

## **REPORT OF THE INDEPENDENT REVIEW PANEL ON MEMBERS ALLOWANCES**

### **1. BACKGROUND TO THE REVIEW**

The Panel met in August 1999 to make proposals for a new system of allowances based on the political structure in operation at that time. The Panel re-convened in August 2001 to undertake a review of those allowances and other matters which the Panel saw as of major relevance to the continued development of Elected Members. At that time the Panel expressed concern that little evidence was produced to support the earlier recommendations for Member training and development, a lack of progress on the development of Members annual reports and non-completion of timesheets by a minority of Members.

Subsequent to that meeting the Panel have held informal discussions with Senior Members and Officers and specifically with the Group Business Managers. The Panel are pleased to note considerable improvement in these areas and recognise the work that the Business Managers have undertaken to ensure that the recommendations of the Panel have been acted upon. The Panel hope to see a continuation of work in the area of Member development and will continue to monitor progress in its promotion, management and participation, not only by the Business Managers but also by the Leader of the Council, the Leaders of the Opposition Groups and the Council Business Committee which has the responsibility to monitor Elected Member development.

The Panel will also continue to monitor and evaluate the role of the Ward Councillors on which the Basic Allowance is based. In particular the Panel wish to hold further discussions with the Group Business Managers (during March/April 2004) to consider that part of the role profile which relates to the Ward Member communicating with local people.

The Panel reconvened to give consideration to Pensions for Councillors, the Dependent Carers Allowance, the Co-optees Allowance and to carry out a review of the Basic Allowance and the Special Responsibility Allowance set by the Panel in August 1999 and 2001, taking into account Statutory Instrument 2003 No. 1021 - The Local Authorities/Members Allowances/ (England) Regulations 2003 and Circular 136 - Pensions for Councillors issued by the Local Government Pensions Committee.

The 2003 Regulations provide for local authorities to establish and maintain an Independent Remuneration Panel to make recommendations to the Council about the allowances to be paid to Elected Members.

## 2. THE PANEL

Membership of the Panel which met on 12 and 13 August is as follows:

- Dr Andrew Taylor (Chair of the Panel) Department of Politics, The University of Sheffield
- Christopher Dicks OBE, former Managing Director of Huddersfield Newspapers
- Christine Woods, Managing Director, CMS Vocational Training, Huddersfield
- Stephen Thornton, Managing Director, Advance Wipers Ltd, Dewsbury

The following Officers attended the Panel meetings:

- Michael Butler, Head of Democratic Support Service
- Carl Whistlecraft, Corporate Development Unit
- Vanda White, Members Allowances Co-ordinator
- John Quarmby, Decision Support Unit
- Graham Ferry, Local Government Pension and Financial Services Officer

The following information was considered:

### 1. Role Profiles for

- (a) A Ward Councillor
- (b) A Cabinet Member
- (c) The Leader of the Council
- (d) The Deputy Leader of the Council
- (e) A Group Business Manager
- (f) The Leader of the Opposition Group
- (g) The Chair of the Appeals Panel
- (h) The Chair of a Planning Sub-Committee
- (i) The Chair of Licensing and Safety Committee
- (j) The Chair of Standards Committee
- (k) An Area Committee Chair
- (l) The Chair of Overview and Scrutiny Committee
- (m) An Overview and Scrutiny Panel Lead Member
- (n) A Member of the Overview and Scrutiny Management Group
- (o) Chairs of Ad Hoc Scrutiny Reviews
- (p) The Chair of Devolution Advisory Committee
- (q) The Chair of Grants Advisory Committee
- (r) The Chair of Council Business Committee

2. The Minutes of an informal meeting of the Panel held on 17 March 2003.
3. The Local Authorities (Members Allowances) (England) Regulations 2003.
4. Circular 136 - Pensions for Councillors issued by the Local Government Pensions Committee.
5. The Report of the Independent Review Panel on Members Allowances of 9 and 10 August 2001.
6. Discussions about the developing role of Scrutiny with the Chair of Overview and Scrutiny Committee.

### 3. PENSIONS FOR COUNCILLORS

Circular 136 advised authorities of the introduction of pensions for eligible Councillors in England as from 1 May 2003.

Section 99 of the Local Government Act 2000 included powers for the Secretary of State to:

- \* make provision for the payment of pensions to members of a local authority
- \* make regulations prescribing the role of the Independent Remuneration Panel in the process of determining which member positions may receive possible remuneration.

The Independent Remuneration Panel is able to make recommendations as to which members should be entitled to membership of the Local Government Pension Scheme and whether the Basic Allowance, or Special Responsibility Allowance on both should be pensionable.

The appropriate Regulations state:

- \* a council's scheme of allowances must set out which members of the authority are entitled to membership of the LGPS and also whether the Basic Allowance or Special Responsibility Allowance or both is to be pensionable. The Council will ONLY be able to make membership of the LGPS available to those elected members who are recommended for membership of the LGPS by the Independent Panel, but the Council can decide not to offer membership to some or all of the recommended councillors.
- \* where a council's scheme offers membership of the LGPS to an elected member it will be for that elected member to decide whether or not to opt into the LGPS
- \* a councillor is entitled to join the scheme at any age prior to age 70 and remain as an active member in the LGPS until age 70
- \* an elected member who gets to join the LGPS is for the purposes of the scheme to be treated as a whole time employee.

**The Panel RECOMMEND that the LGPS be made available to all members of the Council on a contributory basis on the Basic Allowance only with effect from 17 September 2003.**

In arriving at this recommendation the Panel took into consideration the fact that the Basic Allowance reflected the role of the Ward Councillor and that to extend the scheme to cover the Special Responsibility Allowance as a pensionable element might be considered to be inappropriate as not all Councillors receive such an allowance. Nevertheless the Panel have agreed to consider further the question of SRA's as a pensionable element at the next annual review.

The Panel wish to be advised of the number of members who opt into the LGPS, the costs to the Council, the reasons why members decide not to opt into the LGPS and of any administrative problems caused as a result of a member opting in.

#### 4. THE CARERS ALLOWANCE

The Regulations advise that a scheme may provide for the payment to members of an authority of an allowance (Dependants Carers Allowance) in respect of such expenses of arranging for the care of their children or dependants while undertaking an approved duty.

The Panel support the inclusion of this Allowance in the Regulations as this will give those Councillors with dependents more opportunity to undertake the varied and numerous roles outlined in the appropriate role profile and duties specified in Part 7 of Part 2 of the Regulations.

The Panel **RECOMMEND** as follows:

1. That Councillors who care for children or dependants may claim a Carer's Allowance of up to £5 per hour per dependant. Councillors who care for dependant relatives may receive payment equivalent to that paid by Social Affairs and the Health Service in similar circumstances.
2. That payment is claimable in respect of children aged 14 years or under. In respect of dependant relatives, written medical or social work evidence must be supplied. Only one payment can be made for any individual household.
3. That the Council Business Committee consider and determine any special circumstances presented by a member.
4. That the carer must not be a member of the same household.
5. That Councillors should submit their claims, using a claim form and supported by receipts and, if applicable, declare any other care payment received from another agency, to the Members' Allowances section each calendar month in arrears.
6. That Councillors can only claim for the Carers Allowance in respect of expenses of arranging for care of their children or dependants necessarily incurred for attendance at meetings and **performance of duties specified in the regulations, and any other duties approved by the Council. Approved duties do not include meetings with officers and constituents and attendance at political group meetings.**
7. That the Council's Standards Committee consider any allegations of abuse of the scheme.
8. That the Dependants' Carers' Allowance is subject to annual review by the Remuneration Panel.

The Panel wish to receive information on the take-up of this Allowance and the costs thereof when it reconvenes in March/April 2004.

## 5. TRAVEL AND SUBSISTENCE (OUTSIDE THE BOROUGH)

The Panel **RECOMMEND** that the following travel and subsistence allowances should apply for all approved duties outside the Borough.

The allowances are based on officer rates applying at the time:

### Motor mileage rates

Not exceeding 999 cc	36.4p
Over 999 cc but not exceeding 1199 cc	40.2p
Over 1199 cc	49.9p
Passenger supplements 1p per person per mile not exceeding four passengers	
Bicycle mileage rate	14p
Motor bicycle mileage rates not exceeding 150 cc	8.7p
exceeding 150 cc but not exceeding 500 cc	12.6p
exceeding 500 cc	17p
Day subsistence	
Break for allowance (more than 3 hours away from normal place of residence before 11.00 a.m.)	£5.57
Lunch Allowance (more than 3 hours away from normal place of residence to include the period 12.00 noon to 2.00 p.m.)	£7.70
Tea Allowance (more than 3 hours away from normal place of residence ending after the period 3.00 p.m. - 6.00 p.m.)	£3.03
Evening Meal Allowance (more than 3 hours away from normal place of residence and after 7.00 p.m.)	£9.52
Overnight Subsistence	
Overnight	£82.05
Overnight (London/LGA Annual Conference)	£93.58

Existing regulations to apply to the allowances/  
subsistence rates

**(The Basic Allowance recommended by the Panel will continue to include an element for travel inside the district, subsistence and the costs of telephone calls)**

## 6. CO-OPTEEES ALLOWANCE

The Regulations make provision for the payment of an allowance for each year to a member in respect of attendance at conference and meetings (the "Co-optees Allowance").

The Panel having considered payment of such an allowance agreed to defer the matter to the March/April 2004 meeting in order that information might be considered on the roles and responsibilities of members of the "Statutory Panels" i.e. co-opted Members of the Standards Committee; the Overview and Scrutiny Panel for Education and Young People; School Admission Appeals and Exclusion Appeals Panels together with information on any general or specific training required, time commitment and turnover rate.

The co-opted members involved are to be given the opportunity to submit written comments to the Panel.

## 7. THE BASIC ALLOWANCE

Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all Members. The allowance must be the same for each Councillor. The allowance may be paid in a lump sum, or instalments through the year.

The 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 homes.

A Basic Allowance of £10,800 was recommended by the Panel in August 1999 and has remained at that figure since that date. Having regard to the revised role profile for a Ward Councillor and taking into account the Council's response to other recommendations put forward by the Panel in 1999 and re-emphasised in the Panel's report of August 2001 such as continuous training and development for Members, completion of timesheets and the production of a annual report by each Member the Panel **RECOMMEND the Basic Allowance be increased by £300 to £11,100 backdated to 10 May 2003.**

## 8. THE SPECIAL RESPONSIBILITY ALLOWANCE

Each local authority may also make provision in its scheme for the payment of Special Responsibility Allowances for those Councillors who have significant responsibilities. The Authority, or the Panel, has to identify the special responsibilities for which the allowance is to be paid, and the amounts of allowances to be paid for each such responsibility.

Where one political group is in control, and where an authority has decided to pay Special Responsibility Allowances, the Authority must make provision for the payment of a Special Responsibility Allowance to at least one Member of a minority group.

**The Panel RECOMMEND a pro-rata increase in each Special Responsibility Allowance, backdated to 10 May 2003, in line with the increase of the Basic Allowance.**

**9. OVERVIEW AND SCRUTINY PANELS - LEAD MEMBERS**

The Panel has received detailed observations by the Chair of the Council's Overview and Scrutiny Committee on the revised role of the Lead Members of the Scrutiny Panels. Similarly earlier discussions with the Group Business Managers have highlighted the continued growth in the roles and responsibilities of the Lead Members since the Cabinet/Overview and Scrutiny split in May 2001. Revised role profiles were considered by the Panel. The Panel considered also the role profile for Members of the Overview and Scrutiny Management Group, which Group is seen as an essential part of the administration of Scrutiny on a day to day basis. **As a result thereof the Panel RECOMMEND as follows:**

- (a) That the Chair of the Overview and Scrutiny Committee be allocated up to 4 days a week with a Special Responsibility Allowance of £7,400 per annum.
- (b) That the Lead Members of the Overview and Scrutiny Panels be allocated up to 2 days a week with a Special Responsibility Allowance of £2,775 per annum.
- (c) That Members of the Overview and Scrutiny Management Group be allocated up to 1 day a week with a Special Responsibility Allowance of £1,850 per annum.

The Panel were pleased to note the development opportunities for Members and Officers being offered by Overview and Scrutiny.

**10. CHAIRS OF AD HOC SCRUTINY PANELS**

The Panel has received detailed observations by the Chair of the Council's Overview and Scrutiny Committee on the payment of an allowance to the Chairs of Ad Hoc Scrutiny Panels, who, on occasions, undertake very detailed work on a specific area of the Council's Services or Scrutiny. The Panel considered similar representation in August 2001 and recommended that the Group Business Managers consider introducing a daily/hourly rate allowance for Members who undertake this work. The Panel are not aware that the Group Business Managers have considered this matter and therefore refer the matter to the Business Managers for their consideration and subsequent report back to the Panel.

**11. PAYMENT OF MORE THAN ONE SPECIAL RESPONSIBILITY ALLOWANCE**

The Panel has received representations to the effect that it re-considers a previous decision not to support the payment of more than one Special Responsibility Allowance to a Councillor who could undertake those duties - e.g. a Member who qualifies for 2 days and 1 day Special Responsibility Allowance. Under the current scheme the Member receives the higher allowance with the lesser allowance being abated.

**The Panel RECOMMEND that the existing convention continue.**

The Panel would prefer to see a "spread" of Special Responsibility Allowances which would allow a Member, nominated to such a position to develop in to that role and gain the knowledge required to fulfil that role.

## 12. **THE GROUP BUSINESS MANAGERS**

The Panel discussed the role and responsibilities of the Group Business Managers alongside the revised role profile. The Panel met with the Group Business Managers on 27 March 2003 for joint discussions about the completion of Members timesheets, personal development opportunities for Members at Group and individual level, the role of the Group Business Manager in that personal development; preparation of annual reports by each Member and the annual performance review of Members within their political group.

The Panel expect the Business Managers to ensure that these matters continue to be acted upon and will seek progress reports during March/April 2004. The Panel would reiterate an earlier statement from the report of the Review of August 2001.

"The issue of Member training and development is seen as being crucial to the role of the Councillor. Being willing to learn new skills and adapt to new practices can only serve to improve the way that a Councillor approaches his/her role, and will assist a Member on bringing the views of their constituents to bear on the Council's decision making process.

The role of the Group Business Managers in this area cannot be emphasised enough. It is through their efforts and involvement that the training and development programme can bring positive benefits to the Member, and ultimately those they represent."

The Panel are aware that certain Business Managers have a Deputy(ies) and would **RECOMMEND** that these Members are more fully developed to offer assistance to the Business Managers in undertaking some of the responsibilities of the role profile. The Panel **RECOMMEND** also that the Council consider providing administrative/ clerical support to the Business Managers.

In recognition of the increased role of the Business Manager the Panel **RECOMMEND the following allowances which are based on a "banding" system which reflects the level of workload and responsibility:**

- 30+ Members of a Group - up to 4 days a week - £7,400 per annum
- 20-29 Members of a Group - up to 2 ½ days per week - £4,625 per annum
- 10-19 Members of a Group - up to 1 ½ days per week - £2,775 per annum
- Up to 9 Members of a Group - ½ day per week - £925 per annum.

13. **CHAIRS OF LICENSING AND SAFETY COMMITTEE; COUNCIL BUSINESS COMMITTEE; DEVOLUTION ADVISORY COMMITTEE AND GRANTS ADVISORY COMMITTEE**

The Panel considered revised/new role profiles for the Chairs of the above Committees.

The Panel **RECOMMEND** that due to the level of responsibility and time commitment required to undertake the role that a Special Responsibility Allowance equivalent to 1 ½ days a week (£2,775 per annum) be attached to the Chair of Council Business Committee and that a Special Responsibility Allowance of 1 day a week (£1,850 per annum) be attached to the role of Chair of Licensing and Safety Committee in view of the additional workload which will be attached of this position following implementation of Liquor Licensing Reform - (currently this position carries a Special Responsibility Allowance of ½ day a week)

The Panel deferred consideration of the role profiles of the Chairs of Devolution Advisory Committee and Grants Advisory Committee to the March/April 2004 meeting pending additional information being received in relation to the responsibilities attached to these particular posts.

**LEADER OF THE COUNCIL**

The Panel considered the role profile of the Leader of the Council. The Panel had, at an earlier meeting, held informal discussions with the Leader of the Council on the emerging role of that position post the Cabinet/Overview and Scrutiny split of May 2001. The Panel wish to point out that at that informal meeting the Leader declined to comment on the Special Responsibility Allowance attached to that role. The Panel have noted the Leader's role as the Council's key partner with outside agencies such as Yorkshire Forward and the Regional Assembly, together with the Leader's responsibilities as Chair of Cabinet and Portfolio holder for Policy and Health issues and how that role has, and is likely to develop since the Panel first considered the position in August 1999. The Panel has noted the improving performance of the Council which has resulted in the Council being judged among the top 22 Local Authorities in the country following the Corporate Performance Assessment. The Panel now consider that the Special Responsibility Allowance for that post was set too low in relation to the Basic Allowance when the Panel first met in August 1999. As a consequence the Panel **RECOMMEND** that the Special Responsibility Allowance for the Leader of the Council, which is a full time position, be increased from £16,200 to £19,200 inclusive of the pro-rata increases applied to all such allowances.

The Panel will continue to monitor, review and evaluate the role of the Leader of the Council.