

Subject: Review of Members' Allowances
Date of Meeting: 1 February 2011
Report of: Independent Remuneration Panel
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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 At Full Council on 21 October 2010 the Independent Remuneration Panel's recommendations were noted and the existing Members' Allowances Scheme was retained for the payment of allowances in 2010/11.
- 1.2 It was noted also that the Panel would report to Full Council again in March 2011, in order that a decision could be made on an appropriate scheme for the payment of allowances in 2011/12.

2. RECOMMENDATIONS:

- 2.1 That in view of the current economic climate the current Members' Allowances Scheme be retained and adopted for the 2011/12 municipal year, with effect from the 20 May 2011.
- 2.2 That the Panel's report be noted and a subsequent report be brought before this committee and Full Council later in 2011/12 when the outcome of the Localism Bill is known and further review has been undertaken.

3. RELEVANT BACKGROUND INFORMATION / CHRONOLOGY OF KEY EVENTS:

- 3.1 In order to revise or maintain its Members' Allowances Scheme, the Council is required to have regard to the recommendations of the Independent Remuneration Panel.
- 3.2 Since Full Council on 21 October 2010 the Panel has undertaken a short, sharp, focused review in direct response to concerns expressed on a number of aspects of the Panel's recommendations during the council debate These were as follows:
 - (a) New methodology for calculating the Leaders' Special Responsibility Allowances (SRA's);
 - (b) Proposed deletion of SRA's for Deputy Chairmen;

- (c) New allowances for Scrutiny Review Panel Chairmen;
- (d) Childcare package;
- (e) Entitlement to the Deputy Mayor's Allowance during periods of sickness/prolonged absence.

3.3 Leaders' Allowances

- 3.3.1 During its last review, the Panel felt that there was a need to recognise the level of responsibility for Leaders of opposition groups on an equal basis. It therefore sought to rationalise the level of allowance to take account of the percentage split of the Leader of the Council's level of responsibility and also have regard to the number of members in each respective group.
- 3.3.2 The Panel have considered at length whether these SRA's should be weighted in favour of *the number of councillors per group* or whether they should instead reflect *the roles of individual Group Leaders* who collectively play an active part in the good governance of the Authority as this interpretation is key to the way the allowances are set.
- 3.3.3 The Panel have also looked at other Members' Allowances Schemes, spoken to Panel Advisers and experts and held discussions with relevant officers before reaffirming their view that at Brighton & Hove the Group Leaders' allowances should include a supplement to reflect the size of their Group.
- 3.3.4 The Panel are mindful that this matter should be given further consideration and wish to consider the methodology for calculating the Leaders' Allowances again in their next review.

3.4 Deputy Chairmen

- 3.4.1 Some of the Group Leaders have made it clear to the Panel that they disagree with the proposals to abolish the payment of a Special Responsibility Allowance for Deputy Chairmen of the Overview & Scrutiny and Regulatory Committees. The Panel have looked to the 36 local authorities used throughout the 2008-10 review to see what changes if any have taken place. The Panel have also spoken directly with recognised experts on Members' Allowances and continue to be of the view that in the absence of clear evidence to the contrary, the Deputy Chairmen have no "significant" additional responsibilities over and above those of backbench councillors and that "waiting in the wings" is not sufficient reason for making such a payment.
- 3.4.2 The Panel are aware of the view that the role of Deputy Chairman is regarded as a means of training for a future role as a Chairman; however they do not regard this as sufficient criteria to qualify for the payment of an additional responsibility allowance.
- 3.4.3 The Panel feel that it is important for detailed evidence of actual workloads to be provided and preferably matched to individual role profiles to support a transparent scheme in which *significant* responsibility can be recognised.

3.5 Review Panel Chairmen

3.5.1 The Panel are mindful that proposals are being developed to change the Overview & Scrutiny set up and process, which will need to be considered as part of their next review of members' allowances. As a consequence the panel has accepted the view that an SRA attributed to the position of a Scrutiny Review Panel Chairmen may well be redundant.

3.6 Child care package

3.6.1 The Panel were concerned to learn that councillors eligible to claim child care costs felt that the proposed package was disappointing. The Panel sought to identify those concerns having regard also to latest local authority schemes and examples of best practice. In addition the Panel has recently consulted the District Auditor and relevant experts in the fields of child care and councillors' allowances both locally and nationally.

3.6.2 The Panel have set out below each of the comments that have been put before them and their responses to each of them:

- (a) **Councillors have made it known to us that their preference would be for a lump-sum child care allowance which they feel would give them greater flexibility in their choice of child care provision.** Under this type of system the claimant would generally need to retain some sort of record to prove that the lump sum had been spent in accordance with the rules of the scheme. Any audit of the spend, could only take place retrospectively and invalid payments under the scheme could only be detected after the payment had been made to a third party.

For this reason and to ensure openness, transparency and accountability, the Panel remain of the view that an expenses-based scheme should be retained for the reimbursement of care costs and supports the view of the District Auditor in his comment - "*from an audit perspective a receipted expenses system, where amounts are reclaimed after they are paid by the claimant, will generally offer a greater level of assurance than a scheme where a lump sum is paid in advance*". However, we realise that a number of factors must be considered if such a scheme is to be effective and we are working to address these.

- (b) **Councillors tell us that their changing roles mean that the percentage of time they spend on non-approved duties has increased dramatically over the past few years,** a fact that we were also aware of from the report of the Councillors' Commission "Representing the Future".

We recognise that this is a real issue and that a significant amount of time may be spent by councillors on ward and other non-approved duties, particularly for those in backbench positions. However, we consider that the criteria for determining an approved duty must be a matter for the council itself to decide.

- (c) **Councillors have criticised the At Home Childcare Scheme and other childcare provision because they feel that the ad hoc nature of their council role means reliance on a range of different carers to meet their needs and they feel this is not a suitable arrangement for their children.**

We agree with this view but feel confident that the At Home Childcare Scheme will meet their needs and we have suggested an informal meeting between Early Years officers and councillor parents to discuss the facilities and services available to meet their individual caring needs.

- (d) **We have been asked to consider the provision of maternity/ paternity pay and maternity/paternity leave for councillors** and as this is a specialist area, we have consulted with relevant officers at the Local Government Information Unit (LGIU) to obtain the best possible advice.

We understand that it is generally the role of an *employer* to provide maternity pay to their *paid employees* and generally therefore elected members do not fit into this category. However, for those in full time positions such as the Leader of the Council, maternity pay may be applicable. We recognise that this ruling does exclude backbench councillors and a number of others receiving SRAs but recommend that individual councillors seek this benefit from their employer should this be appropriate. All paternity benefits only apply to *paid employees* and these are not the responsibility of the city council.

In practice, time-off for maternity and paternity purposes is deemed to be “*employment leave*” and again, this cannot be applied to elected councillors. In addition, in this and all other local authorities it is a legal requirement that every elected member attends at least one meeting of the authority every six months and the Panel understand this ruling should not be broken for parental leave such as this.

However, whilst councillors joining the authority agree to abide by these rules and sign their acceptance of office and Code of Conduct documents to this effect, we feel that councillors should provide appropriate support in their councillor role.

3.7 Deputy Mayor’s Allowance

- 3.7.1 The Panel are mindful that the level and payment of the Deputy Mayor’s allowance do not fall under their remit. However, having previously been asked to review the level of allowances, which are paid in recognition of the duties undertaken by the Deputy Mayor, the Panel felt that the current scheme should take into account circumstances where those duties had to be covered by former mayors due to the Deputy Mayor being unable to fulfil that role for a period of time.

3.8 **Number of SRA's**

- 3.8.1 The Panel is mindful that the council is currently paying 33 of the 36 Special Responsibility Allowances in the scheme and that this remains significantly above the 50% guidance set down in the regulations as an indicator of good practice. The Panel's previous recommendations had sought to address this and it is intended to revisit the matter in the next review.

4. **CONSULTATION**

- 4.1 The Panel has consulted a number of local and national experts in Members' Allowances, childcare and councillors' benefits in order to reassess the recommendations put before Full Council and whether these are sound. We have also contacted the District Auditor for an auditor's perspective on certain allowances. (A list of those consulted is shown in Appendix 3 to this report.)
- 4.2 The recommendations of the Independent Remuneration Panel are being reported to the Governance Committee where all party groups are represented, before being submitted to Full Council on 24 March 2011.

5. **FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

- 5.1 Subject to agreement at Council on 3 March the Members' Allowances revenue budget for 2011/12 has been set at £1,064,900 assuming the current level of take up of the superannuation scheme.
- 5.2 Whilst taking this into account, the cost of the current scheme is £1,046,820 including superannuation and national insurance costs at 18% based on current take up. This can be accommodated within the budget for 2011/12.
- 5.3 As a result an estimated £18,080 would be available to fund any additional take up of the local authority pension scheme or support other members' budgets.
- 5.4 The Members' Allowances Budget has previously resulted in an underspend because of the lower take-up in the local authority pension scheme. If there was a significant change in take up rate this could lead to a budget pressure. This is considered to be a low risk.

Finance Officer Consulted: Anne Silley

Date: 07/01/11

Legal Implications:

- 5.7 The proposals in this report comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and associated guidance.
- 5.8 There are no adverse Human Rights Act implications arising from this report.

Lawyer Consulted:

Abraham Ghebre-Ghiorghis

Date: 07/01/11

Equalities Implications:

- 5.9 The recommendations explicitly seek to encourage a wider cross-section of the community to become councillors, and reduce the financial disincentives, which deter a broader spectrum of people from serving as councillors.

Sustainability Implications:

- 5.10 None arising directly from this report

Crime & Disorder Implications:

- 5.11 None arising directly from this report.

Risk and Opportunity Management Implications:

- 5.12 None arising directly from this report.

Corporate / Citywide Implications:

- 5.13 None arising directly from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. SRA's for Deputy Chairmen of Regulatory and Overview & Scrutiny Committees
2. SRA's for Council Leaders
3. Consultation and comparison

Documents in Members' Rooms

None

Background Documents:

None