

Annual Report of the Independent Remuneration Panel
Members Allowances
06/06/07

**REPORT OF THE
INDEPENDENT REMUNERATION PANEL**

REVIEW OF MEMBERS' ALLOWANCES SCHEME 2006/07

Members of the Panel:

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Brighton & Hove City Council

June 2007

The Panel

1. COMPOSITION

- 1.1 The Independent Remuneration Panel (“the Panel”) shall consist of between three and five members appointed by the Monitoring Officer after consultation with the Chief Executive.

2. FUNCTIONS OF THE PANEL

- 2.1 The functions of the Panel shall be as set out in Regulation 21 of the Local Authorities (Members’ Allowances) (England) Regulations 2003, namely to produce a report in relation to Members of the Council making recommendations:

- (a) as to the amount of basic allowance which should be payable to Members;
- (b) as to the duties in respect of which such Members should receive a special responsibility allowance and as to the amount of such allowance;
- (c) as to whether the allowance scheme should include allowances in respect of the expenses of arranging for the care of children or dependants of such Members and the amount of such allowances;
- (d) as to the responsibilities or duties in respect of which a travel and subsistence allowance should be available;
- (e) as to the responsibilities or duties in respect of which a co-optees' allowance should be available;
- (f) as to whether payment of allowances may be backdated in accordance with regulation 10(6) in the event of the scheme being amended at any time;
- (g) as to whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply;
- (h) as to which Members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972;
- (i) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable;
- (j) as to whether any allowances to members should be withheld in the event of the member concerned being suspended or partially suspended.

2.2 Where the Independent Remuneration Panel exercises its functions in relation to the Parish Council within the authority's area, its functions shall be as set out in Regulation 28 of the Local Authorities (Members' Allowances) (England) Regulations 2003, namely to produce a report in relation to members of the Parish Council making recommendations:

(a) as to the amount of parish basic allowance which should be payable to Parish Council members;

(b) the amount of travelling and subsistence allowance payable to members of such authorities;

(c) as to whether parish basic allowance should be payable only to the chairman of the Parish Council or to all of its members;

(d) as to whether, if parish basic allowance should be payable to both the chairman and the other members of any such authority, the allowance payable to the chairman should be set at a level higher than that payable to the other members and, if so, the higher amount so payable;

(e) as to the responsibilities or duties in respect of which members should receive parish travelling and subsistence allowance.

2.3 In addition to the functions under 2.1 and 2.2 above, the Panel may, if requested to do so by the Monitoring Officer, consider the expenses allowances paid to the Mayor and Deputy Mayor under Sections 3 and 5 of the Local Government Act 1972.

2.4 The Panel has also at the request of the Monitoring Officer reviewed the level of allowances paid to non-voting co-optees who attend committee meetings and made recommendations as to how these should be reimbursed.

3. TERM OF OFFICE OF MEMBERS OF THE PANEL

3.1 Members of the Panel shall be appointed for an initial term of three years. The Council may, at its discretion, extend this period. The Council or the member of the Panel may determine the appointment by giving one month's notice.

4. MEETINGS

4.1 The Panel shall be chaired by a person appointed by the Panel from its members.

4.2 The Panel shall meet on such dates and at such times as the Panel may determine, having regard to the advice from the Monitoring Officer.

- 4.3 The quorum for meetings of the Panel shall be at least 50% of the members of the Panel.

CONTENTS

	Page
SECTION A	
CONTEXT FOR THE REVIEW	
- The role of the Independent Remuneration Panel	323
- Methodology	324
- Public Service principle	324
- Public expenditure	325
SECTION B	
THE BASIC ALLOWANCE	
- Councillors' roles	325
- Factors affecting workload	325
- Time commitment	326
- Setting an appropriate level of Basic Allowance	326
SECTION C	
SPECIAL RESPONSIBILITY ALLOWANCES (SRA)	
- Additional Allowances	327
- Positions of responsibility	328
- Chair of Finance Management Sub	329
- Chair of Major Projects Sub	329
- Chair & Deputy Chair of Culture, Tourism & Recreation Sub	329
- Deputy Chairs of Licensing	329
- Deputy Chair of Planning Applications Sub	330
- Ordinary Members of Planning Applications Sub	330
- Chair of Health Overview & Scrutiny Committee (HOSC)	330
- Chair of Children & Young People Overview & Scrutiny Committee (CYPOSC)	331
- Standards Committee	331
- Leaders of Minority Groups	331
SECTION D	
TRAVEL AND SUBSISTENCE ALLOWANCE	
- Background information and general principles	332
- Travel rates	332
- Subsistence rates	332
CHILDCARE AND DEPENDANT CARER'S ALLOWANCE	
- Background information and general principles	332

CO-OPTTEES ALLOWANCE	
- The Council's co-optees	333
NON-COMMITTEE CO-OPTTEES	
- Background and general principles	333
SECTION E	
OTHER ISSUES	
Travel Allowance	334
Subsistence Allowance	334
- Mayor's and Deputy Mayor's Allowances	334
- Withholding of allowances	334
- Parish Councils	335
- 2007/08 Work Programme	335
CONCLUSION	335
SECTION F	
RECOMMENDATIONS	
- Basic Allowance	336
- Special Responsibility Allowances	337
- Leaders of Minority Groups	338
- Travel & Subsistence Rates	338
- Childcare & Dependant Carer's Allowance	338
- Co-optee's Allowance	338
- Withholding of Allowances	339

SECTION A

1. CONTEXT FOR THE REVIEW

The role of the Independent Remuneration Panel

- 1.1 In reviewing its Members' Allowances Scheme, the council is required to obtain the advice of its Independent Remuneration Panel, and to have regard to the Panel's recommendations. Having previously undertaken diary sheet exercises, a different approach was taken in 2005. This was to enable specific reviews in relation to the impact of the Licensing Act 2003 and the role of members of the Planning Sub-Committee (which had come to light from the diary sheet exercise and comments received from Members). Following on from this exercise, the Panel felt that its latest review for 2006/07 should encompass the whole scheme of allowances and that the approach should be to look at the various levels of Special Responsibility Allowances (SRA) that were paid. To this end Members in receipt of an SRA were asked to complete an activity record based on their council diary commitments and specific SRA holders were invited to meet the Panel to discuss their roles more fully.
- 1.2 In addition to the activity record and interviews with Members, comparative information was obtained from London Boroughs, Unitary Authorities and those authorities within the Audit Family Tree, in relation to the SRA's paid for various roles held by Members.
- 1.3 We were also keen to look at the roles of the Chairs of Health Overview & Scrutiny Committee (HOSC) and Children & Young People Overview & Scrutiny Committee (CYPOSC). This was particularly relevant for the Chair of HOSC who had raised the question of an SRA being attributable to the Chair's role. Panel members attended various meetings of HOSC and CYPOSC as well as the parent Overview & Scrutiny Organisation Committee (OSOC), in order to gain an understanding of the relationships between the committees and the work of the members on those committees. We met with the Scrutiny Officers who support these committees and with the Chair of HOSC, Councillor Allen to develop an understanding of how the work of the Chair had developed and the impact on his time resulting from having to work with representatives from the Health sector. The Panel also received comparative data from those authorities that paid an allowance to the Chairs of Health Scrutiny Committees.
- 1.4 The Panel undertook a review of the Basic Allowance payable to all Members and again used comparative data from London Boroughs, Unitary Authorities and those authorities within the Audit Family Tree. All Backbench Members were asked to complete an activity record to show how their time was spent as a councillor i.e. in attending meetings, dealing with emails, correspondence, telephone calls, meeting constituents, ward surgeries, etc. We invited backbench Members to meet the Panel and discuss the level of basic allowance and the role of Backbenchers, in order to gain a picture of how the role of a councillor impacted on the life of those individuals.

- 1.5 We have met 9 times since our last report to the Council in March 2006 and have re-reviewed the impact on Members serving on the Licensing Panels and those serving on the Planning Applications Sub-Committee.
- 1.6 The Panel were also mindful of proposed changes to the operation of Standards Committees by the Standards Board and having noted that the council had taken the decision to have an Independent Chair, met with him to discuss his role and its impact.
- 1.7 We have also reviewed the level of allowances for co-optees and carers and the payment rates for travel and subsistence.
- 1.8 In bringing our review to a conclusion we were mindful of the council elections in May and felt that our report should be held back in order to take account of any changes to the Members' Allowances Scheme that would be put forward by the new Administration. We therefore met with the Chief Executive and the Leader of the Council towards the end of May, and have taken on board the various changes that have been introduced by the Council's Leadership in respect of the committee structure and levels of responsibility held by Members.

Methodology

- 1.9 In order to arrive at our recommendations, we have considered:
- i. first-hand, qualitative information we obtained from discussions with the Leader of the Council, Chairs, Deputy Chairs, other Members in receipt of an SRA and Backbench Members, and our own attendance at meetings of the Licensing Panels, HOSC, CYPOSC and OSOC meetings;
 - ii. the latest information on allowances paid by other authorities on a regional and national basis;
 - iii. the formula approved and used since 2003 to set levels of remuneration.

Public service principle

- 1.10 Despite the time commitment involved and increasing demands placed upon them, we note that the concept of public service and civic duty continues to be clearly upheld by councillors. We accept that this concept of public service should remain and consider that a proportion of any time spent should be regarded as voluntary commitment.
- 1.11 Notwithstanding the above, we believe that the council should provide a package of financial support which is reasonable, and will go some way towards addressing disincentives from serving in local politics.
- 1.12 We are aware that the Government is keen to see an increase in the number of people wanting to serve as councillors and we hope that further consideration will be given to encouraging employers to enable staff to take time off for

council duties. In the discussions with Members it has become evident that councillors have difficulty in securing support from their employers for their council related activities.

- 1.13 It has also become clear that councillors find it difficult to maintain a work/life balance with council related duties having a significant impact on their lives. The Panel would hope that the council would find ways of ensuring all councillors give proper consideration to maintaining a work/life balance and believe this will help to encourage a wider cross-section of people to serve on the council.

Public Expenditure

- 1.14 We recognise that our proposals set out below will involve an increase in allowances payable across the board. However, the increased cost is based on a salary inflationary rise and the recognition of changes in the level of responsibility for certain posts.
- 1.15 Should the Council accept our recommendations, it should be noted that the increase remains within the overall budgetary provision for the payment of allowances.

SECTION B

2. THE BASIC ALLOWANCE

Councillors' roles

- 2.1 The Panel notes that all councillors have wide-ranging roles and responsibilities, both within the council and outside. In addition to their approved duties for which allowances are paid, many Members are school governors, serve as representatives of the council on outside bodies, are active in charitable organisations and associations, and are invited to attend many events in their capacity as a councillor.

Factors affecting workload

- 2.2 We have been made aware through councillors' written submissions and our discussions with them that:
- a) The reduction in the number of councillors at the May 2003 election from 78 to 54 is still causing concern amongst members in respect of their role as a city councillor and also a community councillor. We are particularly aware that they are finding it difficult to maintain an effective balance in being able to sit on the executive committees, sub-committees, forums, plus scrutiny committees and scrutiny review panels as well as dealing effectively with constituents' issues and a variety of ward based activities;

- b) Casework has increased perceptibly for some members both where colleagues hold particular positions of responsibility on the council and therefore rely on others to manage the casework and also where work pressures restrict the amount of time available to undertake council duties;
- c) With seven wards “split” politically, this has resulted in some work being duplicated because of the political differences and lack of communication. Where there is joint working, additional time is spent on liaising with members of other parties to negotiate an approach to ward issues;
- d) The Planning Applications Sub-Committee has a substantial workload and meets on a three-weekly cycle with site visits taking place the day before the committee meeting. The willingness to serve on the committee has been affected by the time commitment.
- e) The very large-scale issues facing the city, such as National Park status, the community stadium, a Children’s Trust, health issues, anti-social behaviour, the future of the council’s housing stock, the King Alfred, and the development of Black Rock and the Brighton Centre were and remain added pressures to the workloads of all councillors;
- f) The demand to play an active role as a representative of the council on outside bodies remains high. We recognise that councillors are not always able to have an effective input to these organisations in view of the constraints caused by the growing amount of time spent on council duties;
- g) The council’s position of no overall control has led to Members having to hold many more informal meetings to discuss policy with other political groups, and to attend more joint briefings with officers. We recognise that a significant amount of additional time is required to attend these meetings.

Time commitment

- 2.3 The Panel considers that the question of time commitment must be a central consideration in developing an appropriate level of basic allowance. Having undertaken an analysis of the activity records it is clear that the average number of hours worked by councillors, who do not hold positions of special responsibility, had remained consistent at 28 hours per week in 2006. It was noted that the level of time commitment was dependent on the roles undertaken by individual councillors and the constraints of employment, which had been a specific factor for some members.
- 2.4 The Panel decided to attend the meetings of the OSOC, HOSC and CYPOSC and wish to thank the Chairs and Members for enabling them to do so.

Setting an appropriate level of Basic Allowance

- 2.5 The Panel has taken into account that following its recommendations in March 2006, the council set the level of basic allowance at £10,711 by applying an increase based on a rate of salary inflation in 2005/06 of 2.5%. This change was backdated to the start of the municipal year in May.
- 2.6 The Panel holds the view that the Basic Allowance should increase annually to account for salary inflation and subject to any changes in the overall structure of the council which might affect the public service commitment, would not anticipate the need for a comprehensive review in 2008.
- 2.7 We are keen to ensure that we have retained transparency in our methodology for recommending the level of basic allowance and have continued with the formula used previously, as identified by the Institute of Local Government Studies at the University of Birmingham (INLOGOV). The formula takes into account the numbers of hours worked, the local hourly rate of pay and incorporates a percentage which recognises the public service ethic. This may be expressed thus:

Number of hours /days worked x rate for the job minus public service element.

The calculation we have thus applied is *28 hours x £11.963 - 40% public service element*

- 2.8 Whilst the total number of hours worked is based on an average of 28 hours a week, the Panel noted that in a number of cases there were councillors whose time commitment on council duties extended well beyond the 28 hours.
- 2.9 We understand that this principle has been applied in other councils and we consider that it represents good practice that should continue to be used as a basis for setting the level of Basic Allowance.
- 2.10 We therefore recommend a basic allowance of £10,946, which is in line with the council's budget salary inflationary increase of 2.2% for 2007 with effect from 25th May 2007. This being the day after the Annual Council Meeting and is subject to the approval of the council and if implemented would result in the Members' Allowances remaining within the budget provision for 2007/08.

SECTION C

3. SPECIAL RESPONSIBILITY ALLOWANCES

Additional Duties

- 3.1 The Panel recognises that, in addition to the community councillor role, some Members will undertake additional duties and tasks for which it will be appropriate to pay a Special Responsibility Allowance (SRA). It remains a prime concern to arrive at recommendations that are both transparent and

justifiable and we have again applied the method that was outlined by INLOGOV and which we have used in previous years. This considers the position of Leader of the Council as having a responsibility level of 100%, and expresses the various other positions of responsibility as percentages of the Leader's role.

- 3.2 The Panel has maintained the view that the Leader of the Council carries a very high level of responsibility, given the complexity, size and budget of the council. In order to attach an appropriate monetary value to the Leader's allowance, we have applied the same methodology as that used in calculating the basic allowance. This takes into account the additional numbers of hours worked by the Leader, the average gross hourly rate of pay for Corporate Managers in the South-East region obtained from the 2006 Labour Market Survey, less a public service discount.
- 3.3 In undertaking our review, we were minded to question the differential between the responsibility levels of the Chairs and Deputy Chairs, as well as the percentages allocated to these positions within the Scheme. However, having taken on board the views of the new Leader of the Council, we were happy to maintain the current percentages for the positions, which attribute an SRA, although these will be subject to further review.

Positions of additional responsibility

- 3.4 Having taken into account the views of the Leader of the Council in relation to those positions which would attract an SRA within the Members' Allowances Scheme, the Panel were mindful of the following changes that would result:
- (i) The Culture, Tourism & Recreation Committee would be an Executive Committee and therefore the posts of Chair and Deputy Chair should be included accordingly;
 - (ii) The Deputy Chair of Policy & Resources with additional responsibility for Finance & Resources, would be changed to Chair of Finance Management Sub-Committee – one of two new sub-committees to be included within the scheme;
 - (iii) There would be a further new sub-committee for Major Projects and therefore an additional post of Chair to be included within the scheme. It was noted that in having regard to the significance of major projects in relation to the city and the council's standing that the level of responsibility of the Chair should reflect that of an Executive Committee Chair.
 - (iv) There would only be one Deputy Chair of the Planning Applications Sub-Committee, but this post would have additional responsibilities and should equate to that of a Deputy Chair of an Executive Committee;
- 3.5 We are aware that the guidance governing the payment of SRA's recommends that not more than half the councillors on any authority should be in receipt of

an SRA (27 in the case of Brighton & Hove). However, in taking into account the unique position of the council with its executive committee system, the Panel is aware of a need to provide some flexibility in the scheme. A possible 35 posts had previously been identified for which an SRA could be payable, but it was anticipated that some councillors would hold more than one post with additional responsibility. As only the higher or highest SRA can be paid it meant that between 30 and 32 SRA's have been payable at any one time during 2005/06.

- 3.6 In reviewing the level of SRA's the Panel has noted that the number paid during 2005/6 even with 'double-ups' amounted to 31. However, the changes proposed by the Leader of the Council would result in 27 SRA's being paid due to double-ups and non take-up of certain SRA's.
- 3.7 The Panel also noted that the proposed changes would result in an overall saving of £3,525 compared to the cost of the previous 31 SRA's, which was welcomed bearing in mind the council's aim for efficiency savings to be made.
- 3.8 In having regard to the regulations, the Panel is strongly of the view that no more than a maximum of 30 of the 38 identified SRA's should be paid at any one time, and welcomes the approach of the Leader of the Council in reducing the number to 28 and equating more closely with the recommended level of 50% (27) of the total number of councillors being in receipt of an SRA.
- 3.9 The Panel has also considered a range of options in respect of any increase to be made to the special responsibility allowances, including applying a range of percentage and inflationary increases, but concluded that the salary inflation rate increase of 2.2% for 2007/08 was justified.

Chair of Finance Management Sub-Committee

- 3.10 The position of Chair of Finance Management Sub-Committee is new and does have specific responsibility for ensuring the council meets its financial performance management targets. Having met with Councillor Oxley, the Panel recognises that the role has a significant level of responsibility within the council structure, especially with regard to the council's finances. It is anticipated that this position will equate to that of Deputy Chair of Policy & Resources (Finance & Performance), which had been included in the Scheme and should therefore replace this position, with a percentage split of 45% of the Leader's SRA to reflect the level of responsibility, i.e. £12,662.

Chair of Major Projects Sub-Committee

- 3.11 The position of Chair of Major Projects Sub-Committee is new and does have specific responsibility for ensuring the council's major projects are effectively co-ordinated and managed. Whilst Project Boards operate informally to enable projects to be developed and taken forward, it was felt that there was a need to oversee the work and to enable that work to be in the public domain. In taking into account the views of the Leader of the Council, the Panel acknowledged the

role of the Chair, who would need to keep fully abreast of all the various projects and accepted that it should equate to a Chair of an Executive Committee at 38% of the Leader's SRA, i.e. £10,692.

Chair and Deputy Chair of Culture, Tourism & Recreation Committee

- 3.12 The Panel recognises the importance placed on the establishment of the Culture, Tourism & Recreation Committee as an Executive Committee by the Leader of the Council, in order to signify the council's commitment to and recognition of the tourism and leisure sector within the city. The Panel is therefore minded to apply the respective percentage splits of 38% and 25% for the Chair and Deputy Chair, in recognition of their levels of responsibility.

Deputy Chairs of Licensing Committee and Licensing Panels

- 3.13 In respect of the Deputy Chairs, whilst recognising the political reasoning for the establishment of two Deputy Chair positions in May 2005, the recent review has led the Panel to conclude that the need for two Deputy Chairs is questionable. Having previously recommended that level of responsibility should be reduced from 10% to 7.5% we cannot see the need for two posts. However, we are of the view that there are significant work levels attributed to the Licensing Panels and should the Deputy Chairs take an active role in chairing Panel meetings, then there is a justification for two posts with an SRA.
- 3.14 The Panel has noted that the 27 posts with an SRA put forward by the Leader of the Council only includes one of the two Deputy Chair posts as there is a double-up with the postholder also being the Deputy Chair of Planning and as such accepts that both posts should remain within the scheme, although the Leader is asked to be mindful of the Panel's concerns in respect of the justification for two posts with an SRA.

Deputy Chair of the Planning Applications Sub-Committee

- 3.15 The Panel welcomes the Leader of the Council's proposal to combine the two posts of Deputy Chair of Planning Applications Sub-Committee into one post. Having previously reviewed the level of responsibility for the Deputy Chairs' roles and taking into account the increased level of support to the Chair expected of the one Deputy Chair, the Panel accepts that the post should equate to that of a Deputy Chair of an Executive Committee and therefore be set at 25%.

Ordinary Members of Planning Applications Sub-Committee

- 3.16 Whilst acknowledging the higher frequency of meetings, the additional site visits that are open to members of the Planning Applications Sub-Committee to attend and the extended workload associated with planning, the Panel did not feel that there was a case for ordinary members of the committee to be remunerated above that of their basic allowance. We believe that the commitment to serve on the committee was well known in advance and those members wishing to sit on the committee were prepared to meet that

commitment. In this respect, it was an example of where members of the committee fulfilled the public service element the Panel had identified as a factor for setting a fair and equitable basic allowance. Therefore, in recognising the choice exercised by those Members to sit on the sub-committee, the Panel were of the view that their commitment could be attributed to the level of basic allowance that had been set.

Chair of Health Overview & Scrutiny Committee

- 3.17 The Panel met with Councillor Allen in 2005 to discuss the inclusion of the position of Chair of the then Health Overview & Scrutiny Panel (HOSP), within the list of posts qualifying for an SRA. The Panel concluded that the post did not warrant an SRA at that time but, in view of the impending changes in the Health Service and its relations with the council, and the role of HOSP in that process, the Panel felt that a review should be undertaken in 2006/07.
- 3.18 The Panel has undertaken a review of SRA's paid by other authorities to Chairs of HOSC or similar bodies, and members of the Panel attended various meetings of the HOSC as observers. The Panel also met with the scrutiny support officers and again with Councillor Allen in January 2007 to discuss the role of HOSC and that of the Chair.
- 3.19 Having taken into account the findings of the review the Panel is minded to include the Chair of HOSC within the list of posts identified as qualifying for an SRA and would recommend that it is set at 12.5% amounting to £3,517.

Chair of Children & Young People Overview & Scrutiny Committee

- 3.20 In reviewing the position of the Chair of HOSC, the Panel felt that it was only appropriate to also look at the Chair of CYPOSC as it was also a sub-committee of OSOC. Whilst the Panel were able to meet with the scrutiny support officers and members of the Panel were able to attend meetings of CYPOSC, Councillor Battle was unable to attend a meeting with the Panel. The Panel therefore had to rely on the activity record completed by Councillor Battle and comparative information obtained from other authorities.
- 3.21 Having taken into account the findings of the review the Panel is minded to include the Chair of CYPOSC within the list of posts identified as qualifying for an SRA and would recommend that it is set at 7.5% amounting to £2,110.

Standards Committee

- 3.21 The Panel noted that the Council had chosen to take on board the likely changes relating to Standards Committees following government guidance and to appoint an Independent Chair of its Standards Committee in May 2006. The Independent Chair was therefore invited to meet with the Panel to discuss his role and responsibilities. The Panel also received information on the level of remuneration paid to Chairs of Standards Committees by other authorities and whether or not their committees were chaired by an Independent person.

- 3.22 In taking into account the views of the Chair and the information obtained from comparative authorities, the Panel is minded to recommend that the Co-optee's Allowance paid to the Chair of the Standards Committee should equate to 15% of the Leader's allowance i.e. £4,220 per annum.
- 3.23 The Panel noted that the guidance from the government was likely to result in the Deputy Chair of the committee also being an Independent person, but that in the meantime the position would be held by a councillor. In view of the fact that the proposed Deputy Chair was already in receipt of an SRA, the Panel noted that an SRA for this post would not be paid.

Leaders of Minority Groups

- 3.24 The Panel feels that there is a need to address the question of qualification for an SRA as a Leader of an Independent Group, bearing in mind that some local authorities do not recognise the role for minority groups holding less than 10% of the seats on the council. Whilst the Council chose not to take up the Panel's recommendation to set the level at 10% in 2006, the Panel feels that it is a fair level and should be reconsidered.
- 3.25 The Panel therefore recommends that in order to qualify for the payment of an SRA as a leader of a political group on Brighton & Hove City Council, that group should hold a minimum of 10% of the total number of seats on the council, i.e. 6 seats out of 54. This requirement should be effective from the 25 May 2007

SECTION D

4. TRAVEL AND SUBSISTENCE ALLOWANCE

Background and General Principles

- 4.1 The 2003 Regulations permit local authorities to set their own Travel and Subsistence Allowances, having regard to the recommendations of their Independent Remuneration Panels.

Travel Rates

- 4.2 The Inland Revenue has set advisory flat rates of 40p per mile for cars, 24p for motorcycles, irrespective of engine size, and 20p for bicycles, and regards any payments above these figures as a taxable benefit. The Panel does not see the need to apply different rates from those outlined by the Inland Revenue and is minded to mirror the Inland Revenue advisory rates and any amendments made to them in the future. The Panel also wishes to encourage car sharing and the use of bicycles alongside public transport as environmentally sound means

of travel. To this end, the Panel supports the Inland Revenue advisory rate of 5p per mile per passenger for up to four passengers travelling on approved duties.

Subsistence Rates

- 4.3 These were previously set at £6.50, £8.50 and £3.50 for breakfast, lunch and tea respectively, with the maximum subsistence rate for dinner set at £15.00. The rules on reimbursement for meals purchased on trains remain and the overnight rate of £114 in London and £100 per night elsewhere are felt to be appropriate.
- 4.4 The Panel takes the firm view that it is not appropriate or reasonable for the cost of alcohol purchased by Councillors whilst on approved duties to be borne by the taxpayer. The Panel therefore wishes to retain provision in the Members' Allowances Scheme that the cost of alcohol whilst on approved duties should not be provided for.

Travel and Subsistence Allowances

- 4.5 Having reviewed the various elements we feel that there has been no evidence of the need to increase the travel and subsistence allowances, but do feel that the passenger supplement should be brought into line with Inland Revenue guideline. The Panel therefore recommends that travel and subsistence levels remain at their current levels and passenger supplement rates are increased to 5p per mile per passenger for up to 4 passengers.

5. CHILDCARE AND DEPENDANT CARER'S ALLOWANCE

- 5.1 We recognise the need to support councillors with their caring responsibilities and feel that the scheme should provide a realistic contribution towards the cost of caring for both children and dependent relatives.
- 5.2 In 2005 we recommended that this scheme should be brought into line with all the other members' allowances and expenses and should run from 1 April to 31 March each year to aid budget monitoring. This came into effect in April 2006.
- 5.3 The Panel wished to see better clarity in the scheme and recommended the introduction of an upper age limit for cared-for children. In the absence of any legal directive, we supported the view of the NSPCC that childcare be paid in respect of children under the age of 14.
- 5.4 We have learnt yet again that no councillors have claimed Dependant Carers' Allowance since it was introduced in April 2002, nor have any issues of concern been raised with officers. We feel that there is no evidence to suggest the level of the allowance is inappropriate and we recommend that this remains unaltered at £7.50 per hour, but that the cap is increased to £1,200 per annum.
- 5.5 We have however, had drawn to our attention the possible need for supporting those councillors with responsibility for caring for children with severe

disabilities, and we recognise that these costs will be very much greater than those of a “baby-sitting service”. We acknowledge that there is an omission in the current scheme and recommend that provided there is appropriate supporting evidence, care for children with severe disabilities should be paid up to the higher rate of £7.50 per hour and capped at £1,200 per annum. Care for all other children should continue to be paid up to the appropriate minimum wage.

6. CO-OPTEEES ALLOWANCE

- 6.1 The position of Deputy Chair of the Standards Committee receives a co-optee’s allowance and it was felt appropriate that same methodology should be used in applying an increase to the level of allowance as that used for the councillors’ basic allowance.
- 6.2 In taking into account the information in paragraph 3.23 (above), we therefore recommend that the co-optee’s allowance for the Deputy Chair of the Standards Committee be increased in line with the salary inflation rate of 2.2%, amounting to £536 for 2007/08 (was £525).

7. NON-COMMITTEE CO-OPTEEES

- 7.1 The Panel noted that the scheme agreed in July 2004 had been in operation and felt that the levels of remuneration for non-committee co-optees should continue at the same level as those in the Members’ Allowances Scheme. The Panel also acknowledged that those departments, which made payments, could alter them, as they felt necessary.

SECTION E

8. OTHER ISSUES

Travel Allowance

- 8.1 The Panel wishes to support the council’s green transport plan and as part of this review has studied information from other local authorities, as well as the Brighton & Hove Staff Travel Plan. It was noted that seven out of twenty councils surveyed did not reimburse mileage within their authority’s area and further that motor travel undertaken within those authorities’ boundaries was deemed to be covered by the basic allowance. Those authorities had chosen to actively promote cycling and the use of public transport as a more sustainable alternative.
- 8.2 We welcome the introduction of a new tax-free “Cycle to Work Scheme” which will be available to both staff and elected members later in 2007, the provision of secure cycle racks and showering facilities at three council sites across the

city as well as the provision of cycle training. In taking all this into account, the Panel is recommending the same policy for councillors' travel at Brighton & Hove whereby only cycling or public transport would be claimable within the city boundaries and councillors should be able to choose between an Annual Saver Ticket for bus travel or claiming cycle mileage within the city.

- 8.3 We also note that where exceptional circumstances apply the use of taxis/personal transport would be permitted in the instance of former mayors undertaking mayoral duties on behalf of the Mayor.
- 8.4 In addition, in exceptional circumstances and/or where disability or injury applies the use of private transport/taxis is at the discretion of the Monitoring Officer.

Subsistence Allowance

- 8.3 The Panel has also noted that a similar number of local authorities do not provide for the reimbursement of subsistence within their authority's area. There appears to be little evidence of any need for additional subsistence within Brighton & Hove required by those councillors attending approved duties and we recommend that this expenditure should also be covered by the basic allowance. However, where exceptional circumstances apply, this should be at the discretion of the Monitoring Officer.

Mayor's and Deputy Mayor's Allowances

- 8.4 Although the Mayor's and Deputy Mayor's Allowances do not form part of the Members' Allowances Scheme per se, we have been requested once again to make recommendations in this connection. We do not see the need for a further review and we recommended that the level of allowances for both the Mayor and Deputy Mayor continue to be increased in line with salary inflation rate of 2.2%.
- 8.5 Having previously recommended that payments to former mayors undertaking mayoral duties as a result of sickness, holidays and when both the Mayor and Deputy Mayor are already engaged, the Panel recommended that the payment of £35 per engagement should continue.

Withholding of allowances

- 8.6 The Regulations allow councils to cease payment to Members who have been suspended or partially suspended from their duties where they have breached the Code of Conduct. We consider this to be entirely appropriate and recommend that the provision contained in the Members Allowances Scheme remains unchanged.

Parish Council

- 8.7 We have consulted Rottingdean Parish Council on this matter, and have been informed that parish councillors have unanimously agreed that they would not be seeking Parish Council allowances in the current year.

Work Programme

- 8.8 In having regard to its future work the Panel notes that the new Administration wanted to maintain the percentage splits for the various positions which attributed an SRA. However, as part of its review the Panel were mindful of the disparities that existed in terms of roles and responsibilities of Chairs and Deputy Chairs and would wish to review these in light of the change in control of the council and to report back in February 2008.
- 8.9 The Panel is also aware of the impending changes that may arise following the passing of the Local Government and Public Involvement in Health Bill and would wish to maintain an overview, in order to be able to report on possible changes to the Members' Allowances Scheme as a result of a change in the governance arrangements of the council.
- 8.10 We would also want to continue to review the various allowances and payments made in respect of travel, subsistence, childcare, dependent-care, co-optees and non-co-optees.
- 8.11 The Panel believes that it would be appropriate to review the Basic Allowance during 2007, but this would simply be to check that there had been no significant changes and that a salary inflationary increase was justified.
- 8.12 The Panel would also intend to keep under review the level of SRA's for both the Chair of HOSC and CYPOSC in view of the changing nature of the role of overview & scrutiny in these areas.

9. CONCLUSION

- 9.1 We consider it is important that a number of posts which attribute an SRA are 'doubled-up' so that the Members' Allowances Budget remains in balance and that no more than 30 SRA's are paid to individual councillors at any one time, with only one SRA being payable to each relevant councillor and that being the higher or the highest allowance.
- 9.2 This reinforces Government guidance and reflects the council's current budgetary provision for members' allowances.
- 9.3 The Panel therefore welcomes the approach of the new Leader of the Council in only identifying 27 SRA's that would be payable for the municipal year 2007/08.
- 9.4 We also recognise the political complexities that exist within the council, especially in view of the current make-up of the council and therefore believe it is appropriate for the Political Groups to determine how best to implement our recommendations should they be accepted by Full Council.

SECTION F

10. RECOMMENDATIONS

10.1 The following recommendations are put before the Full Council:

1. That a basic allowance of £10,946p.a. be paid to all councillors with effect from 25th May 2007 (this being the day after Annual Council).
2. That the following positions with a special responsibility be set/confirmed at the percentage levels of the Leader's SRA as listed:

(a) Chair of Finance Management Sub-Committee	45%
(b) Chair of Culture, Tourism & Recreation Committee	38%
(c) Deputy Chair of Culture, Tourism & Recreation Committee	25%
(d) Chair of Major Projects Sub-Committee	38%
(e) Deputy Chair of Planning Applications Sub-Committee	25%
(f) Chair of HOSC	12.5%
(g) Chair of CYPOSC	7.5%
3. That 27 of the 38 identified additional payments, as detailed below and shown in bold, be made to Councillors with special responsibilities, with effect from 25th May 2007 (this being the day after the Annual Council Meeting at which the posts were appointed to) and these be reported back to the Panel.
4. That it be noted the number of SRA's to be paid as detailed below amounted to 27, and were in line with the 50% guidance as a result of various double-ups and subject to any future changes in postholders, were in line with the recommended maximum number of 30 SRA's to be paid at any one time:

	Post	Level	Level of allowance £
1	Leader of the Council and Chair of Policy & Resources Committee		28,139
2 -3	Deputy Leader of the Council	60%	16,883

Annual Report of the Independent Remuneration Panel

4	Leader of the Opposition Group	48%	13,506
5	Chair of Finance Management Sub-Committee	45%	12,662
	<i>Council Liaison/Chief Whip</i>	38%	10,692
6	Chairs of Executive Committee (6 posts) Adult Social Care & Health, <i>Children, Families & Schools</i>	38%	10,692
7	Culture, Tourism & Recreation	38%	10,692
8	Environment	38%	10,692
	<i>Housing</i>	38%	10,692
9	Planning Applications Sub	38%	10,692
10	Chair of Major Projects Sub-Committee	38%	10,692
11	Chair of Overview & Scrutiny Organisation Committee	38%	10,692
12	Chair of Licensing Committee(s) – (dual role)	30%	8,441
	Deputy Chairs of Executive Committees (6 posts) <i>Adult Social Care & Health,</i> <i>Children, Families & Schools</i>	25%	7,034
13	Culture, Tourism & Recreation	25%	7,034
14	Environment	25%	7,034
15	Housing	25%	7,034
16	Planning Applications Sub	25%	7,034
	<i>Chair of Housing Management Sub-Committee</i>	25%	7,034
17	Convenor of Sustainability Commission	25%	7,034
	<i>Chair of Standards Committee</i>	15%	4,220
	<i>Chair of Equalities Forum</i>	15%	4,220
	<i>Chair of Community Safety Forum</i>	15%	4,220
18-19	Deputy Leaders of the Opposition Group (2 posts)	12.5%	3,517
20	Convenor/Leader of Minority Groups (with a minimum of 10% of council seats)	12.5%	3,517
21	Deputy Chair of Licensing Committee (2 Posts) <i>N.B. only one post to be paid as there is a double up</i>	7.5%	2,110

Annual Report of the Independent Remuneration Panel

22- 27	Opposition Spokespersons for the Opposition Group (6 Posts)	7.5%	2,110
	<i>Deputy Chair of Standards Committee</i>		536

Note: The positions highlighted in Bold are those for which an SRA will be paid in 2007/08 should the recommendations be accepted.
The posts in italics are the remaining posts for which an SRA could be paid under the Scheme but are anticipated to remain as double-ups or not appointed to.

5. That the minimum qualification of 10% of the total number of seats on the Council be met, (6 out 54), in order for a Convenor/Leader of a Group to be in receipt of an SRA;
6. That car mileage, motorcycle mileage and passenger supplements be maintained at Inland Revenue advisory rates for travel by Members when on approved duties outside of the city boundary, except in exceptional circumstances, when approval may be given by the Monitoring Officer for motor travel within the city.
7. That a cycle allowance be maintained at Inland Revenue advisory rates.
8. That maximum rates for breakfast, lunch and tea be maintained at £6.50, £8.50 and £3.50 respectively, and the maximum subsistence rate for dinner be maintained at £15.00, with the conference and overnight rates remaining unchanged.
9. That subsistence only be reimbursed for meals taken outside the city's boundary.
10. That the Members' Allowances Scheme should continue to not provide for councillors to be reimbursed the cost of alcohol purchased whilst on approved duties.
11. That the rules on reimbursement for meals purchased on trains remain unchanged.
12. That the two components of the Child Care and Dependant Carer's Allowance be:
 - (i) Childcare – reimbursed at up to the appropriate national minimum wage provided it is no more than the cost charged by the carer and that this be capped at £1,200 pa.

- (ii) Dependant Care – reimbursed at up to £7.50 per hour and capped at £1,200 pa. and that this be payable for children with severe disabilities and also for dependent adult relatives.
13. That a co-optee's allowance of £4,220p.a. be paid to the independent Chair of the Standards Committee and that £536.p.a. be paid to the Deputy Chair of the Standards Committee, should this post be held by an independent member with effect from the day following that appointment.
 14. That the provision within the Members' Allowances Scheme for allowances to be withheld where a Member has been suspended or partially suspended be maintained.
 15. That changes to Childcare, Dependent Care, Travel and Subsistence Allowances as detailed above should be implemented with effect from 1st September 2007.
 16. That it be noted the total cost with the salary inflation rate of 2.2% applied equates to £812, 241 and is within the budget for Members Allowances which is held in the Democratic Services Budget.

COMMITTEE REPORT APPENDIX



Meeting/Date	Policy & Resources Committee, 28 June 2007 Full Council 12 July 2007
Report of	Chair of the Independent Remuneration Panel
Subject	Review of Members Allowances
Wards affected	All

Financial implications

The Members Allowances revenue budget has a provision of £1,000,000 to provide for the Basic Allowance, Special Responsibility Allowances, Co-optees Allowances and Superannuation. The recommendations of the Independent Remuneration Panel aim to remain within budget, but are subject to the approval of Full Council and the determination of the number of SRA's that should be payable for 2007/08.

In making their recommendations, the Panel have taken on board the Leader of the Council's desire to limit the total number of SRA's to 27 and have assumed the likelihood of there being ten double-up positions, which should mean the budget will be sufficient.

Legal implications

At this time there appear to be no specific legal and or human rights issues arising from this report

Corporate/Citywide implications

The number of allowances needs to remain within the parameters of the guidelines set down by the government, otherwise the council may be subject to scrutiny and sanction.

Risk assessment

If a maximum of 30 SRA's are paid at any one time it is felt that this would not cause any concern, however anything above this may result in the District Auditor wishing to review the scheme.

Sustainability implications

There are no implications.

Equalities implications

A basic allowance for all councillors that reflects the time and commitment to their role is important, in order to ensure equity and encourage others to become councillors. The levels of SRA's are determined and set against that of the Leader's to maintain a balance that can be identified and justified.

Implications for the prevention of crime and disorder

There are no implications at this stage for the prevention of crime and disorder.

Background papers

1. The Members Allowances Regulations

Contact Officers

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Appendices

None