnaire
 - face to face interviews with selected members or their representative - usually group leaders (sometimes seen as more beneficial than questionnaires)
 - invitations for written submissions from members or groups or both
14. Care should be taken over questionnaire design to ensure that questions are open and respondents able to give the information with supporting reasoning. Closed questions (a Yes / No answer) may not reveal the detailed circumstances or issues that will help the IRP.
15. In asking questions about time commitment, it is helpful to identify the time element in relation to each of the roles performed by a front line councillor or one with special responsibilities e.g. time spent in meetings with officers, with constituents, reading reports for whole council business etc. See sample questionnaires (annexed) from East Devon DC, South Somerset DC, Forest of Dean DC and Torbay Unitary. *These are set out in Annexes A-D.*
16. Another good practice tool for IRPs is to ask all members - or a category of members - to keep a diary of their activities for a specific period. Mid Devon did this and their questionnaire is attached as Annex E.

Best Practice Notes - IRP Comparative measures of SRAs

17. Mendip IRP sought information from political leaders about how they saw the relationship between different special responsibility payments. For example which allowances in their view carried the same level of responsibility.
18. The Panel sought a pyramid structure defining levels of allowance and which actual allowances fell within each level. This would help the Panel in deciding appropriate and proportionate payments.
19. The structure chart produced is attached for illustrative purposes only. While the Panel did not necessarily adopt the precise structured relationships, it provided a useful starting point for the discussion on special responsibilities. (Annex F)

Best Practice Notes - IRP Reports

20. Many Councils submitted their IRP reports in support of the SWLGA questionnaire feedback.
21. This provided an opportunity to see how comprehensively Panels were reporting on their reviews.
22. As the IRP provides the independent justification for Councillors' consideration of their own allowances, it is both relevant and essential that IRP reports are written in a way that reflects
 - the purpose of the review
 - the period for which this review would apply (eg the next 4 year term of the Council)
 - the structure of the Panel demonstrating its independence and its role
 - what advice and support it received (from the Council and independently)
 - current policy / legal principles of relevance
 - what evidence it sought and received
 - the review process
 - factors it applied in considering and balancing the evidence
 - its conclusions – broken down into the component parts of a local authority Scheme of Allowances
 - the reasons and rationale for its conclusions
 - clear recommendations + points of emphasis eg proportionality between allowances

23. In many cases, the IRP will devise a comprehensive set of proposals and in so doing will have applied a certain rationale, ratio and proportionality to the allowances for different roles. In this context it is important to the Panel that the proportionality between allowances is maintained, even if the Council rejects some of the values of certain allowances. In some of the evidence provided for this survey it was clear that the Council had reached alternative views about the value of allowances.
24. IRP reports therefore should emphasise the rationale to its proposals and, if necessary request the opportunity for further discussions if a Council's leadership was minded not to support the recommendations and make alternative decisions that would distort the whole package.

Further information

25. For further information about this survey, on behalf of the South West Local Government Association, email Graham Russell at grahamrussell31@blueyonder.co.uk

Annex A – Questionnaire from East Devon

Please return to: Janet Wilson, Member Services, Central Services, EDDC

Members Allowances – Questionnaire

Name: _____

1. Please provide an estimate of the average hours spent per month (including travelling time) on the following:

	Hours per month
Formal Council / Committee meetings	
Informal Council meetings eg seminars, meetings with officers, think tanks etc	
External meetings with other bodies to which Members have been appointed by the Council	
Work in connection with being a Ward Councillor	
Total average hours per month spent on Council business	

2. With regard to the total number of hours spent on Council business (as per question 1 above), please estimate how your time is broken down (NB the two shaded 'total' boxes should contain the same figure)

	Hours per month
Attendance at meetings	
Travel	
Research	
Talking to Officers	
General correspondence & talking to constituents	
Total average hours per month spent on Council business	

Annex B – Questionnaire from South Somerset

MEMBERS' ALLOWANCES – TIME SPENT BY MEMBERS ON COUNCIL DUTIES

All members were asked to provide details of the time spent on Council duties (not including party political meetings). They were asked to provide an **estimate** of the time spent. In total 45 members replied (75%).

The average time for each category is shown below.

Activity	Average time spent in a typical month (hours)
Attendance at Council, committee, District Executive, panels, working groups, sub-committees etc or other similar meetings convened by the Council.	
Preparing for meetings as above (reading agendas etc)	
Attendance at, and preparation for, meetings of outside bodies on which you represent the Council	
Meetings with Council officers (including pre-agendas)	
If you receive a special responsibility allowance – time spent on other duties related to that position, e.g. official visits, portfolio holder meetings etc.	
Planning Site visits	
Correspondence (including email)	
Telephone calls	
Travelling time to meetings etc.	
Ward Work , dealing with constituents etc.	
Attending parish/town council meetings, representing the District Council.	
Training or development authorised by the Council including workshops and conferences	
TOTAL NUMBER OF AVERAGE HOURS SPENT PER MONTH	

Also, members were asked to provide the following additional information:

If you are in employment, approximately how many hours per week are you absent from your employment on Council work.	
If you are in employment, is your employer supportive of your Council responsibilities?	
If you have responsibility as a carer, approximately how many hours per week do you need to arrange care cover whilst carrying out your duties on behalf of the Council?	

August 2004

Annex C – Questionnaire from Forest of Dean



COUNCILLORS ALLOWANCES

In accordance with government regulations, a review of payments to councillors is undertaken each year by an independent panel. The allowances have been set for the 2004-05 financial year so any changes will become effective from 1 April 2005.

Your views are vital in allowing the panel members to assess an appropriate level of allowances. As part of this process, I would be grateful if you could take a few minutes to answer the following questions. Don't worry if you feel unable to answer some of the questions, just leave that section blank. I can assure you that the individual views expressed by councillors will remain confidential and will only be disclosed to the members of the panel.

Please return your completed questionnaire to me by **Friday, 3 September** in the attached reply envelope.

Many thanks

Democratic Services Manager

1)	a) How many hours on average do you spend each week on council business?	___ hours
	b) In a typical week, how will this time be spent? Please complete the details below.	
	Attending meetings (including travelling)	___ hours
	Community representation	___ hours
	Case work (dealing with particular issues in your ward)	___ hours
	Research	___ hours

	Other (please specify)	_____	_____ hours
		_____	_____ hours
2)	a) Do you incur any significant costs which you believe are not covered by your present allowance?		YES NO
	b) If YES , please provide details.		
3)	The present level of basic allowance payable to all councillors is £2,600 . Do you think this is appropriate?		YES NO
	If NO		
	a) Should it be higher or lower?		HIGHER LOWER
	b) If you are able, please indicate an appropriate level		_____
4)	Special responsibility allowances are currently paid as follows:		
	Leader of the Council		£2,080
	Deputy Leader of the Council		£1,300
	Chairman of the Council		£1,950
	Vice-chairman of the Council		£ 975
	Chairman of the Executive Committee		£2,080
	Executive Committee members		£1,300
	Chairmen of the overview and scrutiny committees		£ 867
	Chairman of the Development Control Committee		£1,300
	Development Control Committee members		£ 260
	Group leaders (Three quarters of a basic allowance distributed according to the number of members in each political group)		£1,950
	a) Would you like to see any changes made to these allowances?		YES NO
	b) If YES , please provide details.		

5)	If you have any other comments on allowances, including the introduction of pensions for councillors, please include details below. Please add additional pages as necessary.	
6)	If required, would you be prepared to be interviewed by the independent panel?	YES NO
	Name _____ Dated _____	

Annex D – Questionnaire from Torbay

TORBAY COUNCIL

MEMBERS' ALLOWANCES QUESTIONNAIRE

1. Please give an indication of the number of hours you spend each week on your various duties as a Councillor:

- Ward work (including phone calls, letters, visiting constituents etc)..... hours
- Attending party meetings..... hours
- Preparation for committees..... hours
- Attendance at committees..... hours
- Any other activity (please specify)
..... hours
..... hours
..... hours

2. Do you consider the time you spend on Council work to be excessive?

YES

NO

3. Do you feel the current allowances scheme adequately meets the expenses you incur in performing your duties and responsibilities as a councillor?

YES

NO

4. Have you incurred losses for which you have not been recompensed?

YES

NO

5. Was the Members Allowances Scheme a relevant consideration in deciding whether to become a Councillor?

YES

NO

Comments:

.....
.....
.....
.....

6. Are you aware of any instances where the Scheme has influenced prospective Councillors in their decision on whether to become a Councillor?

Please sign the form and delete the parts that are not related to you.

Signed.....

I am employed/not employed/self employed

I have been a Councillor for years

Annex E – Member Diary from Mid Devon

MEMBERS' ALLOWANCES SCHEME

The Independent Remuneration Panel, at its first meeting on 17 July 2001 asked that, in order to assist it in its task of making recommendations to the Council about the appropriate level of allowances to be contained in the Members' Allowances Scheme, all Members of the Council be requested to keep a diary for the period **Monday 16 September to Wednesday 16 October**. Will you please, therefore, complete the attached sheets as fully as possible.

Completed sheets should be returned, please, to Philip Talbot at The Great House, 1 St Peter Street, Tiverton EX16 6NY by **Monday 21 October 2002**.

You will see that there is also provision for the submission of any other comments that you might wish to submit to the Panel. Members of the Council are also invited to meet with the Panel on Wednesday 30 October 2002 at 3.00pm to express any views in respect of the allowances scheme.

Separate sheets are being circulated to those Members in receipt of Special Responsibility Allowances and to Group Leaders.

Time taken preparing for meetings/reading documents etc	Time taken attending meetings (inc travelling)	Time Taken dealing with ward issues (please illustrate the nature of the issues being dealt with)	Time Taken dealing with any cross council issues (please illustrate the nature of the issues being dealt with) eg as Chairman of a Committee for which you do NOT receive a special Responsibility Allowance
Monday 16 September			
Tuesday 17 September			
Wednesday 18 September			

Thursday 19 September

Friday 20 September

Saturday 21 September

Sunday 22 September

Monday 23 September

Tuesday 24 September

Wednesday 25 September

Thursday 26 September

Friday 27 September

Saturday 28 September

Sunday 29 September

Monday 30 September

Tuesday 1 October

Wednesday 2 October

Thursday 3 October

Friday 4 October

Saturday 5 October

Sunday 6 October

Monday 7 October

Tuesday 8 October

Wednesday 9 October

Thursday 10 October

Friday 11 October

Saturday 12 October

Sunday 13 October			
Monday 14 October			
Tuesday 15 October			
Wednesday 16 October			

What percentage of the duties that you have listed above to you consider were in unsocial hours eg late evening/weekend?

<input type="text"/>

 %

Are there any other views that you would like the Panel to take into account in making their recommendations?

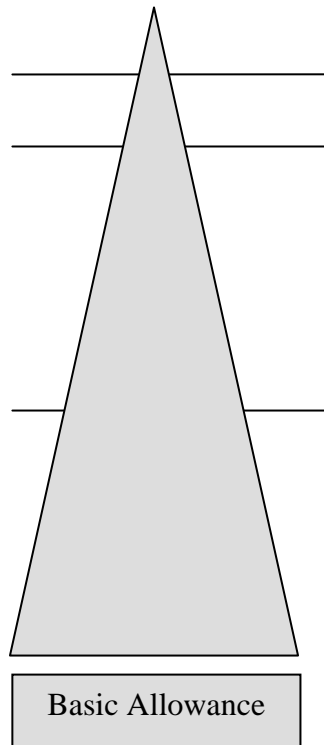
Name of Member

Please return completed form to Philip Talbot by Monday 21 October

Annex F

This Chart shows the levels of Special Responsibility Allowances for Councillors of Mendip District Council

The Senior Politicians agreed that there should be 5 levels of responsibility as shown. The members then approached the percentages of increase in a different way, both ways are shown in the 3rd and 4th column. The 5th column shows the percentages that were agreed upon and the calculations that follow are based on these figures.



Level	Roles included at this level	% in proportion to the Leader, as suggested by the Conservative Member	% add on in proportion to Basic, as suggested by the Liberal Democrat Member	% in proportion to the Leader, as agreed by both Members	No of Cllrs on this level	£/annum if the basic is £3,000	£/annum if the basic is £2,500	£/annum if the basic is £2,000
1	Leader of the Council	100	500	100	1	17,648	14,706	11,765
2	Senior Portfolio Holder	75	350	75	4	13,236	11,030	8,824
3	Portfolio Holder Deputy Leader Chair of Planning Chair of Licensing Leader of the Opposition Chair of the Council	50	200	50	10	8,824	7,353	5,883
4	Chair of Community Partnership Vice Chair of the Council Vice Chair of Planning Chair of Standards Committee	15	50	25	6	4,412	3,677	2,941
5	All elected members	20	100	17	47	3,000	2,500	2,000
Grand Totals						326,303	271,913	217,533