

The report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Swale Borough Council

## **CONTENTS**

1. INT	RODUCTION AND BACKGROUND	1					
2. CU	2. CURRENT SCHEME1						
3. PRI	3. PRINCIPLES UNDERPINNING OUR REVIEW2						
3.1 3.2	THE PUBLIC SERVICE PRINCIPLE THE FAIR REMUNERATION PRINCIPLE						
4. CONSIDERATIONS AND RECOMMENDATIONS							
4.1 4.2 4.3 4.4 4.5 4.6 4.7 <b>5. OU</b> 5.1 5.2	BASIC ALLOWANCE	711111122133144155					
6. APPROVED COUNCILLOR DUTIES155							
Append	lix 1 Basic Allowance/Special Responsibility Allowances & Co-Optees' Allowance Allowances – Summary of Recommendations	16					
Append	lix 2 IRP Review of Councillor Allowances Responses to the Questionnaire 2022						
Append	lix 3 Comparative data of allowances paid to councillors of the other Kent District & Borough Councils (South East Employers, Members Allowances Survey 2021)						

#### 1. INTRODUCTION AND BACKGROUND

- 1.1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), as amended, require all local authorities to appoint an independent remuneration panel (IRP) to advise on the terms and conditions of their scheme of councillors' allowances.
- 1.1.2 Swale Borough Council formally appointed the following persons to undertake this process and make recommendations on its future scheme.

Derek Butler- Former Councillor and local resident in Kent. Jasvinder Gill- Solicitor and local resident Mark Palmer- Development Director, South East Employers (Chair)

- 1.1.3 Our terms of reference were in accordance with the requirements of the 2003 Regulations, together with "Guidance on Consolidated Regulations for Local Authority Allowances" issued jointly by the former Office of the Deputy Prime Minister and the Inland Revenue (July 2003). Those requirements are to make recommendations to the Council as to:
- (a) the amount of basic allowance to be payable to all councillors.
- (b) the level of allowances and whether allowances should be payable for:
  - (i) special responsibility allowances.
  - (ii) travelling and subsistence allowance.
  - (iii) dependants' carers' allowance.
  - (iv) parental leave and.
  - (v) co-optees' allowance.

and the amount of such allowances.

- (c) whether payment of allowances may be backdated if the scheme is amended at any time to affect an allowance payable for the year in which the amendment is made.
- (d) 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, subject to a maximum of four years before its application is reviewed.

#### 2. CURRENT SCHEME

- 2.1.1 The last review of councillors' allowances was undertaken by the IRP for the Council in March 2020. The Council took the decision to move from a Leader and Cabinet model of governance to that of a Committee Model. The change of governance structure has prompted this review. The Panel is of the view that the recommendations in this review should be evaluated again in twelve to eighteen months.
- 2.1.2 The Scheme currently provides that all councillors are each entitled to a total basic allowance of £5,663.94 per annum. The basic allowance was set following the March 2020 review and 2016 and has had an indexation

- applied annually since that date. In addition, some councillors receive special responsibility allowances for undertaking additional duties.
- 2.1.3 Councillors may also claim the cost of travel and subsistence expenses and for expenditure on the care of children or dependants whilst on approved duties.

#### 3. PRINCIPLES UNDERPINNING OUR REVIEW

# 3.1The Public Service Principle

- 3.1.1 This is the principle that an important part of being a councillor is the desire to serve the public and, therefore, not all of what a councillor does should be remunerated. Part of a councillor's time should be given voluntarily. The consolidated guidance notes the importance of this principle when arriving at the recommended basic allowance. Moreover, we found that a public service concept or ethos was articulated and supported by all of the councillors we interviewed and in the vast majority of responses to the questionnaire completed by councillors as part of our review.
- 3.1.2 To provide transparency and increase an understanding of the Panel's work, we will recommend the application of an explicit Public Service Discount (or PSD). Such a PSD is applied to the time input necessary to fulfil the role of a councillor. Further explanation of the PSD to be applied is given below in Section 4.

# 3.2 The Fair Remuneration Principle

3.2.1 Alongside the belief that the role of the elected Councillor should, in part, be viewed as unpaid voluntary service, we advocate a principle of fair remuneration. The Panel in 2022 continues to subscribe to the view promoted by the independent Councillors' Commission:

Remuneration should not be an incentive for service as a councillor. Nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so.<sup>2</sup>

3.2.2 We are keen to ensure that our recommended scheme of allowances provides reasonable financial compensation for councillors. Equally, the scheme should be fair, transparent, logical, simple, and seen as such.

<sup>&</sup>lt;sup>1</sup> The former Office of Deputy Prime Minister – now the Department for Levelling Up, Housing & Communities and The Inland Revenue (now HM Revenue & Customs), *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 68.

<sup>&</sup>lt;sup>2</sup> Rodney Brooke and Declan Hall, *Members' Remuneration: Models, Issues, Incentives and Barriers*. London: Communities and Local Government, 2007, p.3.

- 3.2.3 Hence, we continue to acknowledge that:
- (i) allowances should apply to roles within the Council, not individual councillors.
- (ii) allowances should represent reasonable *compensation* to councillors for expenses they incur and time they commit in relation to their role, not *payment* for their work; and
- (iii) special responsibility allowances are used to recognise the *significant* additional responsibilities which attach to some roles, not merely the extra time required.
- 3.2.4 In making our recommendations, we have therefore sought to maintain a balance between:
- (i) the voluntary quality of a councillor's role.
- (ii) the need for appropriate financial recognition for the expenses incurred and time spent by councillors in fulfilling their roles; and
- (iii) the overall need to ensure that the scheme of allowances is neither an incentive nor a barrier to service as a councillor.
- 3.2.5 The Panel also sought to ensure that the scheme of allowances is understandable in the way it is calculated. This includes ensuring the bandings and differentials of the allowances are as transparent as possible.
- 3.2.6 In making our recommendations, we wish to emphasise that any possible negative impact they may have is not intended and should not be interpreted as a reflection on any individual councillor's performance in the role.

#### 4. CONSIDERATIONS AND RECOMMENDATIONS

## 4.1 Basic Allowance

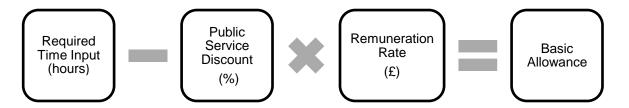
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4.1.1 A Council's scheme of allowances must include provision for a basic allowance, payable at an equal flat rate to all councillors. The guidance on arriving at the basic allowance states, "Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours councillors ought to be remunerated."

<sup>&</sup>lt;sup>3</sup> The former Office of Deputy Prime Minister – now the Department for Levelling Up, Housing & Communities, and Inland Revenue (now HM Revenue and Customs), *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 67.

<sup>&</sup>lt;sup>4</sup> The former Office of Deputy Prime Minister – now the Department for Levelling Up, Housing and Communities and Inland Revenue (now HM Revenue and Customs), *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraphs 66-81.

- 4.1.2 In addition to the regular cycles of Council and committee meetings, a number of working groups involving councillors may operate. Many councillors are also appointed by the Council to a number of external organisations.
- 4.1.3 We recognise that councillors are responsible to their electorate as:
  - Representatives of a particular ward.
  - Community leaders.
  - Decision makers for the whole Council area.
  - · Policy makers for future activities of the Council.
  - Scrutineers and auditors of the work of the Council; and
  - Other matters required by Government.
- 4.1.4 The guidance identifies the issues and factors an IRP should have regard to when making a scheme of allowances.<sup>4</sup> For the basic allowance we considered three variables in our calculation: the time required to execute the role effectively; the public service discount; and the rate for remuneration.



4.1.5 Each of the variables is explained below.

#### Required Time Input

- 4.1.6 We ascertained the average number of hours necessary per week to undertake the role of a councillor (with no special responsibilities) from questionnaires and interviews with councillors and through reference to the relevant information. In addition, we considered further information about the number, range, and frequency of committee meetings.<sup>5</sup>
- 4.1.7 Discounting attendance at political meetings (which we judged to be centred upon internal political management), we find that the average time commitment required to execute the role of a councillor with no special responsibilities is 14 hours per week within a Committee Model of governance. This is an increase of two hours per week since the March 2020 review recommendation. The basis for this increase is an awareness and expectation that councillors will be participating and attending more decision-making committees within the Committee Model of governance.

## Public Service Discount (PSD)

4.1.8 From the information analysed, we found councillors espoused a high sense of public duty. Given the weight of evidence presented to us

<sup>&</sup>lt;sup>5</sup> The summary responses to the questionnaires are attached as Appendix 2.

concerning, among other factors, the levels of responsibility, the varied nature of the role, the need for learning and development, and the increasing accessibility and expectations of the public, we recommend a Public Service Discount of 35 per cent to the calculation of the basic allowance. This percentage sits within the mid-range of PSDs applied to basic allowances by councils.

## Remuneration Rate

- 4.1.9 After establishing the expected time input to be remunerated, we considered a remuneration rate. We came to a judgement about the rate at which the councillors ought to be remunerated for the work they do.
- 4.1.10 To help identify an hourly rate for calculating allowances, we utilised relevant statistics about the local labour market published by the Office for National Statistics. We selected the average (median), full-time gross<sup>6</sup> wage per hour for the Swale Borough Council area £14.34<sup>7</sup> per hour.

#### Calculating the basic allowance

4.1.11 After determining the amount of time required each week to fulfil the role (14 hours), the level of PSD to be applied (35%) and the hourly rate to be used (£14.34), we calculated the basic allowance as follows:



- 4.1.12 The gross Basic Allowance before the PSD is applied is £10,439.52. Following the application of the PSD this leads to a basic allowance of £6,785.68 per annum.
- 4.1.13 This amount is intended to recognise the overall contribution made by councillors, including their work on council bodies, division work and attendance on external bodies.
- 4.1.14 We did also note the levels of basic allowance currently allocated by other comparative district and borough councils across Kent, (see table below and Appendix 3).

<sup>7</sup> The Nomis official labour market statistics: Hourly Pay – Gross median (£) For full-time employee jobs by place of residence: UK December 2021.

<sup>&</sup>lt;sup>6</sup> The basic allowance, special responsibility allowance, dependants' carers' allowance, and co-optees' allowance are taxable as employment income.

Council	Kent District/Borough Councils: Basic Allowances (£) 20218		
Ashford Borough Council	4,864		
Canterbury City Council	5,739		
Dover District Council	5,000		
Folkestone and Hythe District Council	5,433		
Gravesham Borough Council	4,955		
Maidstone Borough Council	5,065		
Sevenoaks District Council	5,617		
Swale Borough Council	5,444		
Thanet District Council	4,570		
Tonbridge and Malling Borough Council	5,175		
Tunbridge Wells Borough Council	5,500		
Average	5,161		

4.1.15 The Panel wished to ensure the level of basic allowance does not constitute a barrier to candidates from all sections of the community standing, or restanding, for election as councillors. The Panel was of the view the approach undertaken in this review of the introduction of a transparent and clear formula for calculating the Basic Allowance will assist a future Panel in recommending a Basic Allowance.

WE THEREFORE RECOMMEND that the Basic Allowance payable to all members of Swale Borough Council be £6,786 per annum

<sup>&</sup>lt;sup>8</sup> Figures drawn from the South East Employers, Members' Allowances Survey 2021 (October 2021).

## 4.2 Special Responsibility Allowances (SRAs)

- 4.2.1 Special Responsibility Allowances are awarded to councillors who perform significant additional responsibilities over and above the roles and expenses covered by the basic allowance. These special responsibilities must be related to the discharge of the council's functions.
- 4.2.2 The 2003 Regulations do not limit the number of SRAs which may be paid, nor do they prohibit the payment of more than one SRA to any one councillor. They do require that an SRA be paid to at least one councillor who is not a member of the controlling group of the Council. As the guidance suggests, if the majority of councillors receive a SRA, the local electorate may rightly question the justification for this.<sup>9</sup>
- 4.2.3 We conclude from the evidence we have considered that the following offices bear *significant* additional responsibilities:
- Leader of the Council
- Deputy Leader of the Council
- Chair of Policy and Resources Committee
- Chairs of Service Committees (4)
- Leader of the Opposition
- Leader of Smaller Opposition Groups
- Chair of Planning Committee
- Chair of Licensing Committee
- Chair of Audit Committee
- Chairs of Area Committees (4)
- Co-Opted Members

#### One SRA Only Rule

- 4.2.4 To improve the transparency of the scheme of allowances, we feel that no councillor should be entitled to receive at any time more than **one SRA**. If a councillor can receive more than one SRA, then the public are unable to ascertain the actual level of remuneration for an individual councillor from a reading of the Scheme of Allowances.
- 4.2.5 Moreover, the One SRA Only Rule avoids the possible anomaly of the Leader receiving a lower allowance than another councillor. If two or more allowances are applicable to a councillor, then the higher-valued allowance would be received. The One SRA Only Rule is common practice for many councils. Our calculations for the SRAs are based on this principle, which should be highlighted:

WE THEREFORE RECOMMEND that that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance and that this One SRA Only Rule be adopted into the new Scheme of Allowances.

<sup>&</sup>lt;sup>9</sup> The former Office of Deputy Prime Minister – now the Department for Levelling Up, Housing and Communities and *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, paragraph 72.

#### The Maximum Number of SRA's Payable

4.2.6 In accordance with the 2006 Statutory Guidance (paragraph 72) the Panel is of the view that the Council should adhere to the principal that no more than 50% of Council Members (23) should receive an SRA at any one time

# **Calculating SRAs**

- 4.2.7 The Panel supported the criteria and formula for calculating the Leader of the Council allowance based on a multiplier of the Basic Allowance; this role carries the most significant additional responsibilities and is the most time consuming.
- 4.2.8 We applied a multiplier of the basic allowance to establish the Leader's SRA. Other SRAs are then valued downwards as a percentage of the Leader's allowance. This approach has the advantage that, when future adjustments to the SRAs are required, changing the Leader's SRA will have a proportionate and easily calculable effect on the other SRAs within the scheme.

We grouped together in Tiers those roles that we judged to have a similar level of responsibility. The outline result of this approach is illustrated in a pyramid of responsibility:

Tier 1

Leader

Tier 2

**Deputy Leader** 

Tier 3

Chair of Policy and Resources, Chair of

Tier 4

Chairs of Service Committees (4), Leader of the Opposition

Tier 5

Chairs of Area Committees (4), Chair of Audit, Chair of Licensing, Leader of Smaller Opposition Group(s)

The rationale for these five tiers of responsibility is discussed below.

## Leader (Tier One)

- 4.2.9 The Council elects a Leader who will also Chair the proposed Policy and Resources Committee. The Leader in a Committee Model of governance does not have the executive leadership responsibilities of those within a Leader and Cabinet model of governance and is therefore a smaller role in terms of power, authority and impact.
- 4.2.10 The multiplier we applied to calculate the Leader's SRA is 250% (2.5 x times) the basic allowance. If the recommended option of a basic allowance with a PSD of 35% is adopted, this results in a Leader's Allowance of £16,965.

WE RECOMMEND that the Leader of the Council should receive a Special Responsibility Allowance of 250% of the recommended basic allowance, £16,965.

#### Deputy Leader (Tier Two)

4.2.11 The Deputy Leader usually acts on the Leader's behalf in their absence. From the information we gathered, we consider this additional responsibility should now be reflected in the level of allowance. Therefore, we recommend the Deputy Leader's SRA be set at 50% of the Leader's SRA. If our recommendations concerning the basic allowance and the Leader's SRA are adopted, this results in an allowance of £8,483.

WE RECOMMEND that the Deputy Leader receive a Special Responsibility Allowance of 50% of the recommended Leader's Allowance, £8,483.

Chair of Policy and Resources and Chair of the Planning Committee (Tier Three)

- 4.2.12 The Policy and Resources Committee is proposed to be the Councils most significant Committee in terms of impact and authority. It is anticipated that the role of chair of the Policy and Resources Committee will be the Leader of the Council, however, as this is not stipulated in the proposed Council Constitution then the Panel recommends that a Special Responsibility Allowance should be recommended. The Panel recommends that the Chair of the Policy and Resources Committee should receive an allowance of 40% of the recommended Leader's Allowance, £6,786.
- 4.2.13 The Panel was of the view that the Planning Committee is still one of the largest Committees in respect of workload and the frequency of meetings. The Panel recommends that the Chair of the Planning Committee should receive a Tier Three allowance, 40% of the recommended Leader's allowance, £6,786.

WE RECOMMEND that the Chair of Policy and Resources and the Chair of the Planning Committee should receive an allowance of 40% of the recommended Leader's Allowance, £6,786.

- 4.2.14 From the evidence gathered, including questionnaire responses and face to face interviews, we continue to consider the Leader of the Main Opposition Group to be a significant role and the 2003 Regulations require that the Leader of the Opposition Group receive a Special Responsibility Allowance. The Leader of the largest Opposition Group has to both ensure democratic accountability and the holding to account of the administration but also manage and develop a Group of a significant size. The Panel is therefore of the view that the Opposition Group Leader should receive a Special Responsibility Allowance of 35% of the recommended Leader's Allowance, £5,938.
- As part of the new governance structure the Council has proposed the inclusion of four service committees comprising of fifteen members in each committee. The Committees will make recommendations to the Policy and Resources Committee and will have delegated authority within the area of responsibility. The four service committees are Community, Environment, Housing and Health and Regeneration and Property. The Panel is of the view that the Chairs of these Committees should receive a Special Responsibility Allowance of 35% of the recommended Leader's Allowance, £5,938.

WE RECOMMEND that the Opposition Group Leader and the Chairs of the Service Committees receive a Tier Four Special Responsibility Allowance of 35% of the recommended Leader's Allowance, £5,938.

<u>Leaders of Smaller Opposition Groups, Chair of Licensing Committee, Chair of Audit</u> Committee, Chair of Area Committees (Tier Five)

- 4.2.16 The Leaders of the Smaller Opposition Groups are a key role, and the Panel was therefore of the view that any current or future Leader(s) of the Smaller Opposition Group(s) should receive a Special Responsibility Allowance. Currently no allowance is awarded to these roles. The Panel is of the view that the Leaders of the Smaller Opposition Groups should receive a Tier Five allowance, 12% of the recommended Leader's Allowance, £2,036. The Panel was of the view that in order for a Smaller Opposition Group Leader to receive the Special Responsibility Allowance the group should constitute at least 10% of all Members (10% of 47 Members), five Members in the group.
- 4.2.17 The Panel is of the view that there has been no significant change to the roles of the Chair of Audit Committee, Licensing Committee and the four Area Committees since the reviews in March 2020 and February 2021. The Panel is therefore of the view that Chair of Licensing, Audit and the four Area Committees should receive a Special Responsibility Allowance of 12% of the recommended Leader's Allowance, £2,036.

WE RECOMMEND that the Smaller Opposition Group Leader(s), should receive a Tier Five Allowance, 12% of the recommended Leader's Allowance, £2,036. WE FURTHER RECOMMEND that in order for a Smaller Opposition Group Leader to receive the Special Responsibility Allowance the group should constitute at least 10% of all Members (10% of 47), five Members in the Group. WE ALSO RECOMMEND that the Chair of Licensing, Chair of Audit and Chairs of the four Area Committees should receive a Special Responsibility Allowance of 12% of the recommended Leader's Allowance, £2,036.

#### Co-Optee's Allowance

4.2.18 The Council currently awards a Co-Optees Allowance. However, the Panel was of the view that the current rate of £10.20 per meeting was insufficient. The Panel is therefore of the view that the Co-Optees should receive a per meeting allowance based on an hourly rate. The allowance should also include the preparation time required for each meeting. The Panel therefore recommends that the Co-Optees receive an allowance of £14.34 per hour (Nomis median hourly rate for full time employees by place of residence for the Swale Borough Council area, December 2021).

WE RECOMMEND that the Co-Optees receive an allowance of £14.34 per hour. The allowance should be awarded on a per meeting basis and include payment for reasonable preparation time. This allowance should be increased annually in line with the Nomis median hourly rate for full time employees by place of residence.

## **ICT Allowance**

4.2.19 The Council currently pays an ICT allowance of £16.73 per month towards the IT and telecommunications costs incurred in their duties as a councillor. The Panel is of the view that this allowance should be withdrawn.

WE RECOMMEND that the ICT allowance of £16.73 per month be withdrawn.

## 4.3 Travelling and Subsistence Allowance

4.3.1 A scheme of allowances may provide for any councillor to be paid for travelling and subsistence undertaken in connection with any of the duties specified in Regulation 8 of the 2003 Regulations (see paragraph 5.10). Similarly, such an allowance may also be paid to Co-opted Members of a committee or sub-committee of the Council in connection with any of those duties, provided that their expenses are not also being met by a third party.

WE RECOMMEND that travelling and subsistence allowance should be payable to councillors and Co-Optees in connection with any approved duties. The amount of travel and subsistence payable shall continue to be at the maximum levels payable to council staff in line with HM Revenue and Customs' rates. We propose no changes to the current travel and subsistence allowances.

WE FURTHER RECOMMEND that a travel allowance for electric vehicles should be promoted based on the current HM Revenue and Customs' rate of 45p per mile.

## 4.4 Dependent's Carers' Allowance

4.4.1 The dependent's carers' allowance should ensure that potential candidates are not deterred from standing for election to council and should enable current councillors to continue despite any change in their personal circumstances. The current scheme awards reimbursement for Child Care at the rate of the Real Living Wage and more specialist care at cost.

- 4.4.2 The Panel is of the view that the Dependent's Carers' Allowance should continue be reimbursed at the rate of the Real Living Wage, £9.90 per hour for Childcare and based on the actual cost for more specialist care.
- 4.4.3 The Panel is therefore of the view that the cost of more specialist care should be reimbursed at the actual cost incurred by the councillor upon production of receipts. In respect of specialist care provision medical evidence that this type of care provision is required should also be provided and approved by an appropriate officer of the Council.

WE THEREFORE RECOMMEND that the Dependent's Carers' Allowance for childcare should be based on the Real Living Wage as recommended by the Living Wage Foundation, currently £9.90 per hour and more specialist care should be based at cost upon production of receipts. In the case of specialist care a requirement of medical evidence that this type of care be required, the allowance should have no daily or monthly maximum claim when undertaking Approved Councillor Duties.

WE ALSO RECOMMEND that the Council should actively promote the allowance to prospective and new councillors both before and following an election. This may assist in supporting a greater diversity of councillor representation.

#### 4.5 Parental Leave

- 4.5.1 There is no uniform national policy to support councillors who require parental leave for maternity, paternity, or adoption leave. According to the Fawcett Society (Does Local Government Work for Women, 2018) a 'lack of maternity, paternity provision or support' is a real barrier for women aged 18-44 to fulfil their role as a councillor.
- 4.5.2 We are of the view that support should be provided for parental leave although we do not wish to stipulate an exact policy/procedure. The Panel is aware that the Local Government Association (Labour Group) has developed a model policy that has been adopted by a growing number of councils across the southeast region.
- 4.5.3 There is no legal right to parental leave of any kind for people in elected public office. However, as a way of improving the diversity of Councillors, the Panel would recommend that the Members' Allowance Scheme should be amended to include provisions that clarify that:
  - All Councillors shall continue to receive their Basic Allowance in full for a
    period up to six months in the case of absence from their Councillor duties
    due to leave relate to maternity, paternity, adoption shared parental leave or
    sickness absence
  - Councillors entitled to a Special Responsibility Allowance shall continue to receive their allowance in full for a period of six months, in the case of absence from their Councillor duties due to leave related to maternity, paternity, adoption, shared parental leave or sickness absence
  - Where for reasons connected with sickness, maternity leave, adoption leave, paternity leave or shared parental leave a Councillor is unable to attend a meeting of the Council for a period of six months, a dispensation by Council can be sought in accordance with Section 85 of the Local Government Act 1972

- If a replacement to cover the period of absence under these provisions is appointed by Council or the Leader (or in the case of a party group position the party group) the replacement shall be entitled to claim a Special Responsibility Allowance pro rata for the period over which the cover is provided.
- If a Councillor stands down, or an election is held during the period when a
  Councillor is absent due to any of the above and the Councillor is not reelected or decides not to stand down for re-election, their Basic Allowance
  and any Special Responsibility Allowance will cease from the date they leave
  office.
- 4.5.4 The Panel is conscious that these provisions do not replicate the LGA policy, but that a policy introduces elements that are more akin to employees which in terms of employment legislation does not include Councillors. We feel that our recommendations more simply and adequately reflect the situation relating to Councillors and clarify for them what they can expect. Councillors however may wish to further develop the above recommendations so that they reflect the LGA (Labour Group) policy.

WE RECOMMEND that the approach outlined is adopted as a basis of a policy to support parental leave for councillors. Should a policy on Parental Leave for Councillors be approved it should be actively promoted to prospective and current Councillors alongside the Dependents' Carers Allowance. This should form part of a wider 'Be A Councillor' (LGA led initiative) programme led by the Council and supported by political groups; to enhance and further increase the diversity of councillor representation.

# 4.6 Indexing of Allowances

4.6.1 A scheme of allowances may make provision for an annual adjustment of allowances in line with a specified index. We propose no change to the current formula for the calculation of indexation. The indexation is currently linked to staff salary increases, Spinal Column Point 49.

WE THEREFORE RECOMMEND that an annual indexation of the basic allowance and each of the SRAs continue. The allowances should be increased annually in line with the percentage increase in staff salaries, Spinal Column Point 49 from April 2023 for a period of up to four years. After this period, the Scheme shall be reviewed again by an independent remuneration panel.

# 4.7 Revocation of current Scheme of Allowances / Implementation of the new Scheme

4.7.1 The 2003 Regulations provide that a scheme of allowances may only be revoked with effect from the beginning of a financial year, and that this may only take effect on the basis that the authority makes a further scheme of allowances for the period beginning with the date of revocation.

WE THEREFORE RECOMMEND that the new scheme of allowances to be agreed by the Council be implemented with effect from the beginning of the 2022-23 municipal year, at which time the current scheme of allowances will be revoked.

#### 5. OUR INVESTIGATION

# 5.1 Background

- 5.1.1 As part of this review, a questionnaire was issued to all councillors to support and inform the review. Responses were received from 16 of the 47 current councillors (34% response). The information obtained was helpful in informing our deliberations.
- 5.1.2 We interviewed six current councillors and one officer using a structured questioning process. We are grateful to all our interviewees for their assistance.

## 5.2 Councillors' views on the level of allowances

5.2.1 A summary of the councillors' responses to the questionnaire are attached as Appendix 2.

## 6. APPROVED COUNCILLOR DUTIES

6.1.1 The Panel reviewed the recommended duties for which allowances should be payable and recommend that no changes be made.

WE THEREFORE RECOMMEND: That no changes are made to the Approved Councillor Duties as outlined in the Members' Allowance Scheme.

Mark Palmer (Chair of the Independent Remuneration Panel) Development Director, South East Employers May 2022

**Appendix 1: Summary of Panel's Recommendations** 

Allowance	Current Amount for 2021-22	Number	Recommended Allowance (35% PSD)	Recommended Allowance Calculation
Basic (BA)				
Total Basic:	£5663.94	47	£6,786	

Special Responsibility:				
Leader of the Council	£20,959	1	£16,965	250% of BA
Deputy Leader	No SRA	1	£8,483	50% of Leader's Allowance
Chair of Policy and Resources	No SRA	1	£6,786	40% of Leader's Allowance
Chair of Planning	£7,335	1	£6,786	40% of Leader's Allowance
Leader of Opposition	£6,287	1	£5,938	35% of Leader's Allowance
Chair of Service Committees	No SRA	4	£5,938	35% of Leader's Allowance
Leader of Smaller Opposition Groups 1	£2,095	1	£2,036	12% of Leader's Allowance
Chair of Licensing	£2,095	1	£2,036	12% of Leader's Allowance
Chair of Audit	£2,095	1	£2,036	12% of Leader's Allowance
Chair of Area Committees	£2,095	4	£2,036	12% of Leader's Allowance
Co-Opted Member	£10.20 per meeting		£14.34 per hour	Nomis median hourly rate for Essex county area

<sup>1.</sup> SRA only payable to Group Leaders with at least 10% of all Members within the Group (10% of 47 Members), 5 Members.