Council	Agenda Item 28(b)
21 October 2010	Brighton & Hove City Council

Subject:		**Review of Members' Allowances**
Date of Meeting:		**21 October 2010** 18 March 2010 9 March 2010 Governance Committee
Report of:		**Acting Director of Strategy and Governance**
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Wards Affected:	**All**	

FOR GENERAL RELEASE

REPORT OF THE INDEPENDENT REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES SCHEME 2008/10

Members of the Panel:

Simon Keane (Chair)
Samuel Barsam
Ken Childerhouse
Keith Hathaway
Jennifer Redman

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 as to:

(a) the amount of basic allowance which should be payable to Members;

(b) the duties in respect of which such Members should receive a special responsibility allowance and the amount of such allowance;

(c) whether dependant carer's allowance should be payable to Members of the council, and the amount of such allowance;

(d) the responsibilities or duties in respect of which a travel and subsistence allowance should be available;

(e) the responsibilities or duties in respect of which a co-optees' allowance should be available;

(f) 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) 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) 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) treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable;

(j) 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 as to:

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

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

(c) 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;

(d) the amount of travelling and subsistence allowance payable to Members of such authority;

(e) 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 and 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 Panel member may terminate the appointment by giving one month's notice.

4. MEETINGS

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

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

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

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SECTION A

1. RECOMMENDATIONS AND PRINCIPLES

The following recommendations are put before the Full Council:

1.1 That a basic allowance £11,578 pa be paid to all councillors with effect from 14 May 2010 (this being the day after Annual Council), (see paragraphs 3.1–3.13 of the report);

1.2 That the following positions of additional responsibility be set/confirmed as percentage levels of the Leader's "core" SRA as listed (see paragraphs 4.1-4.42 of the report and appendix 1 to the report):

(a)	Leader of the Council	100%	£28,156
(b)	Deputy Leader of the Council	74%	£17,254
(c)	Cabinet Member with portfolio	47%	£10,883
(d)	Chairman of Planning Committee	47%	£10,883
(e)	Leader of the Opposition	45%	£13,202
(f)	Chairman of Licensing Committee	37%	£ 8,568
(g)	Chairman of Governance Committee	37%	£ 8,568
(h)	Chairman of Audit Committee	37%	£ 8,568
(i)	Chairman of Overview & Scrutiny Commission	31%	£ 7,178
(j)	Chairmen of Overview & Scrutiny Committees	31%	£ 7,178
(k)	Deputy Leader of the Opposition	31%	£ 7,178
(l)	Leader/Convenor of a Minority Group	25%	£ 8,571

1.3 That the Special Responsibility Allowances for the following positions be calculated in accordance with the number of seats held in each of the respective groups as set down in sections 4.6 to 4.15 of this report;

(a) Leader of the Council
(b) Leader/Convenor of the main Opposition Group/s
(c) Leader/Convenor of a Minority Group with at least 10% of the seats on the council;

1.4 That a new allowance be payable to each of the Overview & Scrutiny Review Panel Chairmen on completion of their review, provided they are not already in receipt of a Special Responsibility Allowance in respect of another role (see paragraphs 4.33 – 4.35 of the report);

1.5 That it be noted the Panel is recommending a maximum of 25 Special Responsibility Allowances be paid under the Members' Allowances Scheme but that the exact number payable will only be identifiable once any double-ups have been confirmed;

1.6 That with regard to 1.2 (b) above, there be a maximum of two Deputy Leaders within the Scheme;

1.7 That with regard to 1.2 (a)–(c) above, there be a maximum of 10 Members within the Cabinet;

1.8 That with regard to 1.2 (h)-(i) above, there be a maximum of 6 overview and scrutiny chairmen including the chairman of the Commission;

1.9 That a Co-optees' Allowance of £4,356 be paid to the Independent Chairman of the Standards Committee (see paragraphs 8.1 – 8.4 of the report);

1.10 That a Co-optees' Allowance of £553 be paid to the Independent Deputy Chairman of the Standards Committee should one be appointed (see paragraphs 8.5 – 8.7 of the report);

1.11 That the table set out in Appendix 1 which lists all the positions of special responsibility be noted but that individual portfolios be changed at the discretion of either the Leader of the Council or Full Council, as appropriate;

1.12 That the Members' Allowances Scheme allows portfolios to change without further amendment to it;

1.13 That an index be applied to the Basic Allowance equivalent to the council's salary inflation and that this be implemented on the day after Annual Council for each of the municipal years, with further review in 2012/13;

1.14 That the Travel Allowance remains in line with Inland Revenue Advisory Rates and any amendments made to them and that the council adopts the Driving at Work policy in respect of councillors' motor mileage claims (see paragraphs 5.1 – 5.5 of the report);

1.15 That the Subsistence Allowance remains unaltered and no alcohol costs be reimbursed as laid down in the Members' Allowances Scheme (see paragraphs 5.6 and 5.7 of the report);

1.16 That care costs for approved duties be paid to councillors rather than carers, that the hourly rate for cared-for children rise to £7.00, with the rate for dependant care to remain at £7.50 per hour and that the upper age limit for cared-for children remain at "under 14".

1.17 That a clear and concise care package be drawn up by officers of what is claimable under the scheme (see paragraphs 6.1 – 6.10 of the report);

1.18 That levels of remuneration for non-committee co-optees should continue to be the same as those in the Members' Allowances Scheme (see paragraph 89.1 of the report);

1.19 That Motor mileage and subsistence shall only be claimable when attending approved duties outside the city boundaries (see paragraphs 10.3 and 10.6 of the report);

1.20 That the Mayor's and Deputy Mayor's Allowances continue to increase at the council's salary inflation rate in 2010/11 and beyond (see paragraph 10.7 of the report);

1.21 That all eligible councillors be entitled to join the Local Government Pension Scheme in respect of both the Basic and any Special Responsibility Allowances that may be paid (see paragraph 10.10 of the report;

1.22 That the council stop payments to councillors who have been suspended or partially suspended from their duties where they have breached the Code of Conduct (see paragraph 10.11 of the report);

1.23 That in order to assist with future reviews, consideration be given to adopting job profiles for the role of a councillor and the various positions identified for a special responsibility allowance; and

1.24 That it be noted in making our recommendations we have been able to find some savings and to bring the total cost of the Members' Allowances Scheme within budget.

Principles for the Members' Allowances Scheme

1.25 The Panel considers that a set of principles is a logical and clear way of expressing its views and this provides a sound framework for the Members' Allowances Scheme. We have therefore agreed the following set of principles and we consider that these should form the basis of any scheme adopted by the council:

The Council's Objectives:

- Provide appropriate support for people from all walks of life, enabling those with a wide range of skills and from different backgrounds to serve as councillors without financial disadvantage.
- Recognise the changing roles of elected members in their community councillor roles as well as in meetings, to ensure that changes to the democratic process are reflected and supported where possible.
- Incorporate into any scheme a voluntary service element which reflects the nature of the role and recognises the concept of civic duty.
- Recognise the significance of co-opted members in the operation of the authority.
- Provide role profiles for each of the positions set down in the Members' Allowances Scheme to support the recruitment and retention of councillors, to reinforce the aims of the council and to assist in future Independent Remuneration Panel reviews.
- Provide a sustainable travel scheme which encourages the use of bicycles and public transport throughout the city.
- Expect receipts/tickets to be attached to all claims submitted by both councillors and co-opted members to entitle the applicant to reimbursement.

- Approve a scheme which is open and transparent, which is available for public scrutiny and which meets audit requirements.
- Demonstrate value for money.

Expectations:

Councillors should:

- Recognise that there is a voluntary aspect to the role;
- Be able to join the Local Government Pension Scheme in respect of the basic allowance and also any special responsibility allowance to which they are entitled or may become entitled (provided they are lawfully eligible in terms of age);
- Accept that where they are taking on significant additional responsibilities, these will require a full or near full-time commitment and that this may be detrimental to career activity;
- Consider maintaining a reasonable work/life balance when undertaking their council duties;
- Submit claims for travel or subsistence, child or dependant care within two months of attending an approved duty – any claims received outside that time limit to be paid at the discretion of the Monitoring Officer in exceptional circumstances only;
- Submit accurate claims in accordance with the Members' Allowances Scheme;
- Provide all appropriate documentation requested of them such as driving licence, birth certificate, insurance etc.

Performance and Support:

- Effective support to be available to every councillor to assist them in their various roles, this to include provision for child and dependant care where appropriate, administration and business support;
- The loan of council equipment to enable councillors to undertake their duties;
- Allowances should be withheld where a councillor is suspended or partially suspended from responsibilities or duties;
- The Members' Allowances Scheme and any payments made from it should be published and made generally available to the public as well as being placed on the council's website.

The Independent Remuneration Panel

- The Panel to undertake further reviews of any of the principles outlined above and to amend them as appropriate when drawing up the Scheme.

SECTION B

2. THE CONTEXT FOR THE REVIEW

The role of the Independent Remuneration Panel

2.1 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.

2.2 Whilst the 2007-8 review focused within a very tight timescale on the new governance arrangements which were to be introduced on 15 May 2008, this latest review has been conducted over an 18-month period, providing the opportunity to look more extensively at each of the allowances and expenses within the Members' Allowances Scheme**.** This means that the Panel has been able to consider whether the significant transitional changes anticipated have taken place within the authority, thereby affecting individual councillors and the council as a whole. The Panel relied largely on evidence gathered from other local authorities for its recommendations in 2008 but it now has strong evidence from within the council as well as external comparison on which to base each of the recommendations in its latest Annual Report.

2.3 Throughout the review period the Panel has been mindful of major external issues and how they impact on any recommendations made. Although not strictly a requirement under its terms of reference, the Panel likes to ensure that it works within the prescribed budget when undertaking each review. However, this year it has balanced the financial constraints of the authority at a time of global recession with the need to provide a reasonable level of allowance for all councillors – one which the Panel anticipates will enable them to carry out their duties without discrimination or favour.

2.4 In addition, the Panel acknowledges public condemnation over the MPs' expenses throughout 2009 and feels it essential that it gets the right message across in terms of the allowances and expenses paid by Brighton & Hove City Council. The Panel remains firmly of the view that all the allowances and expenses and any methodology applied must be open, transparent and accountable. The Panel would like also to draw attention to the fact that there are no monetary payments made to councillors and co-opted members other than those stipulated in the Members' Allowances Scheme.

2.5 Within the parameters of our remit we are fully in tune with relevant issues, we share information and good practice with other panels and any recommendations we make are sound. On 6 May 2009 we invited independent remuneration panel chairmen and officers from other local authorities in the region to a networking event at Hove Town Hall with the intention of launching a new group for the South-East of England in 2010. We are pleased to report that we attracted a number of key speakers on the day including the author of the Councillors' Commission Report, Alan Pike and former Argus journalist Adam Trimingham.

2.6 In September 2009 one of our Panel Members attended an annual networking group in Chelmsford aimed primarily at county councils in the region, but with whom we have a close link, and an officer attended the south-west of England networking group for panel chairmen and officers to observe their set-up and to forge firm links with them. For the future this will mean that we have access to comprehensive statistics, detailed analysis and a wealth and breadth of knowledge across the south.

2.7 On 25 March Brighton & Hove will host the launch event for the South-East of England Networking Groups for Independent Remuneration Panel Chairmen and Officers and it should be an interesting and thought-provoking day to which the Chair of the Councillors' Commission and other external stakeholders will be invited.

The 2008-10 Review

2.8 Between November 2008 and February 2010 the Panel has undertaken a detailed review of the scheme of allowances and in order to be as consistent as possible with previous reviews, has considered evidence from a range of other local authorities, the majority of which have been used for this purpose since 2005.

2.9 In addition to the information obtained from a range of London Boroughs, Unitary Authorities, Counties and Metropolitans, the Panel have considered levels of payments at all other 14 councils named in the Audit Commission Family Tree. We have also sought advice and guidance from a number of nationally recognised public bodies and experts. Each of these sources is set down in Appendix 3 to this report.

2.10 Faced with the prospect of setting allowances for completely new positions of responsibility in 2007-08, the Panel studied job profiles and individual portfolios from other local authorities in respect of the Leader of the Council and each Cabinet Member in order to achieve a better understanding of the new roles and how they would fit into the proposed new structure. These profiles have helped to form the basis of the 2008-10 review.

2.11 The Panel has been meeting approximately once a month since November 2008 when it set its work programme for the duration of the review. Although the meeting planned for July 2009 was cancelled because of the pending by-election in Goldsmid ward, further meetings have taken place in the autumn. Work has been varied, research undertaken and information and evidence gathered from many different sources. The detailed programme is shown at Appendix 6 to this report.

2.12 The Panel circulated an electronic survey to all councillors in December 2008 and we have gathered an enormous amount of information from it. We are particularly grateful to 36 councillors for responding to the survey providing us with so much detail as this has been with a starting point for the many

individual question and answer sessions we have run with councillors throughout the review.

2.13 In total the Panel has met with 35 of the councillors from each of the groups on the authority and we have invited all 54 to speak with us and to make their views known. Those who have been unable to do so have been encouraged to let us have their comments in writing and any that we have received have been given our full consideration. We have met also with the Independent Chairman of the Standards Committee whose position qualifies for a Co-optees' Allowance and we are grateful to each of them for their time and input into the review process.

2.14 In February 2009 the Panel spoke with the Leader of the Council to learn about her new role and any powers conferred on it by central government, recognising that there was an increase in power resulting from these changes. The Panel felt that changes which affected the Leader also re-shaped the way all councillors were required to work and recognised that this was a pivotal position on which all the other Special Responsibility Allowances were based.

2.15 It is vital therefore that this key position is given an appropriate level of remuneration.

2.16 Discussions took place in March 2009 with the two Deputy Leaders, one with and one without portfolio, as well as the remaining members of the Cabinet. These, together with individual survey responses, provided Panel members with key information on the roles and responsibilities of each portfolio holder. The Panel recognised the significance of correctly evaluating these positions of additional responsibility, all of which have been introduced under the new governance arrangements.

2.17 Although not a new function, the Panel has recognised that some changes in the overview & scrutiny function have taken place since May 2008. The introduction of the new Overview & Scrutiny Commission, which co-ordinates the work of the other five overview and scrutiny committees, has additional specific responsibility for resources, performance, partnerships and central services. The Panel met with chairmen and deputies from each of these six committees in April and June 2009 and spoke also with relevant lead officers about this work area.

2.18 The regulatory committees of the council have undergone little if any change during the current review period. However, we met with the chairmen and deputies from each of these committees to gain clearer information on their individual roles. The Panel was keen to learn what additional responsibilities they held and how these varied from the ordinary members of the committee in terms of both time and tasks. We met each of them in either June or September.

2.19 In December 2009 the Panel met the Leaders and Deputies from the main Opposition and Minority Groups, not all of whom currently receive a Special Responsibility Allowance. We know that the change in political balance on

the council as a direct result of the July by-election meant that the second and third Groups hold the same number of seats. Whilst the Panel understood that the Labour Group is the main Opposition in the current municipal year, it felt that the Scheme should be better placed to recognise changes in political balance in the future. The Panel also wished to revisit the restriction on the payment of an allowance to a Minority Group Leader to see if there was any justification for change and therefore it met with the Leader of the Liberal Democrat Group to listen and consider any points that he wished to raise.

2.20 Full Council on 24 April 2008 approved an SRA for two of the six councillor representatives on the Arts Commission to demonstrate the importance of art and culture within the city. This allowance became payable from the day after Annual Council. As part of the current review the Panel has considered the appropriateness of these payments and what role if any these councillors hold in terms of partnership working and cultural success. We were anxious to learn of the specific duties allocated to each and how they differed from the remaining four councillor representatives.

2.21 The Panel has listened to councillors' views on many issues throughout the review period and the October 2009 meeting involved us in discussions with individual councillors in respect of the basic allowance. At that meeting and elsewhere in our review we looked back at the December 2008 survey results as well as at the current levels of basic allowance paid in other local authorities across the country.

2.22 We would like to put on record that we are aware of the hard work that all councillors do in their wards, dealing with community matters, supporting their constituents and representing them at meetings, as well as attending many other duties such as Local Action Team meetings, Community Association meetings and many more besides. We recognise that this work takes a considerable amount of time and that it is undertaken in addition to the raft of approved duties which are in the council's official timetable, relevant training programmes or schedules.

2.23 We were concerned to learn of the financial difficulty that some councillors or their councillor colleagues were experiencing in undertaking their council duties. Although in times of economic crisis the Panel recognises that it is difficult to justify increasing allowances and there will be little public support for such a move, for some councillors this is the only recompense they receive for an average of 28 hours per week spent on council business, much of which is carried out in the evenings and at weekends and which has to fit around paid employment and family life.

2.24 The Child & Dependants' Carers' Allowance is another part of the Scheme that the Panel has considered in great detail. We have read the Councillors' Commission Report which was published in December 2007 which states that *"firmer guidance should be provided on the minimum package of support that each councillor should expect to receive"* and we feel strongly that one of the best ways to support councillors is by providing a robust care package which clearly sets out all the options open to them. We are mindful that parent

councillors should not be disadvantaged in any way, nor should those with responsibilities for caring for elderly relatives. The Panel met with a number of councillors to discuss these important issues in November 2009 and our findings are set out in detail at section 6 of this report.

2.25 In terms of Travel Allowance the Panel recommended in 2003 that the council's scheme should match each of the vehicle advisory rates set down by the Inland Revenue and that any increase/decrease the Inland Revenue applied, be similarly mirrored by the city council. This is a policy adopted by a number of other local authorities and we remain of the view that this is a clear, simple and reasonable approach. We see no merit in changing this part of the scheme.

2.26 At the close of our last review and also as part of this, we have had drawn to our attention the fact that a small number of councillors are unhappy that the scheme prevents them from claiming motor mileage for travel within the city. We recognise that the changing role of the councillor means that many of the duties attended are held away from the Town Halls and other civic buildings and this can mean councillors having to travel fairly extensively from one part of the city to another without recompense. We have listened to each of the comments that have been put to us but we remain of the view that this part of the scheme should not change, preferring instead to support a more sustainable approach to travel when making our recommendations to the council. We consider it reasonable that these costs should be taken from the basic allowance.

Methodology

2.27 We have considered the following in order to arrive at our recommendations:

- √ detailed information and analysis gleaned directly from councillors' responses to our electronic survey;
- √ first-hand qualitative information obtained from face-to-face discussions with 35 councillors;
- √ the latest information on allowances paid by other authorities on a local, regional and national basis;
- √ attendance at IRP Networking meetings in the south of England;
- √ guidance from approved national bodies (eg the Local Government Association), experts in Members' Allowances and good practice;
- √ the formula approved and used since 2003 to set levels of remuneration and other statistical evidence;
- √ the introduction of an alternative methodology for calculating the Leaders' Allowances;
- √ the council's salary inflation rate for 2010/11.

Public Service Principle

2.28 The Panel notes that the concept of public service and civic duty continues to be upheld by many councillors despite the time commitment involved and increasing demands placed upon them. We accept that this concept should

remain and consider that a proportion of any time spent should continue to be regarded as voluntary. In the past we have recommended that the public service principle should be calculated at 40%. In other words, councillors give 40% of their time on a voluntary basis and although we recognise this is a significant contribution, we feel that it is set at an appropriate level. The Panel therefore, is not recommending any change to the voluntary contribution at the current time.

2.29 Whilst supporting this ethos, we believe that the council should provide a package of financial support which is reasonable, that it goes some way towards addressing the disincentives from serving in local politics, and that it does not disadvantage people from all walks of life who wish to enter the political arena in this way.

2.30 We are aware that the Government is keen to increase the number of people wishing to serve as councillors and we are mindful that locally the next elections will take place in May 2011. On the back of that we hope that the Government will give further consideration to encouraging employers to enable staff to take time off for council duties without penalty.

2.31 Maintaining a work/life balance has been a difficulty for many councillors over the past few years and we are aware that council and council related duties continue to have a significant impact on their personal lives. We urge the council to find ways of ensuring that all councillors give proper consideration to maintaining a work/life balance which we believe will help to encourage a wider cross-section of the community to serve on the council in the future.

Public Expenditure

2.32 The Panel has undertaken one of its most extensive reviews at a time of great financial constraint and we have therefore made recommendations which we feel reflect the seriousness of the current economic climate within which we must work, yet which also give appropriate recognition and reward. It is hoped that the views we have expressed in this report demonstrate our belief that the changing roles and responsibilities of all councillors mean there is a real need to "balance the books". We are keen to ensure that where workloads and responsibilities are clearly defined, appropriate recognition and support is provided.

2.33 Mindful that we wish to remain within budget we have sought to provide much needed support to those in backbench positions who feel they struggle to cope with the financial burden and in particular to those with caring needs. These are perhaps the most radical recommendations we have put forward to date, but we feel that they are fully justifiable and that they reflect the work of the authority under its new modernised governance arrangements.

2.34 We note that the council has set the Members' Allowances budget at £1,054,900 for 2010/11 and working within that figure, we regard it imperative that any recommendations we make as an independent panel are sound. We are pleased to report therefore that each of the changes we are proposing are

both transparent and accountable, that they remain in line with other local, national and regional authorities used for comparison and that they also remain within the prescribed budget.

SECTION C

3. THE BASIC ALLOWANCE

Councillors' roles

3.1 The Panel notes that all councillors have wide-ranging roles and responsibilities both within the council and outside. In addition to their approved duties, many councillors serve as representatives of the council on outside bodies; they are often also school governors, members of Local Action Teams and are active in charitable organisations and associations. In addition, they may be invited to attend a variety of other events in their capacity as a councillor. Additional time is also spent by many councillors in ward surgeries, as well as dealing with emails, correspondence, telephone calls and face-to-face meetings with constituents. The Panel acknowledges the hard work that councillors do in this respect.

Factors affecting workload

3.2 This is the first review of workloads under the new governance arrangements and we are aware that councillors are now experiencing a number of different challenges. Partnership working and engagement are becoming increasingly important and these factors are dramatically re-shaping the way all councillors work. We note that there are problems in balancing conflicting demands on time, workloads for backbench councillors are increasing, whilst many find it difficult to be properly involved in the decision-making process. We are aware that this has been another year of change and we recognise the following as being of particular significance –

(a) The new governance arrangements have brought with them a need for all councillors to take on new roles and we recognise that this has been a challenging process. It has had an impact on the Administration and Opposition Groups alike. In addition, following the July 2009 by-election, the Green Group gained a seat and it now holds the same number of seats as the Labour Opposition. This has meant additional challenges in terms of political balance, affecting all councillors in what was already a period of re-focusing and re-grouping.

(b) Following the by-election seven wards remain "split" politically and there continues to be duplication of some work because of the political differences and lack of communication. Where there is joint working additional time is spent on liaising with councillors from other groups to negotiate an approach to ward issues.

(c) Planning Committee and Licensing Panels both continue to meet frequently and often involve lengthy deliberation. The workloads of both are substantial. A willingness to serve on Planning or to attend an ad hoc Licensing Panel continues also to be affected by the time commitment required. These are often considered to be onerous duties and the Panel recognises that they continue to require careful monitoring.

Time Commitment

3.3 The Panel remains of the view that time commitment must be a primary consideration in the development of an appropriate level of basic allowance. From the responses we have received to our latest survey and also from discussions subsequently held with councillors, it is clear that the number of hours worked by councillors in their backbench roles has continued at approximately 28 hours per week. In some cases time commitment is even greater depending largely on the roles undertaken by individual councillors and the constraints of employment. What is apparent is that it is the way in which councillors are spending their time that has changed more than the amount of time involved.

Setting an appropriate level of Basic Allowance

3.4 In April 2008 the Panel recommended to Full Council an increase to the basic allowance equivalent to the rate of salary inflation and stated that subject to any changes in the overall structure of the council which might affect the public service commitment, it would not anticipate the need for a comprehensive review to follow.

3.5 In Spring 2009, mid-way through the wider 2008-10 review, the Panel applied an inflationary increase for the 2009/10 municipal year and undertook to review the changing roles of councillors as it sought to identify whether there was a need for further change.

3.6 Since May the Panel has spoken to many different councillors, both those who were newly elected in 2007 and those who have been councillors for much longer. Although we gathered concise information on this matter from our earlier survey results, we have built up that picture over the past few months and checked and rechecked that what we have learnt still stands. We are acutely aware that the basic allowance is an important part of the overall scheme and that this payment is the only allowance to which many of the councillors are entitled. We now have strong evidence on which to base our recommendations.

3.7 Whilst being mindful of the current economic constraints, the Panel recommends that a salary inflationary increase of 1% be applied to the basic allowance for 2010/11. We feel that on balance this provides the best possible financial support at the current time, particularly for backbench councillors. We understand several councillors have given up well-paid jobs,

taken career breaks or sought part-time paid employment in order to continue with their council duties over the past few years and we wish to go some way towards redressing the balance, whilst retaining the public service ethos mentioned above.

3.8 In previous years we have emphasised the importance of retaining transparency in our methodology for recommending the level of the basic allowance and we wish to continue applying the formula identified by the Institute of Local Government Studies at the University of Birmingham (INLOGOV). This formula takes into account the number of hours worked, the local hourly rate of pay and incorporates a percentage which recognises the public service ethic. This is expressed as follows:

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

3.9 As we wish to ensure that our proposals continue to be realistic in terms of national employment statistics, we have also checked that the level of basic allowance proposed will be in line with hourly rates of pay for male full-time employees in the Brighton & Hove unitary authority area and we are pleased to report that our recommendations remain consistent with this methodology – the new basic allowance falls between the median and mean salaries for these male employees.

3.10 We are strongly of the view that the INLOGOV formula should be retained and feel that this provides a clear and demonstrable methodology for calculating the basic allowance.

3.11 In reaching this conclusion we have taken into account the evidence we have received of the levels of basic allowance paid by other local authorities, as well as other members of the council's audit family tree over the past few years and we are of the view that Brighton & Hove remains in an appropriate position in relation to its peers. In addition, we note that many authorities are applying an index to their basic allowances for a maximum of four years and the Regulations permit this and recognise it as good practice.

3.12 We therefore recommend a basic allowance of £11,578pa. This should take effect from 14 May 2010, the day after the Annual Council Meeting, subject to the approval of Full Council (see recommendation 1.1).

3.13 We further recommend that an index be applied to this allowance and that a salary inflationary increase be added on the day after Annual Council each year for up to a maximum of four years (as permitted by the Members' Allowances Regulations), subject to further Panel reviews being conducted should they be deemed necessary at any time beforehand. In any event, the Panel will continue to meet from time to time to ensure that the allowances remain at an appropriate level and that they mirror the democratic structure of the council (see recommendation 1.13).

SECTION D

4. SPECIAL RESPONSIBILITY ALLOWANCES

Positions of additional responsibility

4.1 The Panel recognises that in addition to the community councillor role, some councillors undertake extra duties and responsibilities for which it is appropriate to pay SRA's. We are aware the guidance governing the payment of these allowances recommends that not more than half the councillors in an authority should be in receipt of an SRA (27 in the case of Brighton & Hove). We are also mindful of the fact that the current and some previous Brighton & Hove schemes have exceeded that guidance. Following a difficult period in which it has been impossible to keep the number of qualifying posts to recommended levels, our latest proposals bring the scheme in line with best practice.

4.2 After careful consideration we recommend that a maximum of 25 SRA's be payable, a number that falls within the scope of the guidance but which we feel fully reflects and supports the modern governance arrangements which are in place at Brighton & Hove. At this time we do not see the need for any additional posts to be included within the Members' Allowances Scheme nor do we support any moves to take the payment of the allowances over budget.

Additional Duties

4.3 It remains our prime concern to arrive at recommendations that can be justified and although we have regularly reviewed our use of the INLOGOV methodology for setting allowances in the past, we have decided this time that whilst we are happy to retain the methodology for the basic allowance, we wish to adopt a different approach for SRA's.

New methodology

4.4 The new methodology we recommend the council to adopt and the reasoning behind it does not change the fact that the position of the Leader of the Council is still considered to represent 100% and it is from this base that appropriate percentages are determined for the Deputy Leader/s, Cabinet Members, Committee and Review Panel Chairmen. However, we recommend that a different approach be applied when calculating the Leader's Allowance, that of the Leader/Convenor of the main Opposition and also the Leader/Convenor of Minority Group/s (see recommendation 1.2).

4.5 The Panel is aware that since the July 2009 by-election the changed political balance has resulted in two political groups holding the same number of seats on the council but their leaders are rewarded very differently. Although we understand that in the current municipal year the council recognises one to be the main Opposition and therefore the current payments are justifiable, we feel that this imbalance in terms of allowances paid should be addressed for the future; whilst acknowledging that the council has the ability to recognise

the position of the Leader of the Opposition. We are also aware that any changes we recommend must be flexible enough to work just as well should the political balance change yet again at any given time. This rationale is the basis for our new recommendations.

Leader of the Council

4.6 The Panel has learnt of the responsibilities undertaken under the new governance arrangements, given the complexity, size and budget of the council and acknowledges that in this position the Leader of the Council is required to represent not only the authority but the city as a whole. Duties are often conferred on the Leader by Central Government, responsibility has therefore increased. Having met with Councillor Mary Mears as part of this review we acknowledge that this is an important and strategic role requiring her to direct policy and set corporate priorities. The Leader also plays an important part in the Cabinet, guiding its work, appointing, suspending or removing Cabinet Members as necessary and determining the arrangements for the discharge of the executive arrangements.

4.7 We consider that the Leader of the Council should receive an SRA for the significant role and extra responsibilities of leading a large city council equivalent to two times the basic allowance, i.e. £23,156pa.

4.8 In addition to this, the Panel believes the role of the Leader of a Group should be recognised and that this additional element should be based on the basic allowance divided by the total number of councillors and multiplied by the number of Members within the Leader's Group.

4.9 As the Leader of the majority group, the Leader of the Council would be in receipt of an additional £5,350 bringing their total allowance to £28,506. It is recommended that this methodology be applied to all Group Leaders.

4.10 We therefore suggest that the Leader's SRA, based on the current number of seats held by the Administration should be calculated as follows:

£23,156 + (£214 x 25 = £5,350) = **£28,506**

4.11 We recommend therefore that a Leader's Allowance of £28,506 be paid to the Leader of the Council provided the Group continues to hold 25 seats on the council (see recommendation 1.2(a). That sum to be recalculated should the number of seats held within the administration group differ in any way. We are mindful of the fact that this represents a drop in the level of allowance paid to the Leader but we feel that this change of methodology fits better with the new governance arrangements whilst retaining parity with payments in other local authorities. The Panel prefers instead to inflate the Basic Allowance which is payable to all councillors and which makes up the majority of the Leaders' SRA (see recommendation 1.1 and Appendix 1).

Group Leaders/Convenors

4.12 The Panel wished to reflect the 100% level of the Leader of the Council's SRA in determining the level of SRA to be paid to the Leader of the Opposition and Group Leaders/Convenors. It is therefore proposed to base the percentage level of the Leader of the Opposition and Group Leaders/Convenors on the fixed part of the Leader of the Council's allowance i.e. £23,156.

4.13 The calculation would be as follows:

Basic SRA	= £23,156
Percentage applied	= %
£11,578 divided by the total number of councillors (54)	= £ 214
£214 x the number of councillors in each Group	=

Leader of the Opposition	= (£23,156 x 45%) + (214 x 13) = £13,202
Labour	= (£23,156 x 25%) + (214 x 13) = £ 8,571
Green	= (£23,156 x 25%) + (214 x 13) = £ 8,571

4.14 In respect of the current political balance, the methodology has been calculated as shown above but the same ruling would apply whatever the number of seats held by each of the Groups, provided they held a minimum of 10% of the seats on the council. The figures would simply need adjusting to reflect any change in numbers.

4.15 The Panel feels fully justified in recommending this new methodology for the calculation of the Leader of the Council's, Leader of the Opposition and Leaders/Convenors of Groups SRA's. The inclusion of the element based on the number of Members in a Group can be applied across all the Groups represented on the council who have 10% or more of the seats. This provides equity and allows for any changes in Group sizes during the term of office.

Calculating the other SRA's as a percentage of the Leader's

4.16 However, we recognise that there is an unstable element to this approach if it is adopted for the other SRA's in the scheme. It would be inappropriate to raise and lower individual special responsibility allowances purely on the number of seats held by the Administration and we therefore recommend that percentages be applied to the 'core' part of the Leader of the Council's allowance only, this being equivalent to 2 *x the basic allowance* (see recommendation 1.3 (b) and (c) and Appendix 1).

Deputy Leader/s of the Council

4.17 When the Panel began the current review in 2008, there were two positions of Deputy Leader, one with and one without portfolio. However, since May 2009 the position of Deputy Leader without portfolio no longer exists, having been replaced by a second portfolio holder and as a result we have concentrated our discussions and research on the portfolio positions only.

4.18 In the early part of the review the Panel met with Councillor Vanessa Brown, the then Deputy Leader of the Council, and learnt that she had responsibility for chairing Cabinet Meetings in the absence of the Leader. It was recognised that the position would be subject to the same conditions of appointment and dismissal as any other Cabinet Member but that it carried with it additional responsibility for a significant individual portfolio. The Panel recommends that this important position should be rewarded appropriately and that this allowance should be set at 74% of the Leader's Allowance provided the new methodology is applied to this calculation (see recommendation 1.2 (b) and Appendix 1).

Cabinet Members with portfolio

4.19 The Panel met with a number of Cabinet Members to learn first-hand of their responsibilities and workloads in terms of their individual portfolios. Whilst we recognise that there are some differences in quantities of work required of the posts, as well as in levels of responsibility held, we feel that to set the SRA's at varying levels would be divisive and we feel strongly that these should continue to be afforded the same level of financial recognition. We note that the new governance arrangements have resulted in considerable changes for all councillors and that these have made large workloads more difficult to complete but we understand that there has been considerable progress made in terms of cross-party liaison.

4.20 We note these improvements and recommend that the level of allowance for Cabinet Members with portfolio should be 47% of the Leader's Allowance. Bearing in mind the different portfolios, we wish to retain the right to revisit individual responsibilities should there be a need in the future (see recommendation 1.2 (c) and Appendix 1).

Chairmen of Regulatory Committees

4.21 The Panel met with the chairmen of each of the regulatory committees – Planning, Licensing (dual role), Audit and Governance as part of the current review. We learnt about the ongoing work of each of the committees, the onerous nature of Planning Committee and Ad Hoc Licensing Panels, both of which meet frequently and often for considerable amounts of time. We learnt also of the changing role of the Governance Committee which has responsibility for the affairs and effectiveness of the council as well as monitoring the constitution. Lastly we learnt of the Audit Committee, where it is the chairman's responsibility to sign off the Annual Statement of Accounts and to ensure effective financial arrangements are in place within the council.

4.22 We are mindful that these are busy committees and we wish to retain the right to re-review the workloads, particularly in respect of the Planning Committee and Licensing Panels should these become significantly greater than at present. We recommend that the following percentages of the Leader's Allowance should be applied for each of the regulatory committee chairmen:

Chairman of Planning Committee	47% of the Leader's Allowance
Chairman of Licensing (dual role)	37%
Chairman of Audit Committee	37%
Chairman of Governance Committee	37%

(See recommendation 1.2 (d) and (f-h) and Appendix 1).

Chairmen of Overview & Scrutiny Committees

4.23 In its last review the Panel understood that there would be a move to more effective overview and scrutiny under the new governance arrangements. The importance of this function was emphasised to us and we were advised that the number of overview and scrutiny committees would be increased to support this change. Since then we have met with Chairmen and Deputies from many of these new committees as well as with the Chairman of the Overview & Scrutiny Commission which has taken on a co-ordinating role. We are of the view that the effectiveness of these committees sits outside our remit but we wish to suggest that special responsibility allowances for each of these positions should be set at one level. We consider that the Chairmen of each of the Overview & Scrutiny Committees should receive an SRA equivalent to 31% of the Leader's Allowance (see recommendation 1.2 (h) and (i) and Appendix 1).

Deputy Chairmen of Regulatory Committees

4.24 We were pleased to meet with each of the four Deputy Chairmen in their respective roles on the regulatory committees. We were particularly keen to learn of their individual roles and responsibilities and to establish whether they held any significant position, whether any role profile had been allocated to them and what duties they undertook which were of greater importance than the ordinary members of their committees. We spoke not only to them but also to their Chairmen about this issue.

4.25 We recognise that each has a responsibility for covering for the Chairman if they are absent or they declare an interest in an agenda item at the meeting and do not therefore take a part in the discussion or voting. However, we failed to see that there were any significant additional duties allocated to each of them.

4.26 In order to reach this conclusion we have also looked for comparison at other local authorities used in our sample (see Appendix 2 to the report) and we find that there is little if any justification for these payments to be made.

4.27 This is an area which has been of some concern to us over a period of time and we have decided that it is no longer appropriate for Special Responsibility Allowances to be allocated to these positions. We recommend that with effect from 14 May 2010 no SRA's be paid to the Deputy Chairmen of the Regulatory Committees.

Deputy Chairman of the Overview & Scrutiny Commission and Deputy Chairmen of Overview & Scrutiny Committees

4.28 As part of the wider review of the Overview and Scrutiny function the Panel met with several of the Deputy Chairmen of the Overview and Scrutiny Committees. As with the Deputy Chairmen of the Regulatory Committees we were keen to establish an understanding of their individual roles and responsibilities.

4.29 In regard to the Deputy Chairman of the Overview & Scrutiny Commission, the Panel were mindful of the role of the Commission and its co-ordinating function. Having looked at the work of the Commission and taking into account the relationship between the Chairman, Deputy Chairman and its members, the Panel did not feel that the position of Deputy Chairman merited an SRA in itself.

4.30 Again, in taking in to consideration the comments of the Deputy Chairmen of the other Overview & Scrutiny Committees and making comparisons with other authorities (see Appendix 2 to the report) we could find little if any justification in making such payments to the Deputy Chairmen of these committees.

4.31 The Panel have not taken this view lightly and sought to review their conclusions. However, having reconsidered the information gleaned from meetings with the Deputy Chairmen and in making comparisons with other authorities, the Panel remained of the opinion that the Deputy Chairmen did not warrant the payment of an SRA.

4.32 We therefore recommend that with effect from 14 May 2010 no SRA's be paid to the Deputy Chairmen of the Overview & Scrutiny Committees and have therefore not included them in the proposed new scheme of allowances (see Appendix 1).

Proposed new SRA's for Chairmen of Overview & Scrutiny Review Panels

4.33 We have noted throughout our review that the council has set up a number of ad hoc review panels to consider matters such as studentification and road safety. We know that there have been several others. Whilst we can see little justification for the payment of an allowance to a deputy chairman of an overview and scrutiny committee who does not have a clearly defined role, we would like to suggest that a more positive, proactive and forward-thinking approach would be to give recognition to the chairmen who have responsibility for leading each of these ad hoc reviews.

4.34 We have been led to believe that there would be up to 12 such reviews each municipal year, and we are strongly of the view that the council should recognise the significance of this work. As such, we are of the view that up to 12 Review Panel Chairmen should each be paid £500 per review, at the

conclusion of the review period provided they are not already in receipt of another SRA.

4.35 Equally we would suggest that Panel Chairmen undertaking more than one review throughout the year should be able to make a second claim for this allowance provided they are not already in receipt of an SRA for another position; with a maximum of 3 claims each municipal year (see recommendation 1.4).

Other Special Responsibility Allowances

4.36 We have already made our feelings known in respect of the SRA's to be allocated to the Leaders of the Opposition and Minority Groups (see paragraphs 4.4 – 4.5 on pages 20 and 21 of our report) but we have set out below our recommendations in relation to the remaining SRA's.

Deputy Leader/s of the Opposition

4.37 The Panel met with the Deputy Leaders of the Opposition in December 2009 to learn first-hand of their individual remits. We were particularly keen to learn of their personal responsibilities and whether any duties had been specifically handed to them which were over and above those of the ordinary group members. Whilst recognising that each was in a position to cover for their Group Leader in her absence, there were no clear role profiles allocated to them and no significant duties which they could clearly define and which we could identify.

4.38 We met also with the two Deputy Convenors of the Green Group who hold the same number of seats on the council as the main Opposition and asked them the same question. Again we were looking for evidence of a clear and accountable level of responsibility but we found none. In both cases the Deputy Leaders/Deputy Convenors carried out dedicated duties but we are not convinced that either qualifies for an additional allowance.

4.39 In taking into account the lack of clarity around the role of a Deputy Leader/Convenor of the Opposition, the Panel have noted that there would be an opportunity to provide delegated responsibilities and duties to a post holder. It is therefore felt that the position should be recognised within the scheme and that it be set at 31% of the Leader's allowance, making it £7,178. However, in so doing, the Panel can only justify one such post within the scheme and would urge the council to consider introducing proper role profiles for both the Leader and Deputy Leader of the Opposition (see recommendation 1.23).

Leaders/Convenors of Minority Groups

4.40 The Panel invited the Leader of the smallest Minority Group on the council to meet with them to discuss the roles and responsibilities of his position. Councillor Paul Elgood met with us and expressed his concern that an allowance for this position was no longer payable and explained that he did

not understand the rationale for the decision to withdraw the payment at an earlier review.

4.41 He explained that with only two members to cover the committees, his workload was extensive but the Panel were unconvinced of the need to make further changes to the scheme. We remain of the view therefore that there is insufficient evidence to support a payment to a Group Leader with less than 10% of the seats on the council and statistical evidence from many other local authorities supports this view.

4.42 We recommend that an SRA be paid to a minority group leader with a minimum of 10% of the seats on the council based on the new methodology outlined in sections 4.4 to 4.12 of this report, ie. *basic allowance + £214 x the number of councillors in the group* in 2010/11.

4.43 Across the range of local authorities we have used for comparison, eight require a group to hold a minimum number of seats on the council for the group leader to qualify for a special responsibility allowance and of these eight; five are unitary authorities – Brighton & Hove being one of them (see recommendations 1.2 (l) and 1.3).

Representatives on the Arts Commission

4.44 From our work on the Panel we know that there are six representatives on the Arts Commission and two of them are entitled to an SRA following a decision by the Council. In this review we have searched for justification that payment of this allowance should continue to be given to just two of the six representatives and whilst we acknowledge that the council wishes to recognise the importance of the Commission's work on engagement with other partners, we no longer see foundation in continuing with this allowance.

4.45 We understand that the Commission meets four times per year and members may attend additional events such as shows and exhibitions etc if they wish. We recognise that these extra functions often provide networking opportunities and they are a means by which councillors can promote the work of the Commission to a wider audience. They are therefore a valuable resource in terms of partnership working.

4.46 The Panel has invited each of the six councillor representatives on this body to comment on their individual roles and responsibilities and we have discussed the responses we have received at some length.

4.47 Whilst we recognise the promotion of arts and culture throughout the city and welcome moves towards closer partnership arrangements, we can see no justification for the payment of an SRA for a position on this non-decision-making body and which is not distributed equally across the six council representatives. Again therefore, in the absence of clearly defined roles and responsibilities the Panel recommends that these payments be withdrawn from the Members' Allowances Scheme.

In summary

4.48 The recommendations we have outlined above are more radical than in our previous reviews but we have undertaken this full 18-month review in the greatest of detail and our discussions and deliberations have not been taken lightly.

4.49 We feel that these changes clearly reflect the new council structure and our recommendations streamline the Members' Allowances Scheme bringing in a more modern approach. We have been mindful of the public interest in MP's expenses and their general interest in councillors' allowances and in recommending the revised scheme, believe it provides an open and transparent methodology for those positions that hold additional responsibility within the Leader and Cabinet model of governance.

4.50 The recommended introduction of the SRA's for Review Panel Chairmen should be viewed as a positive approach and one which recognises clearly defined roles. Equally the percentages applied to the SRA's for committee chairmen reflect their importance within defined work areas. We recommend that the council provides clear evidence of individual councillor roles and responsibilities which will help in the recruitment and retention of councillors as well as in the review process (see recommendation 1.23).

4.51 We see the change in governance arrangements at Brighton & Hove as a valuable opportunity to go back to basics and undertake our first full and fundamental review of the scheme since a statutory panel was appointed in 2002. Previously our hands have been tied by a number of constraints, but at this unique time we have been able to take full advantage of the move from a committee system to a Cabinet and Leader model, and the extent of this much fuller review is set out in detail throughout our 2008-10 Annual Report.

SECTION E

5. TRAVEL AND SUBSISTENCE ALLOWANCE

Background information and General Principles

5.1 Independent Remuneration Panels have direct responsibility for making recommendations in relation to travel and subsistence and in turn, local authorities are permitted under the 2003 Regulations to set their own Travel and Subsistence Allowances.

Travel Rates

5.2 The Panel constantly looks for examples of good practice, at nationally recognised bodies and to experts to support any of its views. In this instance

we have followed the Inland Revenue advisory flat rates of 40p per mile for cars, 24p for motorcycles, irrespective of engine size and 20p for bicycles when setting an appropriate level of reimbursement for travel. We acknowledge that anything above these rates would incur tax liability and we remain of the view that Brighton & Hove should continue to mirror Inland Revenue advisory rates and any amendments made to them in the future.

5.3 In terms of the scheme, where car use is deemed appropriate, we continue to encourage car sharing and the use of bicycles alongside public transport as environmentally sound means of travel. We also actively support car sharing and recommend that Inland Revenue advisory rates of 5p per passenger per mile (for a maximum of four passengers per vehicle) be claimable when travelling on approved duties.

5.4 A small number of councillors have drawn to our attention their concerns over the earlier withdrawal of car mileage payments within the city boundaries. This they say has caused a degree of hardship when travelling to several meetings at different venues on the same day and when public transport or cycling could be ruled out due to insufficient time. We have listened to these concerns and acknowledge that there may be some difficulty for a number of councillors but we consider it important that a more sustainable approach be retained and we are of the view that any costs incurred for such travel should be paid for from the basic allowance.

5.5 For the first time this year we have had brought to our attention the council's Driving at Work Policy and we recommend that councillors should be brought in line with staff and thereby comply with any of the policy's requirements. This means that councillors will be required to prove they hold a valid driving licence, have an appropriate business motor insurance policy and MOT certificate (where applicable) if they use their vehicles for council business. We understand that this matter will be put before the Governance Committee at their meeting on 9 March and we hope that it will receive the committee's full support (see recommendation 1.14).

Subsistence Rates

5.6 The Panel is happy that the current allowances for subsistence remain reasonable and we recommend that the following maximum rates be retained:

£6.50	Breakfast
£8.50	Lunch
£3.50	Tea
£15.00	Dinner

We feel also that the rules on reimbursement for meals purchased on trains should remain and that the overnight rate of £114 in London and £100 per night elsewhere for conference attendances are appropriate.

5.7 The Panel remains of the 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 and therefore stresses that this should be stipulated in the Members' Allowances Scheme (see recommendation 1.15.

6. CHILDCARE & DEPENDANTS' CARERS' ALLOWANCE

Background information and General Principles

6.1 We are acutely aware from concerns expressed to us by councillors that the current child and dependant care allowance does not provide effective support and that councillors find this part of the scheme over-bureaucratic and unmanageable. We are keen to provide appropriate support to councillors to enable them to undertake their duties and recognise there is a genuine need to revise this area of the scheme. We know that there are parent councillors who are using the Basic Allowance to pay for their caring costs rather than the Childcare & Dependants' Carers' Allowance because of these concerns and we wish to resolve as many of these issues as possible now.

6.2 With this in mind we have requested detailed information and statistical evidence of the cost of child care both within Brighton & Hove and also nationally. Councillors have spoken to us at length about their concerns at the high cost of child care provision and they have explained to us that the modernisation agenda has meant that councillors now spend 75% of their time on duties which are deemed to be not approved by the council and for which there is currently no recompense.

6.3 The Local Government Regulations (England) 2003 are very restrictive in terms of what they recognise as an approved duty when making care claims, however the Councillors' Commission Report, published in December 2007, goes some way towards addressing these issues by recognising the need for an effective care package. That is the message we are trying to drive forward as we seek to improve the care package on offer to Brighton & Hove councillors.

The way forward

6.4 We have looked at each of the concerns that have been raised with us in relation to care support and we have attached at Appendix 3 a list we have obtained from the council's Children's Services directorate of the average cost of child care provision in the city. However, we would like to point out that whilst these figures reflect caring costs for children who are regularly looked after, we do recognise that the ad hoc nature of a councillor's work may mean that care provision such as this is not necessarily feasible.

6.5 We acknowledge that it may be more practical for councillors to use family and friends to provide them with this type of care and we support this approach provided the family member does not live in the same household. Alternatively, the At Home Childcare scheme is a new facility in which the council acts as "agent" between the carer and the parent/s. We understand that this scheme can be a good option for parents who need flexible childcare.

The scheme is home-based and provides support for parents with more than one child as well as those with children who have special needs. Carers are vetted by the council and given appropriate training. A summary is set out in Appendix 4 to this report.

6.6 We are keen to emphasise that whilst we do not insist that only registered childminders be used because we recognise there may be impracticalities of doing so for ad hoc caring, the onus is on parent councillors to ensure appropriate carers are employed by them. We understand from legal advisers that there is no liability on the part of the authority should inappropriate carers be used, whoever meets those caring costs.

6.7 We are aware that some councillors wish the council to introduce an annual lump sum taxable allowance to meet their caring expenditure. They feel that this would be a more flexible approach and it would enable them to meet their costs whatever arrangements were in place. However, as in all other parts of the scheme, the Panel continues to press for payments to be claims-based because we feel that this is the only open and accountable option. Mindful again of national interest, we recommend that only care claims accompanied by receipts for attendance at approved duties be reimbursed, thus giving a clear message to the electorate that there is a robust audit trail of expenditure on this and all other parts of the budget.

6.8 Tax liability is another issue. The council made a conscious decision to pay the carer rather than the councillor when the scheme was set up a number of years ago. This was devised so that any responsibility for the payment of tax was passed to the carer. This arrangement has continued ever since. The Panel understands that as an authority Brighton & Hove stands alone in making payments in this way and also recognises that this is not necessarily the most practical solution as it brings with it other problems.

6.9 The Panel has sought clarification from the Inland Revenue on salary sacrifice schemes such as childcare vouchers. We have learnt that these cannot be made available to councillors as such schemes can only be offered to *employees* by their employer. Councillors do not fit into that category. However, eligibility for Working Tax Credit and Child Tax Credit is something that individual councillors and their partners will need to discuss direct with the Inland Revenue as personal circumstances will vary.

Child & Dependants' Carers' Allowances

6.10 We recommend therefore that care costs for approved duties should be paid to the *councillor*, provided they complete and submit the relevant form and attach their receipt. We continue to set the annual cap at £1,000pa for all child and dependant care but we propose that the maximum hourly rate should be raised to £7.00 in respect of children receiving "baby-sitting" care and retained at £7.50 for dependant adults and children with severe disabilities/special needs. No payments should be made which are over and above actual cost. We recommend also that the upper age limit for cared-for children should remain at "under 14" (see recommendation 1.16).

7. APPROVED DUTIES

7.1 We are keen to address another concern, that expressed by a number of backbench councillors who are spending a large proportion of their time attending non-approved duties and we have asked for details of the sort of duties that are being undertaken but for which no support is given. We realise from our many discussions with councillors throughout a number of reviews that this is where there is the biggest change in terms of roles and responsibilities. The list identified by them is extensive and whilst budgets and financial constraints severely restrict any major move in this direction, we do feel that some recognition should be given of the greater burden councillors are facing in order to complete their work.

7.2 We are also keen to support a move towards the better retention and support of as wide a cross-section of the community as possible if they wish to stand and remain as elected members. These facts must, however, be balanced with the voluntary element of the scheme and we feel it is not unreasonable that an element of the caring costs should continue to be met from the basic allowance.

7.3 The Panel recommends that the approved duties identified in Appendix 5 to this report be agreed and that child, dependant care, travel and subsistence all be claimable provided any additional requirements set down elsewhere in the report are met. This means that car/motorcycle travel and subsistence are only claimable outside the authority's area.

8. CO-OPTEES' ALLOWANCES

Independent Chairman of Standards Committee

8.1 A Co-optees' Allowance for the position of Independent Chairman of the Standards Committee was first set by the council in May 2006 following a Panel review. The level of SRA set at the time was £4,220 per annum and this allowance was evaluated again in 2007-8 and increased by salary inflation to £4,313.

8.2 We were pleased to welcome Dr Wilkinson the Independent Chairman to meet with us again in June this year and to learn of the changes to his role. We understand that these have come about partly because the make-up of the council has changed and partly because of the changing standards regime. We note that there is a new duty on the committee to promote and raise standards across the council. We note also that this is a unique position which requires the post-holder to keep very strong working relationships and to play a crucial role in ensuring there is an effective and transparent standards system in place within the authority.

8.3 We recognise that the move to modern governance has brought with it an inevitable number of complaints made by councillors about each other and it is hoped that as the new system beds in and becomes more effective, these numbers will dwindle. We understand also that the Chairman has a role to play in ensuring there is effective training and support provided to each of the political Groups and we recognise that this will be a considerable help in terms of overall stability.

8.4 As in past reviews, we have looked for comparison at the levels of allowances paid in other local authorities and we are happy that Brighton & Hove sits amongst its peers in terms of the level of allowance paid to the Independent Chairman of Standards Committee. We recommend therefore that a 1% inflationary increase be applied to this Co-optees' Allowance. This will bring the allowance to £4,356 for 2010/11, which is the same as the percentage increase applied to the basic allowance (see recommendation 1.9).

Independent Deputy Chairman of Standards Committee

8.5 Section 187 of the Local Government & Public Involvement in Health Act 2007 came into force on 1 April 2008 and this stated that Standards Committees should be chaired by a person who is not a member or an officer of the council.

8.6 We are aware that no one has been allocated the position of Deputy Chairman of Standards for the current municipal year and in the absence of the Chairman, one of the other Independent Members takes on that function because it is no longer permissible for a councillor to undertake that role.

8.7 Whilst we recognise that there is currently no call for such an allowance, we are mindful that should the council appoint an Independent Deputy Chairman to its Standards Committee, the Panel would wish to recommend an appropriate level of allowance. The Panel recommends therefore that a 1% inflationary increase be applied to this Co-optees' Allowance, bringing it to £553 for 2010/11 (see recommendation 1.10).

9. NON-COMMITTEE CO-OPTEES

9.1 In terms of travel and subsistence, child and dependent care, the Panel advised the council in its last report that levels of remuneration for non-committee co-optees should continue to be the same as those in the Members' Allowances Scheme. We note that officers are currently updating the full list of bodies, working groups etc. which fall within this category but remain of the view that despite any such name changes which may be made, the principle remains the same. We would encourage as much uniformity as possible in this respect whilst acknowledging that those departments which make direct payments retain the authority to reimburse at individual rates should they consider them more appropriate to their departmental needs (see recommendation 1.18).

SECTION F

10. OTHER ISSUES

Sustainable travel options

10.1 The Panel would like to place on record its continued support for the council's sustainable transport agenda and we wish to actively support cycling and the use of public transport. We remain in line with a growing number of local authorities who are supporting the move towards more sustainable travel.

10.2 In September 2008 we first welcomed the introduction of the new tax-free "Cycle to Work Scheme" for both staff and councillors and we are pleased to report councillor usage of this scheme in 2009/10. We understand that this is a 12-months' tax-free bike loan and that following the period of pay-back, cycle mileage is claimable. The Panel supports the council's wishes to encourage greater use of bikes within the city and is pleased that there is evidence of take-up in this area of the scheme. We note also that the original tax-free bike loan scheme is still in existence entitling councillors to take a lump sum tax –free loan to buy a bike.

10.3 Although we have listened to the concerns of councillors who use cars to cross the city, we continue to support the policy whereby only cycling or public transport is claimable within the Brighton & Hove boundaries. We are pleased to report that the Members' Allowances Scheme offers councillors the choice between an Annual Saver Ticket for bus travel and cycle mileage within the city. In order to make this sustainable agenda as flexible as possible, the scheme also supports a combination of ticketed bus travel and the reimbursement of cycle mileage for approved duties (see recommendation 1.19).

10.4 The Panel remains conscious also of the need to provide for exceptional circumstances and we continue to recommend that the use of taxis/personal transport be permitted by former Mayors undertaking mayoral duties on behalf of the Mayor, or indeed of the Mayor or Deputy should the mayoral car not be available for any reason.

10.5 In addition, in exceptional circumstances and/or where disability or injury applies councillors' use of private transport/taxis is at the discretion of the Monitoring Officer.

Subsistence Allowance

10.6 As part of our 2007-8 review we recommended that no subsistence should be claimable by councillors within the Brighton and Hove boundaries. This is consistent with the approach adopted in respect of motor travel. We see no evidence of any need to change this part of the scheme and recommend that this continues to be covered by the basic allowance. However, once again we would suggest that should exceptional circumstances apply, an individual

case should be considered by the Monitoring Officer (see recommendation 1.19).

Mayor's and Deputy Mayor's Allowances

10.7 We undertook a full review of these allowances in 2005 and although they do not form part of the Members' Allowances Scheme per se, we continue to keep a watchful eye on their appropriateness. We recommend that the level of allowances for both the Mayor and the Deputy Mayor continue to be increased at the council's salary inflation rate in 2010/11, thereby keeping them in line with the basic allowance. These allowances shall equate to £12,448 and £3,484 respectively (see recommendation 1.20).

10.8 The Panel's recommendations for the Members' Allowances Scheme and also the mayoralty in 2010/11 and beyond are sharper and more focused and as part of our more rigorous approach we consider that the payment of allowances to the Mayor and Deputy be made subject to the post-holders undertaking their full duties throughout their term of office.

10.9 We know from our previous review that should the Mayor or Deputy be unavailable for any reason, duties may be undertaken by any one of the Former Mayors and we continue to support that arrangement. However we are once again mindful of the budget pressures that could result should reliance on Former Mayors increase in any way and we propose that this level of cover be kept under review. Should either the Mayor or Deputy Mayor be incapacitated for a significant period of time, it is hoped that consideration would be given to their allowance being used to offset the cost of using the Former Mayors to cover any engagements during their period of absence.

Pensions

10.10 The Panel has been fully supportive of councillors being given the widest possible opportunities to join the Local Government Pension Scheme (LGPS) since our first recommendations on this matter were made in 2003. We note that to date 33 councillors have joined the scheme. We continue to support this important part of the scheme and remain of the view that all eligible councillors who wish to do so, should be entitled to join the LGPS and that both the basic allowance and any special responsibility allowance to which individual councillors may be entitled should be pensionable (see recommendation 1.21).

Withholding of allowances

10.11 The 2003 Regulations allow councils to stop payments to councillors who have been suspended or partially suspended from their duties where they have breached the Code of Conduct. We consider this is entirely appropriate and recommend that the provision contained in the Members' Allowances Scheme remains unchanged (see recommendation 1.22).

Parish Council

10.12 As in previous years, we have consulted with Rottingdean Parish Council on the subject of a Parish Allowance. Once again we have been informed that parish councillors have unanimously agreed that they would not be seeking Parish Council allowances in the 2010/11 municipal year.

SECTION G

11. WORK PROGRAMME

11.1 As outlined elsewhere in this report the Panel has carried out an extensive review of each of the allowances set down in the Scheme (see Appendix 6 also). This has taken place over an 18-month period during which the council has undergone considerable change. We are of the opinion that there is likely to be greater stability within the council's democratic process over the coming twelve months and beyond and we feel that each of our recommendations places the authority in a strong and stable position.

11.2 With regard to any future work, the Panel will be meeting again in April 2010 to any discuss any responses to the Annual Report and we envisage that in the absence of any structural changes to the decision-making process that would require our consideration, we would not undertake a detailed review until 2012/13. Instead we recommend that the appropriate salary inflation be applied to each of the allowances at the start of each new municipal year. However we wish to continue meeting at least once a year to ensure that the scheme remains viable and to finalise our Annual Report to the Full Council.

SECTION H

12. CONCLUSION

12.1 Whilst the purpose of this in-depth review has been to focus on all our work areas, we have paid additional attention to those sections of the scheme that have been identified as of particular significance. These include the following:

- The level of the Basic Allowance – support for the community councillor role;
- The methodology for the Special Responsibility Allowance paid to Leaders/Convenors of Groups;
- The Child Care and Dependants' Carers' Allowance;
- Motor mileage within the city.

12.2 We have listened to any views that have been put to us and we are confident that the package we are now recommending is one which encompasses the changing role of the authority. We realise that in such difficult economic circumstances there is little room for flexibility and no justification for large

payments but we feel that what we are recommending does provide wider support for those with caring needs and some much needed support for councillors carrying out their community councillor roles.

12.3 The Panel recognises that there has been little guidance on the modernisation of local government in terms of Members' Allowances to date but we have taken on board the Councillors' Commission Report of 2007, evidence from other local authorities, including the Audit Commission's family tree, and the views of individual councillors in our efforts to provide a Members' Allowances Scheme that can operate in a fast-changing environment.

12.4 We note that following our last report a number of councillors chose not to take the salary inflationary increase on their basic allowance. Whilst we fully respect that personal decision, we feel it is important to account for the overall budgetary implications of the cost to the Members' Allowances Scheme, so that this can be accounted for within the council's budget setting process.

12.5 The Panel also notes that its recommendations for the level of Special Responsibility Allowances result in a small decrease for the individual post holders on this occasion. The net result is borne from the recommendation to use the level of basic allowance as the primary factor in setting the Leader of the Council's 'core' SRA and the fact that the current Administration does not hold a majority of seats on the council.

12.6 We would also draw attention to the shortfall in resource provision for the cost of the basic and special responsibility allowances which is currently met by the under-spend in pension contributions. Whilst it goes beyond our remit to review the budgetary allocations, we feel that such a situation does need to be addressed as any take-up in the pension scheme following the 2011 elections could result in a budgetary pressure.

SECTION I

13. FINANCIAL INFORMATION

13.1 The Members' Allowances budget for 2010/11 is £1,054,900. Although outside the Panel's remit we have shown the cost of the new recommendations and compared them with the current scheme plus a 1% salary inflationary increase and no inflationary increase. The costs of the schemes are set out in the table at paragraph 13.5.

13.2 We are pleased to report that the recommendations outlined in the right-hand column of the table below, based on the current level of pension take-up, bring the scheme within the overall Members' Allowances budget of £1,054,900.

13.3 We note that in relation to the Members Allowances budget for 2010/11:

(i) That the retention of the current scheme with a 1% inflationary increase would amount to £1,074,309 which would result in a budgetary shortfall and potential overspend of £19,409 based on current national insurance contributions and pension take-up rates;

(ii) That the retention of the current scheme with a 1% inflationary increase applied to the Basic Allowance only would amount to £1,070,940 which would result in a budgetary shortfall and potential overspend of £16,040 based on current national insurance contributions and pension take-up rates;

(iii) That the retention of the current scheme with no inflationary increase applied to the SRA's and Basic Allowance would amount to £1,063,613 which would result in a budgetary shortfall and potential overspend of £8,713 based on current national insurance contributions and pension take-up rates; and

(iv) That the approval of the new scheme as recommended by the Panel would amount to £1,036,953 which would result in a budgetary saving of £17,947 based on current national insurance contributions and pension take-up rates.

13.4 We are also mindful that disregarding an inflationary budgetary provision for the Basic Allowance would only add pressure to future budgets as was previously the case in 2002 when it appeared that significant increases to the allowances were being recommended but in reality there had been no increase to the level of allowances for 3 years.

13.5 The table below (referred to in 13.1 above), details the cost of the current scheme in the first column and compares this with the Panel's proposed scheme in column two on the basis of:

(a) a 1% inflationary increase applied to both the Basic Allowance and the SRA's with full pension costs and current pension costs;

(b) a 1% inflationary increase applied to the Basic Allowance only with the SRA's remaining at their current level and current pension costs;

(c) no inflationary increase applied to either the Basic Allowance or the SRA's and the current pension costs;

Note: The Panel's proposed scheme includes a 1% inflationary increase to the Basic Allowance only and assumes that the current arrangements of having a recognised Leader of the Opposition would continue and therefore only one Minority Group Leader's allowance would be claimed.

2010/11 Members' Allowances Budget = £1,054,900

(a)

Cost of current Members' Allowances Scheme with effect from 14 May 2010 Inclusive of 1% salary inflation		**Cost of recommended Members' Allowances Scheme from 14 May 2010**	
Basic Allowance:		Basic Allowance:	
54 x £11,578 =	£625,212	54 x £11,578 =	£625,212
Special Responsibility Allowances:		Special Responsibility Allowances:	
If all 36 are paid:	£285,193	If 24 of 25 are paid:	£253,563
Total Basic + 36 SRA's	£910,405	Total Basic + 24 SRA's	£878,775
On-costs based on full pensions take-up	£233,062	On costs based on full Pensions take-up	£224,966
TOTAL	**£1,143,467**	**TOTAL**	**£1,103,741**
2010/11 Budget	£1,054,900	2010/11 Budget	£1,054,900
Shortfall of	£ 88,567	Shortfall of	£ 48,841
Total	£1,143,467	Total	£1,103,741
Total Basic + 36 SRA's	£910,405	Total Basic + 24 SRA's	£878,775
On costs based on current pensions take-up	£163,872	On costs based on current pensions take-up	£158,178
TOTAL	**£1,074,277**	**TOTAL**	**£1,036,953**
2010/11 Budget	£1,054,900	2010/11 Budget	£1,054,900
Shortfall of	£ 19,377	Saving of	£ 17,947
Total	£1,074,277	Total	£1,036,953

(b)

Cost of current Members' Allowances Scheme with effect from 14 May 2010 Inclusive of 1% salary inflation to the Basic Allowance only		**Cost of recommended Members' Allowances Scheme from 14 May 2010**	
Basic Allowance:		Basic Allowance:	
54 x £11,578 =	£625,212	54 x £11,578 =	£625,212
Special Responsibility Allowances:		Special Responsibility Allowances:	
If all 36 are paid:	£282,365	If 24 of 25 are paid:	£253,563
Total Basic + 36 SRA's	£907,577	Total Basic + 24 SRA's	£878,775
On costs based on current pensions take-up	£163,363	On costs based on current pensions take-up	£158,178
TOTAL	**£1,070,940**	**TOTAL**	**£1,036,953**
2010/11 Budget	£1,054,900	2010/11 Budget	£1,054,900
Shortfall of	£ 16,040	Saving of	£ 17,947
Total	£1,070,940	Total	£1,036,953

(c)

Cost of current Members' Allowances Scheme with effect from 14 May 2010 without an inflationary increase		**Cost of recommended Members' Allowances Scheme from 14 May 2010**	
Basic Allowance:		Basic Allowance:	
54 x £11,463 =	£619,002	54 x £11,578 =	£625,212
Special Responsibility Allowances:		Special Responsibility Allowances:	
If all 36 are paid:	£282,365	If 24 of 25 are paid:	£253,563
Total Basic + 36 SRA's	£901,367	Total Basic + 24 SRA's	£878,775
On costs based on current pensions take-up	£162,246	On costs based on current pensions take-up	£158,178
TOTAL	**£1,063,613**	**TOTAL**	**£1,036,953**
2010/11 Budget	£1,054,900	2010/11 Budget	£1,054,900
Shortfall of	£ 8,713	Saving of	£ 17,947
Total	£1,063,613	Total	£1,036,953