



COUNCILLORS' ALLOWANCES

**Annual Report of the
Birmingham
Independent Remuneration Panel
2007-2008**

April 2008

ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL

2007-08

BIRMINGHAM CITY COUNCIL

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FOREWARD

The Independent Remuneration Panel met 7 times from the beginning of September 2007 until the conclusion of its review of Councillors' allowances in February 2008. The Panel received written and oral representations from 25 Councillors, as well as a number of senior officers.

Throughout this year's review, the Panel reaffirmed their view that the levels of Councillors' allowances should maintain a link with external comparators in order to attract as diverse a Membership as possible. Councillors, for their part, commented frequently throughout the review that their remuneration should reflect their increasing community leadership role and responsibilities. This year, the Panel reconfirmed the 25% element of voluntary service discount of allowances remained appropriate, as well as the average time commitment of 26 hours per week.

An area of Council business which continues to impact on the roles and responsibilities of Councillors is the Devolution and localisation of services to achieve excellence in local communities. Last year, the Panel commented that the Constituency Committees appeared to be exercising increasing and positive influence on the activities within local areas through partnerships. In addition, this year the Panel is of the opinion that the influence of the Constituency Chairmen is having an impact resulting in positive achievements evidenced by high levels of residents' satisfaction. This outcome places the Council in the upper quartile nationally as well as an improved local community cohesion indicator.

However, achieving a work/life/elected role balance can be very difficult, especially for those Councillors with full-time employment responsibilities. It is the case generally that the public's expectations and demands made of their elected representatives has increased. The Panel's remains concerned about the Council's failure to address the additional demands it has placed on Councillors and the consequential impact on their home/worklife balance.

RECOMMENDATIONS

1. The Consumer Price Index (CPI) is applied to the City Councillors' allowances. The index should be kept under review.
2. The Basic Allowance (BA) for 2008-09 is increased to £15,847 in line with the CPI rate of 2.1% (as at December 2007).
3. The Special Responsibility Allowances (SRA) for 2008-09 are increased in line with the CPI rate of 2.1% (as at December 2007).
4. The SRA for Constituency Chairmen is increased slightly and in line with CPI rate to £4087 per annum.
5. The SRA for the Lead Opposition Spokespersons is confirmed in the Councillors' Allowances Scheme and increased slightly and in line with CPI rate to £2834 per annum.
6. The SRA for the Chairman of the Audit Committee is confirmed in the Councillors' Allowances Scheme and increased in line with the CPI rate to £6126 per annum.
7. An SRA for the Chairmen of the Overview and Scrutiny Sub Committees is confirmed in the Councillors' Allowances Scheme at £6126 per annum.
8. On the basis of no substantial new evidence, no Special Responsibility Allowance should be awarded to Political Group Secretaries.
9. Co-Opted Members' allowances are increased in line with the recommended index rate applied to the City Councillors' Basic Allowance.
10. The level of Co-Opted Members' allowance for the Chairman of the Standards Committee is increased in line with CPI rate of 2.1% (as at December 2007).
11. All care allowances should continue to be set in accordance with the annual national minimum wage levels relevant to the age of the carer, and reviewed as part of next year's work programme.
12. The Council should encourage the development and implementation of a set of measures as part of a systematic approach of peer performance reviews with its Membership.
13. Councillors should be encouraged to consider measures to enhance their transparency and accountability to the local electorate.
14. The Council should review the current range of support available for Councillors and Co-Opted Members to include a regular programme of training and development opportunities.
15. The Council should actively look at reducing the demands it makes on back bench Councillors – both collectively and individually – and give consideration to alternative more flexible ways of working such that the requirements of the role can be achieved within a time consistent with a part-time position.

16. The 'qualifying' number for Minority Groups on the City Council is reduced from 12 to 6 Members, i.e. 5% of the current Membership.
17. The Council endorses the Panel's proposed work programme for next year.

ALLOWANCES

Introduction

The main developments that have taken place since the Panel's last report are the:

- Council's commitment to 'Excellence in local Communities'
- Developing the Audit Committee;
- Introduction of two permanent Overview and Scrutiny Sub Committees.
- Councillors' Commission.

The Panel noted Council's decision not to implement all the Panel's recommendations from its previous review.

Last year, the Panel had intended to review the work of the Chairmen of Scrutiny Committees under the new arrangements as well as the work of the Chairmen of all Sub-Committees including the Chairmen of the new Scrutiny Sub-Committees. This year's work programme has been tailored to take account of the Council's priority areas following last year's review, as well as any national and local developments arising from the Councillors' Commission.

In determining its recommendations the Panel has consistently worked within the requirements of the Local Government Act 2000 and the accompanying guidance and Regulations on members' allowances. The principles of the Birmingham Councillors' Allowances Scheme are set out in Appendix 2 to the report. The key factors which the Panel take into account are:-

1. The promotion of a healthy democracy by the removal of financial disadvantage as a barrier to people from a wide range of backgrounds and a wide range of skills standing for election or serving as Councillors.
2. The maintenance of an ethic of voluntary public service and the need to reflect this within the basic allowance paid to all Councillors and the Co-optee allowance paid to non-elected members.
3. Councillors generally should not expect nor receive a full time salary.
4. The reality that some Councillors will be expected to take on significant additional responsibilities that will require a near full time commitment to the detriment or limitation of other career activities. Special responsibility allowances may therefore be paid to those members of the Council who have significant additional responsibilities over and above generally accepted duties of a councillor.

In particular the Guidance on Members' Allowances (Paragraphs 72 and 73) states that if the majority of members of a Council receive a special allowance the local electorate may rightly question whether this is justified. It does not necessarily follow that a particular responsibility which is vested to a particular member is a significant additional responsibility for which a special responsibility allowance should be paid whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These

sorts of responsibilities should be recognised as a time commitment to council work, which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.

Indices

At the Council meeting in June 2007, the Council did not agree to the Panel's recommendation that the Annual Survey of Hours and Earnings (ASHE) (Birmingham area rates) index was the most appropriate and therefore should continue to be applied to the City Councillors' allowances. Instead, the Council agreed that the level of Councillors' allowances should be increased in line with the annual staff award, which better reflected the local economic situation.

The Panel therefore reviewed the use of the Annual Survey of Hours and Earnings (ASHE) (Birmingham area rates), which had been the recommended index to be applied to the Councillors' allowances. The Panel considered the appropriateness of various alternatives, such as National Joint Council (NJC) pay rates, the Retail Price Index (RPI), the Consumer Price Index (CPI).

Previously, the Panel had discounted the NJC rates of pay as an appropriate index to be applied to Councillors' allowances because it was considered that there should be a clear distinction apart with Officers' pay, as well as the need to take account of the wider market place and its diversity reflected in the overall Membership of the Council.

The Panel also recognised and took account of current constraints on the public purse.

The Panel therefore discounted the use of the RPI in favour of the CPI, which was more closely in line with current public sector pay increases.

The Panel is therefore **recommending** that the Consumer Price Index (CPI) be applied to the City Councillors' allowances for 2008-09 and that the index should be kept under review.

Basic Allowance

The Basic Allowance comprises two elements:

- Time
- Additional expenses, such as telephone rental/calls and office related expenses such as postage, stationery and other consumables.

During this year's review, the Panel received written and oral representations from 25 Councillors. The Panel accepts that there continues to be many demands placed on the back bench Councillor and that the ratio of electorate per Councillor remains high, especially in the more deprived inner City Wards compared to other Local Authorities. On the evidence received, the Panel concludes that there has been no visible increase or decrease in workloads over the past 12 months, although the time required to undertake the role remained a critical factor.

The Panel considers that the role can be adequately fulfilled in the equivalent time period of 3 days per week (i.e. 26 hours). Some Councillors have indicated that they are spending considerably more time than the aforementioned average.

The current Basic Allowance paid to Birmingham City Councillors remains the highest in the UK to support the promotion of a healthy democracy by enabling people from a wide range of backgrounds to serve as Councillors. The Panel continues to urge the Council to encourage greater diversity and inclusiveness in its Membership. It has always been one of the Panel's guiding principles for the Scheme to include a higher Basic Allowance which is accessible equally to all of the Council's Membership, rather than introduce a larger number of separate Special Responsibility Allowances.

It is clear that the concept of a public service discount is widely accepted by Members to reflect the public service nature of a City Councillor's role. At present, the time element of the Basic Allowance takes account of a public service discount of 25%.

Recognising the current public sector financial constraints, the Panel reaffirms that the current Basic Allowance remains set at an appropriate level, and applying the CPI rate of 2.1% as at December 2007 and **recommends**, therefore, that the Basic Allowance for 2008/9 should be £15,847.

Special Responsibility Allowances (SRAs)

Following the decision of the Council in June 2007, the number of positions qualifying for an SRA rose to 51, or 42.5% of the Council Membership – a percentage within Government guidelines for good practice.

In addition, the Panel reconfirms that the City Councillors' Allowances Scheme only permits one SRA payable per Member.

The Panel considered in some detail a number of roles undertaken by Councillors to determine whether they justified a recommendation for a Special Responsibility Allowance, or some adjustment to current levels. The Particular posts together with the outcome of the Panel's deliberations are set out below:

- **Constituency Committee Chairman**

This year has been one of consolidation for this role, with, which is growing in two key directions – partnership working, as well as increased influence across local service delivery. This does not necessarily mean that all services will be managed on a localised basis, but the Panel is of the opinion that the influence of Constituencies and their respective Chairmen is becoming increasingly important to the City Council in achieving its overall vision to deliver better services to its Citizens.

The Panel noted, however, that despite 21 of the 28 actions arising from the Overview and Scrutiny review of the Devolution/Localisation programme agreed by the Council having been completed, the role of the Constituency Chairman remains largely unchanged. The role could play an increasingly important part in the delivery of excellent services locally and to assist the Council achieve one of its key corporate aims of 'excellence in local communities'.

The Panel is satisfied therefore that the influence and role of this position continues to justify an SRA and applying the CPI rate of 2.1% as at December 2007 **recommends** a modest increase to £4087 per annum.

The roles and responsibilities of this position will be kept under review.

- **Political Group Secretary**

Following the decision of the Council in June 2007 to introduce, for the first time, a Special Responsibility Allowance for this position, the Panel reconsidered the role and responsibilities of the Political Group Secretary. Two late submissions were received as part of this year's review.

In discussion, the Panel did recognise the prospect for this role to develop especially given the involvement in training and development, but at present time did not see sufficient justification for an SRA. Furthermore, the Panel confirmed its view that there was a significant Party Political element to this role. Research within the comparative group of local authorities shows that the only other local authority to recognise this role in its Councillors' Allowances Scheme is Leeds City Council.

In the light of no significant new evidence, the Panel reconfirms its previous view that there is still an insufficient demonstrable level of additional significant responsibility to warrant the award of a Special Responsibility Allowance and is therefore unable to **recommend** a Special Responsibility Allowance for the role of the Political Group Secretary.

However, the Panel accepts that the Council has already decided to include the role of Political Group Secretary in the Allowance Scheme.

- **Lead Opposition Spokesperson**

Following the decision of the Council in June 2007 to agree the Panel's recommendation for a small SRA to be awarded to these post holders for an initial period of one year only, the Panel again gave careful consideration to the role of Lead Opposition Councillors, and the 'Shadow Cabinet'.

Research within the comparative group of local authorities indicates that it is not uncommon for these positions to be remunerated.

The Panel continues to believe that, in the interest of good governance of the City Council and local democracy, it is important to have a robust and adequately resourced Opposition able to provide challenge and the necessary checks and balances to hold the Executive to account. The Lead Opposition Spokespersons have a main role in developing alternative policies and take a lead in their 'specialist' areas of responsibility through the Overview and Scrutiny function. The relevant Lead Opposition Spokesperson also takes a lead during Council debates on Overview and Scrutiny reviews. The Panel, whilst recognizing that there is a political element to this role, felt that this was more than offset by the important contribution in relation to Overview and Scrutiny.

The Lead Opposition Spokespersons provided details from their personal and portfolio development plans, which assisted the Panel's consideration of their roles and responsibilities. During discussion, the Panel was also made aware that the Lead Opposition experienced varying levels of dialogue and support from the Portfolios.

The Panel is therefore **recommending** that the SRA for the Lead Opposition Spokespersons should be confirmed in the Councillors' Allowances Scheme and be increased slightly and in line with the CPI rate of 2.1% as at December 2007 to £2834 per annum.

- **Chairman of Audit Committee**

The Audit Committee is now in its second Municipal year of operation. Previously the Committee met on a quarterly basis, but the frequency of meetings had since increased to 6 per year.

During its last review, the Panel agreed to monitor the developing role and responsibilities of the Chairman of the Audit Committee to determine the appropriate level of remuneration set initially at £6,000 per annum.

The Panel understood that the Audit Committee was contributing to the overall governance of Council business by looking in detail at the issues raised by Audit recommendations leading to the improved performance of the Council.

The Panel remained unclear, however, about the strategic role and extent of its influence and particularly its relationship to other areas of the Council's decision-making structure, including the newly created Overview and Scrutiny Finance and Performance Sub Committee.

The Panel is therefore **recommending** that the SRA for the Chairman of the Audit Committee should be confirmed in the Councillors' Scheme of Allowances, and be increased in line with the CPI rate of 2.1% as at December 2007 to £6126 per annum.

- **Chairman of Overview and Scrutiny Sub Committee**

As there was no longer any provision for Task and Finish Panels as part of the Overview and Scrutiny function, the Panel were asked to look at the roles and responsibilities of the Chairman of the new Overview and Scrutiny Sub Committees. Two new Sub Committees – Human Resources and Equalities; and Finance and Performance – meet on a regular monthly basis. Both Sub Committees report back to the main Co-Coordinating Committee. Each Sub Committee develops its own work programme in conjunction with the main Committee.

The Chairman's time commitment and involvement in this role was not, however, as great as that of the Chairman of a main Overview and Scrutiny Committee, but an additional time investment was nonetheless required.

Standing Scrutiny Sub Committees were not common in today's modern Local Government structures and therefore there were no national SRA comparisons to draw on.

Given that the Sub Committees report back to the main Overview and Scrutiny Committee, the Panel considers that overall decision-making responsibility remains with the main body. The Panel **recommends** therefore that an SRA of £6126 per annum and in line with the CPI rate of 2.1% as at December 2007 be awarded to this position.

In conclusion and with the exception of the specific posts mentioned above, the Panel believes that the existing Special Responsibility Allowances are set currently at the correct level. The Panel therefore **recommends** that Special Responsibility Allowances (SRAs) for 2008/09 be increased in line with the CPI index of 2.1% (as at December 2007).

Other Allowances

- Following the Panel's meeting with one of the Council's Co-Opted Members, it recommends that **Co-opted Members'** allowances should be increased in line with the recommended CPI index rate of 2.1% (as at December 2007).
- Recognising that the Committee's changing powers and responsibilities from April 2008, it is the Panel's intention to consider the impact of the changes on the role of the **Chairman of the Standards Committee** as part of next year's review. Therefore, the current SRA should be increased in line with the CPI rate of 2.1% (as at December 2007).
- All **care allowances** should continue to be set in accordance with annual national minimum wage rate levels relevant to the age of the carer. It is the Panel's intention to review this as part of next year's review.

Minority Groups

The City Councillors' allowances scheme set originally 12 as being the minimum number of Members required to 'qualify' as an Opposition Group in line with national guidance.

However, the large Membership of the City Council has resulted in this requirement being much greater than in other authorities with the consequential 'recognition' gap between the main Political Parties and smaller ones being much wider also. Research indicates that the average number of Members qualifying as an Opposition Group in other local authorities is usually between 4-6 Councillors.

The Panel is therefore recommending that the City Council considers reducing the 'qualifying' number for a recognised Opposition Group within the Allowances Scheme to 6 Councillors, i.e. 5% of its current Membership, thereby contributing towards the promotion of a healthy and inclusive democratic framework for Birmingham.

ACCOUNTABILITY TO THE LOCAL ELECTORATE – COUNCILLORS' PERFORMANCE MEASUREMENT

On a number of occasions the Panel has recommended that the Council implements performance reviews for its Membership. Although there are some measures being introduced amongst political groups, progress remains ad hoc and patchy. During this year's review, the Panel welcomed the fact that there appeared to be a growing recognition amongst some Councillors for the need to introduce an appropriate mechanism to measure their performance. However, the Panel does recognise that this view may not be universally shared and accepted amongst other Councillors, who were unlikely to accept such changes.

The Panel welcomed the limited mixture of measures already in place, such as enhanced website pages for Councillors, a modern casework management system, and regular reporting by Cabinet Members, Chairmen of the Regulatory Committees and other Lead Members to the City Council all contribute to the transparency and accountability between Councillors and the local electorate.

Furthermore, the Panel continues to believe that the Constituencies and their Chairmen will continue to play an important role increasing the Council's and Councillors' responsiveness to local needs, as well as improving accountability to the local electorate.

During this review, the Panel had the benefit of research and information emanating from the Councillors' Commission and welcomed particularly the recommendations relating to the performance of elected representatives.

Measures such as:

- Councillors' attendance at meetings displayed on the Council's website.
- Regular reports by Councillors to their Constituents – say half yearly - on their respective website pages.

are already in operation in many authorities across England and Wales and the Panel was therefore disappointed not to see similar steps being taken in Birmingham, the largest authority.

The Panel will continue to monitor the Council's progress.

SUPPORT FOR COUNCILLORS

THE COUNCILLORS' COMMISSION

As part of this year's review, the Panel held a number of discussions about the role of Councillors and the Councillors' Commission study set up by the Government to find out more about the barriers and possible incentives required to encourage a greater and wider range of people to put themselves forward as elected representatives.

One of the clear views to emerge, and one which is very relevant to the work of the Panel, is that remuneration was not the main barrier for people either considering becoming a Councillor or standing again for election. It was the increasing time commitment and consequential pressures required to undertake the roles and responsibilities of a Councillor. Locally, some Councillors informed the Panel that they were finding it increasingly difficult to balance the demands of their employment with that of the Council.

The Panel has stated previously that to accept a greater expected time commitment for the role (currently set at the equivalent of 3 days per week), would ultimately lead to full-time Councillors and there appears to be no overall consensus emerging, or Government /national intention, or will to go down this route.

The current level of administrative support arrangements available to City Councillors has been raised on a number of occasions. It seems to be of particular concern to those Councillors with additional responsibilities over and above their back bench role. Many have commented that the administrative support that the Council provides to back bench Councillors is seriously insufficient, and that the overall effectiveness of Councillors would be improved if support was increased to match increasing demands and expectations.

Although the Panel notes that Councillors' support services provided by the Cabinet, Democratic Services and Overview and Scrutiny functions are currently under review, it urges the Council to look at reducing the demands it makes on back bench Councillors – both collectively and individually – and consider increasing support by exploring alternative ways of working such that the requirements of the role can be achieved within a time consistent with a part-time position.

During its review, the Panel received representation from Co-Opted Members. It became clear that this role did not receive the recognition and consequent support it warranted to become effective, and the Panel are therefore **recommending** that these positions should be included in Councillors' training and development programmes.

Training and development plays a vital part in the effectiveness of Councillors to undertake all aspects of their corporate and representational roles and responsibilities. The Panel welcomes the steps being taken to establish a systematic approach to developing a programme of training and development opportunities for City Councillors, and emphasised the need for regular information and promotion to be made available about 'what's on'.

The Panel particularly welcomed initiatives such as the Council's 'Young Leadership' programme, which had been commented on favourably during the review. However, it was important for the Council to build upon this positive initiative and take forward the

outcomes experienced by those taking part to the wider benefit of the Council as a whole.

However, Councillors themselves have to take some responsibility and contribute towards the development of a meaningful training and development programme, including supportive roles such as mentoring and coaching particularly newly elected Members. The Panel urges the Council to demonstrate its support for the training and development of its Membership by considering measures which build sufficient time capacity for Councillors to undertake the necessary activities.

The Panel will continue to monitor the Council's progress.

NEXT YEAR'S PROGRAMME OF WORK

Notwithstanding any additional requests from the Council, in 2008-09 the Panel proposes to review:

- The additional expenses element of the Basic Allowance.
- The impact of new legislation on the role of the Members of the Standards Committee and in particular the Chairman.
- The impact of new legislation on the role of Councillors.
- Carers' allowances

The Panel will continue to monitor and report back on:

- The index applied to Councillors' allowances.
- The role and responsibilities of the Constituency Committee Chairmen.
- Support, including training and development for City Councillors.
- Measures to increase Councillors' transparency and accountability to the local electorate.

PROPOSED MEMBERS ALLOWANCE RATES [from 1 April 2008]

<u>BASIC ALLOWANCE</u> [per annum unless otherwise stated]	£
Baseline per Day Rate	129.50
Basic Allowance	15,847
Time Element	15,152
Additional Expenses Element	695
<u>SPECIAL RESPONSIBILITY ALLOWANCES</u> [per annum unless otherwise stated]	£
Baseline per Week Rate	1,048.14
The Executive [Leader and Cabinet]	
Leader of the Council	54,503
Deputy Leader of the Council	40,877
Cabinet Member	30,522
Local Executive	
Chair of a Constituency Committee	4,087
Overview and Scrutiny Committees	
Chairman of Co-ordinating Overview & Scrutiny Committee	21,365
Chairman of an Overview & Scrutiny Committee	13,735
Chairman of an Overview & Scrutiny Sub Committee	6,126
Regulatory Committees	
Chairman of the Planning Committee	16,024
Chairman of the Licensing Committee	13,735
Chairman of the Personnel Appeals Committee	11,446
Chairman of the Public Protection Committee	11,446
Chairman of the Audit Committee	6,126
Opposition Groups	
Leader of the Largest Qualifying Opposition Group *	13,735
Deputy Leader of the Largest Qualifying Opposition Group *	7,085
Lead Opposition Spokesperson ('Shadow' Cabinet Member)	2,834
Leader of Other Qualifying Opposition Group *	5,723
Deputy Leader of Other Qualifying Opposition Group *	2,289
(* A Qualifying Opposition Group is one with a minimum of 6 Councillors)	
Coalition Arrangements	
Deputy Leader of the minority Group in a coalition administration	3,538

<u>CO-OPTEE ALLOWANCES [per annum]</u>	£
Chairman of the Standards Committee	544
Member of an Overview & Scrutiny Committee	809
Member of the Standards Committee	324

<u>CHILDCARE AND DEPENDANT CARERS` ALLOWANCE</u>	£
Independent care of a child (under the age of 14) - maximum hourly rate of	5.52
Professional care of a dependent relative - maximum hourly rate of	7.33

TRAVEL ALLOWANCES AND SUBSISTENCE EXPENSES

Car, Motorcycle and Bicycle Allowance Rates are in line with those paid to officers of the authority. The benchmark rates for Day and Overnight Subsistence Allowances are in line with those paid to officers of the authority or the inflation factor in the council's budget.

TRAVEL ALLOWANCES AND EXPENSES

Car Mileage Rates

Car up to 999cc	- first 8,500 miles	42.90p per mile
	- after 8,500 miles	13.30p per mile
Car 1000cc and above	- first 8,500 miles	46.90p per mile
	- after 8,500 miles	13.60p per mile

Supplement for Official Passenger 0.30p per mile

If car mileage is claimed for travel outside the West Midlands, the payment will be the lesser of the value of the actual mileage claimed or the peak time standard rail fare.

Motorcycle Mileage Rates

Motorcycle up to 150cc	21.45p per mile
Motorcycle 151cc and above	25.74p per mile

Bicycle Mileage Rates

First 400 miles per annum	20.00p per mile
All subsequent miles	8.00p per mile

Other Travel Expenses

Rail Travel [supporting receipt required]	Standard Class Fare
Taxi, Tube and Bus Fares, Car Parking, Toll Charges [supporting receipts if possible]	Actual Cost

If a travel pass is provided by the Council the recipient must make a contribution of 40% towards the total cost met by the Council. The recipient also forgoes the right to claim for travel allowances or expenses for duties undertaken in the area covered by the pass or to make use of transport services provided direct by the Council [other than the standard Chauffeur Service] unless the relevant travel service is not available.

Subsistence Allowances and Expenses

Benchmark Day Subsistence [excluding VAT]	£
Breakfast	4.48
Lunch	6.17
Tea	2.43
Evening Meal	7.64
Benchmark Overnight Subsistence [excluding VAT]	
In London	97.09
Other than in London	85.13

The reasonable cost of meals taken, overnight accommodation and minor associated out-of-pocket expenses will be reimbursed, **subject to the provision of supporting receipts**. The validity of claims made will be judged against where the meal was taken or where the stay occurred, the total time spent on the duty and the relevant benchmark subsistence value.

Principles for the Councillors' Allowances Scheme

Background

The Panel felt that there should be a set of principles that can be used as a logical, transparent and robust framework for the City Council's Members Allowances Scheme.

The Panel agreed that the following set of principles should continue to underpin any Scheme adopted by the Council.

Scheme Objectives

- Promote a healthy democracy by removal of financial disadvantage as a barrier to people from a wide range of backgrounds and with a wide range of skills standing for election or serving as Councillors.
- Reflect and support the operation of the new political arrangements introduced by Councils under the Local Government Act 2000 whilst excluding any payment for solely party political activity.
- Recognise the role that Co-opted Members play in the operation of the Council.

Basis of Scheme

- Maintain the ethic of voluntary public service and reflect this within the Basic Allowance paid to all Councillors and the Co-optee Allowance paid to non-elected members.
- Councillors generally should not expect nor receive a full-time salary.
- Reflect a reality that some Councillors will be expected to take on significant additional responsibilities that will require a near full time commitment to the detriment or limitation of other career activity.
- All Councillors should have the right to opt to join the Local Government Pension Scheme.

Better Performance

- Effective support arrangements should be available to assist Councillors in their roles and to maximise the value of the time that Councillors with work and family commitments have available.

- Adequately resourced training and development opportunities should be available to Councillors that would enable them to acquire the skills and knowledge for both their current and future roles.
- The framework to support better performance should involve the publication of Job Descriptions for all roles for which allowances are paid.
- Transparent and audited performance measures should exist that are open to public scrutiny and demonstrate better performance and value for money.

Methodology

- Recommendations of the Panel should be arrived at following a logical, impartial and transparent process that identifies roles, reasonable expectations on those roles and make use of suitable external indicators or comparators to establish the value of individual allowances.
- Wage rate Indicators or comparators should not be related to local authority pay scales or jobs so as to maintain the distinction between the roles of elected members and officers.
- Job Descriptions that clearly define the roles and responsibilities and key accountabilities for the standard role of a Councillor and for those roles for which a Special Responsibility Allowance is or might be paid should be produced as an essential requirement of any Scheme.

Other than the annual rate review, no changes to the Scheme should be made until Job Descriptions are available.

- Basic Allowance should reflect the core time [less a discount for Voluntary Public Service] needed to undertake a generally accepted range of duties expected of all Councillors. It includes a recognition that all Councillors will from time to time take on additional roles that fall outside the scope of significant additional responsibilities.
- Special Responsibility Allowances recognise the level of responsibility, complexity and extent of commitment of a limited number of Councillors who are expected to undertake roles on behalf of the Council that involve **significant** additional time and responsibilities. These will be identifiable over and above the generally accepted range of duties for a Councillor that is reflected in the Basic Allowance.
- Co-optee Allowances should reflect the core time needed to serve on a Committee. It should also recognise that any additional work will be undertaken within the ethic of voluntary public service.

Expenses

- The Council should meet a standard range of general expenses [such as telephone and home office costs] that Councillors incur directly when undertaking

their role. To avoid a proliferation of claim based systems this should be done by the payment of a lump sum on top of the Basic Allowance.

- Councillors and Co-opted Members should be entitled to claim reasonable travel expenses that are necessarily and exclusively incurred in carrying out approved duties.
- Councillors and Co-opted Members should be entitled to claim reasonable subsistence expenses that are necessarily and exclusively incurred in carrying out approved duties outside the Birmingham authority area.
- Councillors should be entitled to claim for reasonable childcare and dependent carer costs that are necessarily and exclusively incurred in carrying out approved duties.
- Claims for expenses should be made on a quarterly basis. Claims outside that time limit should only be paid if there are acceptable and identifiable exceptional circumstances that prevented the claim being submitted.

Administration and Review

- Robust administrative arrangements should minimise the potential for abuse of the system and remove the possibility of a member receiving allowances from more than one authority for the same duty.
- Appropriate allowances should be withheld where a member is suspended or partially suspended from responsibilities or duties in accordance with Part III of the Local Government Act 2000.
- The Independent Remuneration Panel should undertake an annual review of the principles, assumptions and the appropriateness of the indicators used in drawing up the scheme.
- Allowance rates should be automatically updated annually in line with selected wage indicators for Basic [Time Commitment element], Special Responsibility, Co-optee and Childcare and Dependent Carer Allowances. Comparator rates for Mileage and Day Subsistence Allowances or a local authority inflation factor for Basic Allowance [Additional Expenses element] and Overnight Subsistence Allowances will be increased in line with Officer rates.
- Backdating of amendments to a Scheme in the relevant year should only take place if the Independent Remuneration Panel has accepted in its recommendations that the changes had already taken place.
- Allowances Scheme and records of payments should be widely published and generally available to the public.

The panel looked at comparisons with, our near neighbours, the core cities and Kent.

The councils are listed below;

Bradford

Bristol

Coventry

Kent

Kirklees

Leeds

Leicester

Liverpool

Manchester

Newcastle Upon Tyne

Nottingham

Sandwell

Sheffield

Walsall

Wolverhampton

Membership of the Independent Remuneration Panel

An Independent Remuneration Panel for Birmingham was established by the City Council at its meeting on 3 July 2001. The Panel comprises:

- 6 members selected from a public advertisement.
- 1 representative of the Trade Unions.
- Panel Members are appointed for a 3-year term of office.

The Panel is supported by an Independent Advisor.

The current membership is as follows:

Chairman of the Panel

Graham Macro, Citizens' Representative, Sutton Coldfield

Council appointees:

Stephen Shute*

Paul Wilson*

Citizen Representatives:

Sandra Cooper, Stirchley

Subat Khan, Ward End

Michael Tye, Handsworth.

Roger McKenzie, Trade Unions' Representative.

*Appointed on 5 February 2008

April 2008