



**A Review of Members' Allowances for
Swale Borough Council**

Report of the Independent Remuneration Panel

September 2016

**2 CROWN WALK, JEWRY STREET,
WINCHESTER
HANTS,
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1. Introduction

The Independent Remuneration Panel was convened to undertake a full review of Members' Allowances, the last full review having been conducted in November 2012. The review was undertaken and the Panel convened in accordance with The Local Authorities (Members Allowances) (England) Regulations (SI 1021) (2003 Regulations).

The Panel met on 14th and 15th September 2016 and membership of the panel was:-

Steve Golding, Independent Panel Member

Lionel Robbins

Mark Palmer, Development Director, South East Employers (Panel Chairman)

A questionnaire was sent out to all Members prior to the review and we interviewed 14 Members and 1 Officer. Twenty of the 47 Members of the Council completed the questionnaire a copy is attached as **Appendix 1**. A comprehensive analysis of the questionnaire is attached as **Appendix 3**.

The Panel would like to thank the Members who completed the questionnaire as well as the Members and the Officer we interviewed during the process. We have taken account of the views expressed to us by those Members and would like to thank them for their assistance in this review.

Additionally the Panel was assisted and supported throughout by Jo Millard (Senior Democratic Services Officer). We thank all the officers involved for their help and support.

Other information at our disposal included the 2012 Report of the Independent Remuneration Panel, the current Scheme of Members' Allowances and Council reports of how the recommendations in the 2012 report had been taken forward.

We also had the benefit of the Members' Allowance Survey for District and Borough Councils in the South East published by South East Employers in September 2016. The Survey has been used to support benchmarking and for this purpose we have used the Kent district and borough Councils.

Comprehensive details of the allowances in these Councils are, attached as **Appendix 2**.

2. Terms of Reference

Our terms of reference were to undertake a full review of Members' Allowances for Swale Borough Council and to make recommendations as to the level of the Basic Allowance and of Special Responsibility Allowances for the year 2016/2017 and beyond for a maximum 4 year period. The review also included consideration of a Dependents' Carers' Allowance, the ICT Allowance, the scheme for travelling and subsistence. A separate

enabling report for Members' Allowances for Parish Councils was also included as part of this review.

3. The Deliberations of the Panel

The Panel was informed that since the last full review in November 2012 the following governance changes had been approved. At the start of the Civic year 2016/17 the Cabinet was reduced from 9 to 7 and a Deputy Cabinet Member role was introduced that will have all the main accountabilities of a Cabinet Member with the exception of formal decision making which cannot be allowed under Regulation. This new role was considered by the Panel with regards to a Special Responsibility Allowance.

A key role of the Panel is to recommend a scheme of allowances which recognises both Members' responsibilities and workloads. However, the Panel was mindful of the Council's continued financial constraints when making its recommendations.

To support a consistent approach the Panel has broadly used the same methodology as that used in the 2012 report for calculating the Basic Allowance and the Special Responsibility Allowances.

4. Basic Allowance

In 2012 the Basic Allowance was assessed using the median hourly earnings for Swale Borough Council area as a place of residence. This information is published by the Office for National Statistics each December as part of its National Statistics of Hours and Earnings (NOMIS) and in 2012 the figure used by the Panel was £13.53 per hour. By December 2015 this had fallen to **£12.86 per hour**.

The results of the Members Allowances questionnaire and subsequent interviews conducted as part of the review identified that 12 to 13 hours per week for the Front Line Councillor role was appropriate. The average national weekly hours based on the LGA Councillor Census was between 10 to 15 hours. The Panel therefore chose **12.5 hours** to support the calculation of the Basic Allowance.

In respect of the Public Service Discount (PSD) there were differences ranging from 10% to 50%, the current rate was 42% and the average across the South East region is 30-40%. The Panel was of the view that a level of **40%** should represent the level of recommended "Public Service Discount" i.e. the element of a Member's activity that should be given on a purely voluntary basis.

Based on these figures the level of Basic Allowance for Members of the Council can be calculated as 12.5 hours x 52 weeks x £12.86 per hour - 40% Public Service Discount which gives a annual Basic Allowance of **£5,015**.

Currently Swale BC is within the mid range of the Basic Allowances within the benchmark group of Councils (Kent District/Borough Councils). Even after this recommended change to the Basic Allowance Swale BC will still be at the mid point of Basic Allowances within the benchmark Councils.

Benchmark Councils- Basic Allowance (September 2016)

Council	Basic Allowances
Tunbridge Wells BC	£5,500
Sevenoaks DC	£5,306
Canterbury CC	£5,303
Tonbridge & Malling BC	£5,283
Shepway DC	£5,100
Dartford BC	£5,000
Swale BC	£4,881 (Recommendation £5,015)
Maidstone BC	£4,713
Thanet DC	£4,570
Ashford BC	£4,555
Dover DC	£3,980
Gravesham BC	£3,447

RECOMMENDATION: The Basic Allowance for Members of Swale Borough Council for the year 2017/2018 should be £5,015 subject to any indexation.

5. Special Responsibility Allowances

The Panel have largely used the same methodology for our recommendations as those currently in place

We do, however, for ease of reference, set out on page 10 the current allowances and **the level of allowances the IRP recommends for 2017/18.**

Leader of the Council

In arriving at an indicative Special Responsibility Allowance (SRA) for the Leader, the Panel has replicated the approach utilised by the Panels in 2009 and 2012, a methodology that is specifically mentioned in the 2006 Statutory Guidance, namely the factor approach. This multiplies the Basic Allowance by an accepted factor to arrive at the recommended Leader's SRA. Benchmarking shows that the average SRA for a Kent district council Leader is just below four times the Basic Allowance. The Panel are therefore proposing a factor of 3.7 times the Basic Allowance for the Leader - **3.7 x £5,015 = £18,555.**

The following Special Responsibility Allowances referred to are for roles where a new allowance is being recommended or where we are making a significant change to the amount payable to the existing allowance.

Deputy Cabinet Members

At the start of the Civic Year 2016/17 the Leader undertook a review of the Cabinet and reduced the number of Cabinet Members from 9 to 7. The driver being to align portfolio areas more closely with the Council's revised Corporate Plan priorities. Integral to this was the introduction of six Deputy Cabinet Members who would work alongside the six cabinet portfolio holders. The Deputy Cabinet Members have all the main accountabilities of a Cabinet Member with the exception of formal decision making that cannot be allowed under Regulation.

The Deputy Cabinet Members are copied in on the same information as Cabinet Members to ensure consistency of briefing and invited to appropriate member/officer briefings. The skills and knowledge required for the role are significant at a strategic level and therefore the IRP is required to determine whether the new role warrants an SRA as well as the appropriate level of the SRA.

In determining which roles merit an SRA the Panel was cognisant of the 2006 Statutory Guidance (May 2006, paragraphs 70 and 73) that states:

"SRAs may be paid to those members of the council who have significant additional responsibilities over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority's functions."

When considering the role of Deputy Cabinet Member, the Panel was of the view that the role did require "significant additional responsibility" that would attract an SRA. In determining the level of allowance the Panel felt that the role was smaller than a Cabinet Member role as it did not have a decision making responsibility. The Panel also felt that at this stage, with the role having been established for a little over four months, it was of a similar size and responsibility to that of the roles of the Chairman of the Scrutiny Committee and Policy Development and Review Committee.

RECOMMENDATION: The SRA for the Deputy Cabinet Member's role be £5,567, being 30% of the Leader's allowance. The Panel may wish to re-evaluate the role by May 2018 which will allow sufficient time for the role to be fully established.

Minority Leader of the Largest Minority Party

The role of principal opposition group leader is an important role to support local democracy and local democratic accountability. The opposition group leader also has to manage and develop the political group so that it can undertake the roles and responsibilities of a main opposition group.

Swale Borough Council currently remunerates the Minority Leader of the Largest Minority Group with an SRA of 50% of the Leader for undertaking the role of main opposition group leader and managing a group of nine Members.

Across the Kent district and borough councils all twelve councils award an SRA to the leader of the main opposition group although the level of the allowance does vary considerably.

Council	Opposition Leader	Leader	% of Leaders Allowance
Swale BC	£9,273	£18,545	50%
Maidstone BC	£8740 (£380 per group member)	£18,848	46%
Dartford BC	£8,375	£31,339	27%
Shepway DC	£7,650	£22,440	34%
Thanet DC	£5,204		
Dover DC	£4,171		
Gravesham BC	£3,447		
Tonbridge BC	£2,376		
Sevenoaks DC	£1,318		
Ashford BC	£687 (£229 per group member)		
Canterbury CC	£405 (£135 per group member)		
Tunbridge Wells BC	£275		

Currently Swale BC has the highest allowance for the Main Opposition Group Leader in both monetary terms and also as a percentage of the Leader's allowance. The Panel was of the view that the Main Opposition Group Leader role, although an important role, did not equate to 50% of the Leader's Allowance. The Panel felt that both in terms of size and the complexity of the role as well as in comparison to the benchmark group of councils,

the SRA for the Main Opposition Group Leader should be reduced. The Panel was of the view that this should be reduced to 30% of the Leader, this is still high in comparison with other Kent district and borough councils and an allowance of 20% of the Leader will have placed the role in the mid range of Kent district and borough councils.

RECOMMENDATION: The SRA for Main Opposition Group Leader should be reduced to £5,567 being 30% of the proposed Leader's allowance.

Minority Leader of Other Minority Parties

At the time of the 2012 review Swale Borough Council had just three political groups and the Panel recommended that the Minority Leader of the smallest minority party should receive an allowance of 10% of the Leaders Allowance. The Panel are of the view that with the Council now having three minority groups, and the possibility that the number of groups could further increase at future elections, then a threshold based on the size of the Group should be introduced in order for a minority group leader to be entitled to an allowance. For a minority group leader to be entitled to a SRA the political group is required to have at least 10% of all Council Members e.g. 10% of 47 Members, at least 5 members

RECOMMENDATION: The SRA for the Smaller Minority Groups should be £1,856, 10% of the proposed Leader's allowance. A group leader is required to have a group with at least 10% of Council Members, 5 Members, to be entitled to receive the allowance.

Chairman of Licensing

Currently Swale BC does not award an SRA for the role of the Chairman of the Licensing Committee. Across the benchmark group of councils nine of the twelve district and borough councils across Kent do award an SRA for the Chairman of the Licensing Committee.

The number and frequency of General Licensing Committee meetings held by Swale BC has increased recently. The Panel were informed that during 2016 three General Licensing Committee meetings were scheduled to take place but a further six meetings have been arranged to oversee ten to twelve anticipated hearings.

The Panel was of the view that the number and frequency of Licensing Committee meetings had increased and this supported an SRA for the Chairman. The Panel was further of the view that the role of Chairman of Licensing met the significance test. The role of Chairman of Licensing was a '*significant additional responsibility over and above the generally accepted duties of a councillor*'.

RECOMMENDATION: An SRA for the Chairman of Licensing be introduced at a level of 10% of the proposed Leader's allowance. Currently this sum equates to £1,856.

Currently Swale BC has 13 roles that receive an SRA. Prior to the reduction in the size of the Cabinet from 9 to 7 this was 15 roles that received an SRA

The proposed recommendations will increase the number of SRAs to twenty across a Council of 47 Members, this is well within the good practice referred to in the Members Allowances Regulations that no more than 50% of Members should receive an SRA. The recommendations of the Panel will lead to 43% of Members receiving an SRA.

RECOMMENDATION: The SRAs for 2017/18 to be in accordance with those listed on page 10 of the report

6. Dependants' Carers' Allowance

Currently Swale Borough Council does not offer a Dependants' Carers' Allowance (DCA) despite the recommendation of the Panels in 2009 and 2012. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a DCA, which members can claim to assist them with the costs of care for their dependants while undertaking approved Council duties. Currently ten of the twelve Kent district and borough councils make available a DCA.

The Panel was of the view that the Dependants' Carers' Allowance was important and should be recommended. The Panel was also of the view that there were different types of care required ranging from basic - care e.g. babysitting to very specialist care for adults and children. The actual cost of this care differed significantly therefore the Panel recommend that there should be two distinct types of care, basic and specialist care.

RECOMMENDATION: In respect of basic care the Panel recommends that the Dependants' Carers' Allowance should be reimbursed to a maximum of £8.25 per hour upon production of receipts. This rate will be linked to the National Living Wage determined by the Living Wage Foundation and reviewed on an annual basis.

In respect of the more specialist care this should be reimbursed at the actual cost upon production of receipts. In the case of reimbursement for specialist care, medical evidence that this type of care is required must also be provided.

7. ICT Allowance

Members currently receive an ICT allowance of £15.45 per month. The Panel heard a number of representations from Members regarding the cost of IT hardware, printing and broadband. The Panel are therefore of the view that at this stage no change should be made to the ICT Allowance.

RECOMMENDATION: The ICT allowance should be maintained at the current rate.

8. Travel and Subsistence

The Council currently pays mileage allowances based on the National Joint Council for Local Government Services (NJC) agreed rates and whilst these have not been adjusted, any increase above the Inland Revenue (HMRC) rates will cause Members to incur a tax liability.

The 2012 review recommended that the Council adopt the HMRC travel rates and this recommendation continues to be supported by the Panel.

RECOMMENDATION: The Council adopt the HMRC recommended allowances for Members' travel claims, replacing the current NJC agreed rates.

Any subsistence payments should be in accordance with those paid to Officers of the Council.

9. Index Linking

The index linking of the Basic Allowance is currently linked to staff pay increases.

The Panel is of the view that any future index linking of the Basic Allowance and the Special Responsibility Allowances should continue be at the rate of increase in staff salaries.

RECOMMENDATION: Any index linkage agreed by the Council should be in line with staff salary increases for a maximum of four years from 2017/2018 to 2021/2022.

10. The One SRA Only Rule

The 2003 Members' Allowances Regulations do not limit the number of SRAs an individual Member can receive. Nevertheless, it is common and established good practice in most councils to have a 'One SRA only' rule set out in their allowances schemes. The Panel was pleased to see that the Swale Borough Council Members' Allowances Scheme conforms to the 'One SRA Only Rule'

11. Implementation of Recommendations

As permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) it is recommended that the new Members' Allowances as set out in this report be implemented by April 2017

**Mark Palmer
Chairman of the Independent Remuneration Panel
September 2016**

	CURRENT ALLOWANCES £	2017/2018 RECOMMENDATIONS £	RATIONALE & METHODOLOGY
Basic Allowance	4,881	5,015	
Leader Of The Council	18,545	18,555	3.7 x Basic Allowance
Cabinet Members	11,127 (6)	11,133 (6)	60% of Leader
Deputy Cabinet Members	0	5,567 (6)	30% of Leader
Chairman Of Planning	6,491	6,494	35% of Leader
Chairman Of Policy Development And Review	5,099	5,567	30% of Leader
Chairman Of Scrutiny	5,099	5,567	30% of Leader
Chairman Of Licensing	0	1,856	10% of Leader
Chairman Of Audit	1,855	1,856	10% of Leader
Minority Leader Of The Largest Minority Party	9,273	5,567	30% of Leader
Minority Leader Of Other Minority Parties	1,855	1,856	10% of Leader (this requires a group of 10% plus of total Council membership. E.g. Five plus Members)
ICT Allowance	15.45 per month	15.45 per month	
Co-Optees Allowance	10 per meeting	10 per meeting	
Total Cost *	353,100	390,081	+36,981

- * Based on all 47 Members receiving the Basic Allowance/ ICT allowance and all SRA's paid. This does not include any Co-Optees allowance

Summary of Recommendations:-

- a) **The appropriate levels of Basic Allowance and Special Responsibility Allowances for 2017 / 2018 are as set out on page 10 of the report.**
- b) **The Dependants' Carers' Allowance should be introduced and prioritised as basic and specialist care.**
- c) **The appropriate amounts for travel should be reimbursed at the Inland Revenue (HMRC) allowed rates and any subsistence rates should be in accordance with those of Officers.**
- d) **Index linking for the Allowances should be at the same rate as that applied to staff salaries for the year 2017 / 2018 for a maximum of four years.**

**MEMBERS AND OFFICERS OF SWALE BOROUGH COUNCIL INTERVIEWED BY
THE INDEPENDENT REMUNERATION PANEL 14 & 15TH SEPTEMBER 2016**

Councillor James Hunt	Deputy Cabinet Member for Regeneration
Councillor Ted Wilcox	Deputy Cabinet Member for Finance and Performance
Councillor Bryan Mulhern	Chairman of Planning
Councillor Lesley Ingham	Chairman of Licensing
Councillor Gerry Lewin	Deputy Leader and Cabinet Member for Planning Services
Councillor Mike Baldock	Minority Leader of the Largest Minority Party
Councillor Mike Henderson	Minority Leader of the Smaller Minority Party
Councillor Roger Clark	Conservative Member
Councillor Samuel Koffie -Williams	Conservative Member
Councillor John Wright	Conservative Member
Councillor Duncan Dewar	Cabinet Member for Finance & Performance
Councillor Allan Horton	Cabinet Member for Safer Families
Councillor Andy Booth	Chairman of Scrutiny
Councillor Andrew Bowles	Leader of the Council
Mark Radford	Corporate Director