

**A Review  
Of  
Members' Allowances  
For  
East Staffordshire Borough Council**

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**The Seventh Report**

**By the**

**Independent Remuneration Panel**

**Simon Chapman  
Dr Declan Hall (Chair)  
Shaid Hussain  
Paul Laffey**

**February 2019**

## EXECUTIVE SUMMARY

The Panel recommends that the Basic Allowance and SRAs are paid as set out in the table below

Post	Basic Allowance	Special Responsibility Allowance	Maximum Payable Per Member
All Members (39)	£4,724		£4,724
Leader (1)	£4,724	£17,566	£22,290
Deputy Leaders (6)	£4,724	£7,984	£12,708
Chairs of Scrutiny Committees (2)	£4,724	£3,513	£8,237
Chair of Planning (1)	£4,724	£6,707	£11,431
Chair Licensing (1)	£4,724	£5,855	£10,579
Chair of Standards (1)	£4,724	£1,404	£6,128
Leader (Main) Opposition Group (1)	£4,724	£7,984	£12,708
Leader (Minority) Opposition Group (with at least 4 Members - 0)	£4,724	£958	£5,682

The Panel also recommends the following

- **Basic Allowance inclusive of costs**

That the Basic Allowance continues to be deemed to cover costs such as broadband, personal telephone and printing costs.

- **Discontinuation of variation for the SRAs paid to Executive Members and Opposition Leader**

That the 2-tier SRAs paid to the Leader and Deputy Leaders and Opposition Leader is discontinued and maintained as set out in table above regardless of the size of the Executive.

- **Maintaining threshold of 10% for SRA for Leader of a Minority Group**

That the threshold for the SRA to be payable for a Leader of a Minority Opposition Group is maintained at 10%

- **SRAs considered but not recommended**

The Panel gave consideration to but is not recommending a SRA for the following posts:

- Deputy Leader of the Opposition
- Appointments to outside bodies
- The Mayor
- **Co-optees' Allowances – Standards (2+2) and Scrutiny (Audit & VFM - 2) Committees**

That the Co-optees' Allowance remains at £220 per annum.

- **Travel and Subsistence Allowances**

That the current rates payable for the Travel and Subsistence Allowances and the terms and conditions by which they may be claimed are maintained.

- **The Dependants' Carers' Allowance (DCA)**

That the Dependants' Carers' Allowance is maintained and the following changes/clarifications are inserted into the allowances scheme:

- That the DCA can only be claimed upon the production of relevant receipt
- That where the DCA is claimed the carer cannot be a member of the claimants' family.

- **Continuation of Indexation**

That the following indices are maintained to be reapplied from 1<sup>st</sup> April 2019 and to run for four years:

- **Basic, Special Responsibility Allowances, Co-optees' Allowances:**
  - Indexed to the annual percentage salary increase for local government staff (at new spinal column 43) to be implemented from 1 April 2019 and to run for 4 years.
- **DCA:**
  - at relevant hourly rate for a home help as charged by Staffordshire

County Council for the elderly and/or disabled element and the applicable National Living Wage for age of carer for the child care element

- **Travel Allowances:**
  - **Mileage:** indexed to the HMRC rates
  - Other Travel: actual costs subject to most cost effective provisions
- **Subsistence and Overnight Allowances (Outwith Borough Only):**
  - **Subsistence:** indexed to the maximum rates payable under the Officers Subsistence Scheme.
  - **Overnight Allowances:** indexed to the NJC index unless directly provided by the Council.
- **Increasing attendance threshold to 75% for withholding 12<sup>th</sup> instalment**

That the attendance threshold for withholding of a Members' 12<sup>th</sup> instalment be increased from 70% to 75%. Where a Member has not attended 75% of all scheduled meetings by the end of any municipal year their 12<sup>th</sup> remuneration instalment should be withheld.

- **Introducing a second attendance threshold at 50% attendance**

That where a Member has not attended 50% of their scheduled meetings by the end of the 10<sup>th</sup> month of the municipal year then the 11<sup>th</sup> and 12<sup>th</sup> instalment of their Basic Allowance and any SRA payable should be withheld.

- **Clarification of what constitutes an attendance at a meeting**

That the Members' Allowances scheme is clarified by adding that "to qualify as an attendance at a meeting a Member shall attend all of that meeting until the expiry of the meeting (i.e. up to 3 hours from the beginning of the meeting)"

- **Attendance at Planning Meetings and site visits**

That the Members' Allowances scheme is amended to clarify that where a Member on the Planning Committee does not attend the preceding site visits but does attend the subsequent Planning Committee meeting then no attendance will be recorded. Furthermore, where a Member attends both the site visits in the morning and Planning Committee meeting in the afternoon then they will have been deemed as attending two meetings.

- **Implementation**

The Panel further recommends that its recommendations contained in this report are implemented as follows:

- Recommendations regarding the Basic Allowance, SRAs, Co-optees' Allowance, Travel and Subsistence Allowances, the DCA and refreshed authority on indexation from 1<sup>st</sup> April 2019.

- Recommendations regarding attendance – extending the current framework and clarifications on what counts as an attendance – from the date of the Annual Council Meeting on 17<sup>th</sup> May 2019.

# **East Staffordshire Borough Council**

## **Independent Remuneration Panel**

### **A Review of Members' Allowances**

#### **The Seventh Report**

February 2019

#### **The Regulatory Context and Terms of Reference**

1. This report contains the recommendations arising out of the independent review, carried out January – February 2019, of Members' Allowances for East Staffordshire Borough Council by the Council's statutory Independent Remuneration Panel ('IRP' or 'Panel'). It also lays out the deliberations of the Panel so as to show elected Members, Officers and the public the rationale for the Panel's recommendations or where relevant non-recommendations.
2. The Panel was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, arising out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an independent remuneration panel to review and provide advice on the Council's Members Allowances. This is in the context whereby the Council retains powers to determine the scope and levels of Members' Allowances.
3. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances schemes and they must 'pay regard' to the Panel's recommendations before setting a new or amended members' allowances scheme.
4. In this particular instance, the Panel has been reconvened under the 2003 Regulations [paragraph 10. (5)] which states:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel

established in respect of that authority on the application of an index to its scheme.

5. This provision, known as the '4-year rule', is utilised to oblige all Councils to reconvene their independent remuneration panels at least every four years so that, in a context where councils retain final responsibility for determining their own allowances, they are subject to periodic scrutiny and accountability. It is under the requirement of the 4-year rule that the Panel has undertaken this review of Members' Allowances for East Staffordshire Borough Council.

### **Terms of Reference**

6. As agreed by the Council on 3<sup>rd</sup> December 2018, the Panel was given the following terms of reference; namely:
  - a. To make recommendations on the allowances currently payable under the Councils' Members' Allowances scheme;
  - b. To make recommendations on any other allowances which the panel considers should be payable under the scheme;
  - c. To consider the success of the measures introduced in 2015 on member attendance and to make any further recommendations;
  - d. Any other matters on which the panel considers it necessary to make recommendations;
  - e. The scheme should be transparent, economic, efficient and effective to administer and easy to explain and justify to the local communities in the Borough.

### **The Panel**

7. The East Staffordshire Borough Council Independent Remuneration Panel was reconvened, constituting of the following:
  - Simon Chapman
    - Managing Director of a local business and resident of the Borough. Simon is also Vice President of the Burton-upon-Trent Chamber of Commerce, former president of the Chamber of Commerce and past Chair of the local Roundtable.
  - Declan Hall PhD (Chair)
    - A former academic at the Institute of Local Government, the University of Birmingham and now independent consultant specialising in members' allowances and who was appointed by the Council as Chair of the Panel
  - Shaid Hussain

A local businessman and a resident of the Borough. Shaid is also a volunteer for Staffordshire police, active in local community groups and a former a school governor of a local school

▪ Paul Laffey

Chief Executive of Burton & District YMCA and a resident of the Borough. Paul is also on the National Board of YMCA England and Wales YMCA and a Trustee of South Derbyshire Council of Voluntary Services (CVS)

8. The Panel was supported by Andrea Davies, Principal Democratic Services Officer.
9. The Panel would like to record its gratitude to the Members and Officers of East Staffordshire Borough Council for making themselves available to meet with the Panel and ensuring the work of the Panel was carried out in an efficient and effective manner.

### **Process and Methodology**

10. The Panel met at the Town Hall, Burton upon Trent, on the following dates:
  - 15<sup>th</sup> January 2019
  - 24<sup>th</sup> January 2019
11. The Panel meetings were held in private session to enable the Panel to talk with Members and Officers and to conduct its deliberations in confidence.
12. In arriving at its recommendations, the Panel took into account *inter alia* the following range of evidence:
  - Relevant information on East Staffordshire Borough Council including previous Panel reports, a schedule of meetings (2018/19) for the Council, committees and sub committees, their terms of reference and who chairs them, Member attendance analysis for municipal years 2015/16, 2016/17 and 2017/18 Council, committees and main sub-committees;
  - The views of Members who met with the Panel plus those who made written submissions;
  - Officer briefings on the developments in Council structures and to answer factual questions from the Panel;
  - The range and level of allowances payable in the comparator group of authorities utilised for benchmarking purposes, namely



- \* East Staffordshire Borough Council CIPFA<sup>1</sup> 8 'Nearest Neighbours'
  - \* The 7 other Staffordshire District Councils;
- Other relevant supporting material such the 2003 Members Allowances Regulations, 2006 Statutory Guidance on Members Allowances, and a presentation made by Panel Chairman on issues and options to consider when reviewing allowances.
13. For details of whom the Panel met and full range of information reviewed see:
- Appendix 1 for Members and Officers who met with the Panel
  - Appendix 2 for a list of the full range of evidence considered by the Panel
  - Appendix 3 for more details on the other allowances schemes and comparative data referred to by the Panel for benchmarking purposes

### **Key Messages and Observations – Scheme has stood the test of time**

14. The majority view expressed to the Panel in Members submissions was that the allowances scheme had stood the test of time; this view is also supported by the benchmarking data. The current allowances scheme had broad acceptance, even more so in the case of withholding the 12<sup>th</sup> monthly payment where the attendance threshold has not been met
15. There was also a secondary view that even where there is a case to increase allowances, particularly the Basic Allowance that the Panel had to be mindful of the broader and Council's current economic context. Ideally, the prime role of the Panel is to assess what it judges the roles and posts under review are worth based on the evaluation of the evidence. Yet, the Panel, as the mechanism by which public scrutiny is brought to bear upon Members' Allowances, has to be cognisant of the pressures on public sector finances with East Staffordshire Borough Council having made savings and seeking further savings in the next few years. This was a message that was underlined in the representation received even by those who felt there may be a strong case to increase allowances. It was a message the Panel took on board and as such the recommendations going forward will be broadly cost neutral vis-à-vis the 2018/19 allowances scheme and may even result in some marginal savings depending on financial penalties imposed on Members resulting from the recommendations regarding the performance related element of remuneration.

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<sup>1</sup> CIPFA - Chartered Institute of Public Finance & Accountancy that for benchmarking purposes assigns all councils a set of 'near neighbours' based on a standard set of socio-economic data, with the 2014 model being utilised for this review.

16. As such, the primary role of the Panel in this review has been to address anomalies in the allowances scheme that have arisen out of changes in Council structures and their operation and to evaluate the success of the withholding of the allowances for not reaching the attendance threshold arising out of the previous review and whether it needs revision while as continuing to be mindful that the scheme was still fair, administratively efficient and transparent.

### **Triangulating the Basic Allowance**

17. The prime role of the Panel for this review as outlined above notwithstanding, the Panel has, in the interests of transparency and robustness, laid out its deliberations regarding the current (£4,724) Basic Allowance. It has done this not only to show the Council the Panel has been diligent in listening to Members views but has taken seriously its remit regarding public accountability, namely that the Basic Allowance is current set at a fair level, is comparable to peer councils and represents value for money.
18. Consequently, the Panel has triangulated the Basic Allowance as follows:
  - **Recalibrating the Basic Allowance**
  - **Weighing up the view of Members and governance changes since the previous review**
  - **Putting the current Basic Allowance in a comparative context**

### **Recalibrating the Basic Allowance**

19. The methodology on which the current Basic Allowance is based followed the approach laid out in the 2006 Statutory Guidance that mandates Panels to consider 3 variables when arriving at a recommended Basic Allowance namely:

### **Time required carrying out the roles of the ordinary Member**

20. The Basic Allowance is primarily a time based allowance in that it is designed to provide a degree of recompense for much of the time Members are required to put into the roles that are common to all, such as preparing and attending meetings, representing local constituents and communities, etc. Historically the Panel assessed the average weekly time commitment at a minimum of 10 hours per week, 520 hours per year. The Panel received no evidence to suggest that this assessment required revising.

### **Recognising the Public Service Principle**

21. There is a requirement to build in the public service principle into the Basic Allowance. The 2006 Statutory Guidance (paragraph 68) states that

“It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated.”

22. Typically this voluntary principle is recognised by discounting a proportion of the time assessment required from all Members for their common roles, often known as the “Public Service Discount (PSD).” In its original methodology the Panel set the PSD at one third, or 173 hours. Thus, out of the 520 hours per year input 173 hours was deemed to be ‘voluntary’. A one third PSD is the common figure as it broadly corresponds to that element of a Members work that is spent dealing with constituents, local communities, attending parish meetings, etc. Thus, once the one third PSD has been applied it leaves 347 remunerated hours.

### **Rate of Remuneration**

23. Again in accordance with the Statutory Guidance (paragraph 69) the Panel settled upon an appropriate rate of remuneration for the remunerated hours. In 2002, the last time it was revisited, the Panel chose the GB gross mean hourly wage rate for all full time employees, which at the time was £11.35 per hour. The Local Government Association used to issue guidance to Panels on an appropriate rate of remuneration which in 2002 was the equivalent of approximately £14-£15 per hour and based on mean male non-manual wage rate. The Panel felt this rate was hard to justify and in the absence of any other available figures it felt that broader GB mean figure was more robust.
24. By taking the three variables set out above and putting into the standard formula to arrive at the following Basic Allowance in 2002:
- Hours for the job minus the Public Service Discount multiplied by the rate of remuneration
- = 520 hours – 1/3 PSD (173)  
= 347 remunerated hours X £11.35  
= £3,940 (2002)
25. The current Basic Allowance is still based on the original assessment in that the original variables have never been revisited and has reached the current level of £4,724 through indexation and a minor uplift in lieu of telephone and other expenses being absorbed into the Basic Allowance in years past.

### **Recalibration through updating rate of remuneration**

26. The Panel for the purposes of this review recalibrated the BA by updating the rate of remuneration to £14.66 per hour. This figure is based on the mean gross mean hourly salary for all full time employees resident in the

Borough<sup>2</sup>. The Panel has moved from a national to a Borough-based rate as the Office of National Statistics now publishes average salary rates on a council by council basis which it did not do previously. Most Panels where they have had to revisit their Basic Allowance in the past 8-9 years have switched to a rate of remuneration that is linked to average salaries within their respective council area – to such an extent that the LGA no longer publishes an advisory rate. Moreover, a rate of remuneration that is based on the local average salary is more robust in that it reflects the earnings of Members constituents.

27. Thus the recalibrated BA has been arrived at by putting the updated rate of remuneration into the original formula as follows

$$\begin{aligned} &= 520 \text{ hours} - 1/3 \text{ PSD (173)} \\ &= 347 \times \text{£}14.66 \\ &= \text{£}5,087 \text{ (2018)} \end{aligned}$$

28. Clearly the current BA has not kept up with the original basis of its calculation even when adjusting for lower local average earnings when compared to national average earnings, and that is partly a function of the BA not being uplifted each year in line with average earnings.

### **Benchmarking the Basic Allowance**

29. While recalibrating the BA in accordance with the Statutory Guidance shows a methodological case for revision the benchmarking data is less convincing. Benchmarking shows that in the comparator group of councils that the current ESBC Basic Allowance (£4,724) is broadly on a par with peers.

- Mean BA in benchmarking group           £4,830
- Median BA in benchmarking group       £4,841

### **The views of Members**

30. Similarly, the general consensus arising from the representations made by Members was that the current Basic Allowance was fair and appropriate – while it was not sufficient to attract people to become an elected Member it enabled most people to do so without suffering undue financial costs both in terms of a fair recompense of time and expenses that Members incur for which they are not otherwise recompensed.
31. It is noted that there was a minority view that the current Basic Allowance was to quote “quite generous.” But it is also noted that this view was to a large extent based on the principle that Members should not receive

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<sup>2</sup> Annual Survey of Hours & Earnings (ASHE), mean gross hourly earnings for all full-time employees resident in ESBC, 2018, Table 7.5a work geography  
Officer of National Statistics

remuneration. This is not a view the Panel is able to support – the legislation mandates otherwise.

32. Thus through the triangulation process the weight of evidence suggests that there is a stronger case to maintain the current Basic Allowance.
33. **Thus, the Panel recommends no change to the current Basic Allowance (£4,724) payable in East Staffordshire Borough Council.**
34. **The Panel also recommends that the Basic Allowance continues to be deemed to cover costs such as broadband, personal telephone and printing costs.**

### **The East Staffordshire Borough Council Members' SRA Model**

35. It is noted that with some notable exceptions the SRAs payable in ESBC are at the higher end of the comparative spectrum. In particular, the SRAs for the Leader, Deputy Leaders, Chairs of Planning and Licensing and Leader of the (Main) Opposition Group are all noticeably higher than their peers to varying degrees.
36. However, context in this case is important. Most of the comparator councils have more executive members than in East Staffordshire Borough Council so the total spent on the executive function in East Staffordshire Borough Council is not as high as it might seem from just looking at the level of SRAs paid. Similarly, Vice Chairs of committees in East Staffordshire Borough Council do not receive an SRA so the total spend on for instance the planning function, which is currently £6,707 for the Chair of Planning is not significantly different from the mean (£5,954) paid when the SRA paid to Vice Chairs of Planning in other councils are taken into account. Moreover mean £5,954 SRA (sum of mean SRA paid to Chairs and Vice Chairs of Planning) does not take into account those Members of Planning in Bassetlaw who are paid an SRA of £707.
37. This in turn leads to another feature of the remuneration (SRA) model in East Staffordshire Borough Council: the Council pays relatively fewer SRAs compared to peer councils. Currently only 13 SRAs are payable in ESBC, which is one third of total Council membership. A reading of Appendix 3 shows that nearly all other comparator councils pay more SRAs than ESBC. In context the total spent on SRAs in ESBC is not out of line with the totals spent elsewhere. The Panel has always been content with recommending comparatively high SRAs in most instances as it has also been cognisant of the 2006 Statutory Guidance which states that an SRA should be paid for “significant” responsibility.

### **Variation for the SRAs paid to Executive Members and Opposition Leader**

38. At present the SRAs for the Leader and Deputy Leaders (the Executive) and Leader of the Opposition are based on a two tier band according to the size of the Executive (less than six in total a higher figure is payable and if it is six or more then the lower figure is payable with the net result that the total spend on the Executive does not change with periodic minor fluctuations in the size of the Executive. With the concomitant effect that the SRA for the Leader of the Opposition is pro-rated accordingly as it is linked to that paid to a Deputy Leader.
39. Currently there are seven Members of the Executive so the lower SRAs are paid as follows:
- Leader £17,566
  - Deputy Leaders (X 6) £7,984
  - Leader of the (Main) Opposition £7,984
40. Benchmarking shows that these SRAs are comparatively high, particularly the SRA paid to the Leader and Leader of the Opposition. The Panel is content with these SRAs for reasons set out above, a view that was broadly supported by the representation received. Moreover, this level of acceptance combined with the fact that these SRAs remain comparatively high has led they Panel to conclude that the lower band of SRAs for the executive Members and Leader of the Opposition should be made permanent.
41. **The Panel recommends that the 2-tier SRAs paid to the Leader and Deputy Leaders and Opposition Leader is discontinued and maintained as currently paid regardless of the size of the Executive.**

### **The Chair of Planning Applications Committee**

42. The Panel has pointed out above the case for the current SRA (£6,707) for the Chair of Planning when placed in the comparative context. No evidence was received that that the current SRA (£6,707) for the Chair of the Planning Committee requires revising, it remains a high profile committee that meets monthly and the meetings require sensitive handling by the Chair. **The Panel recommends that the SRA for the Chair of the Planning Committee remains at £6,707.**

### **Chair of the Licensing Committee**

43. One of the changes since the last review has been in the role of the Chair of the Licensing Committee. The Licensing function is discharged by three distinct Committee/Sub-Committees
- The Licensing Committee – responsible for all licensing matters but it delegates many functions to its Sub-Committees and deals with setting licensing policies and residual miscellaneous licensing matters such as

street markets, food premises and pet shops, etc. It has 15 Members and has two scheduled meetings per year.

- Licensing General Sub-Committee – responsible for taxi licenses. It has six Members drawn from the full Licensing Committee and has 12 scheduled meetings per year although to take a typical year (2018) three meetings were cancelled due to lack of business.
  - Licensing & Gambling Acts Sub-Committees – responsible for alcohol and gambling premises licensing, often to deal with appeals. They consist of any three Members drawn from the full Licensing Committee and meet as required; over the past three years they have met on average 10 times per year.
44. The main work of licensing is conducted through the Sub-Committees. The Licensing Committee generally appoints its Chair as the Chair of the Licensing Sub-Committees subject to availability and conflicts of interest. Nonetheless, the Licensing Committee Chair does chair the majority of the Licensing Sub-Committees. This is not a requirement but it partially follows good practice and partially is a choice of the Chair of the full Licensing Committee. The Licensing Sub-Committees can and still are on occasion chaired by other Licensing Committee Members. Nonetheless, the Chair of Licensing is now chairing as many meetings, if not more, as the Chair of Planning.
45. While there is case to revise the current SRA (£4,790) for the Chair of the Licensing Committee the Panel does not feel that it should be on a par with the Chair of the Planning Committee due to the nature of the meetings. Licensing Sub-Committee meetings tend to be shorter and do not in the main attract the same public attention as planning meetings. Moreover, in theory and occasionally in practice (a practice that could change going forward) the Licensing Sub-Committees could be chaired by any Member of the full Licensing Committee. As such, the Panel has decided to uplift the SRA for the Chair of the Licensing Committee that is approximately midway between the current SRA and the SRA paid to the Chair of Planning. In determining the specific SRA the Panel has followed the pro rata approach i.e., set as a percentage of the Leader's SRA, in accordance with the advice set out in the 2006 Statutory Guidance and the approach the Panel has followed in the past in setting SRAs (other than the Leader's SRA). The Panel has utilised a ratio of one third, and one third of the Leader's recommended SRA (£17,566) equates to £5,855.
46. **The Panel recommends that the SRA for the Chair of the Licensing Committee should be reset at £5,855.**

## **The Chairs of the Scrutiny (including Audit) Committees (X 2)**

47. At the time of the last review there were three Scrutiny Committees plus one Audit Committee, The Chairs of each of these committees received an SRA of £1,917 (2018/19 figures). However, there has recently been a reorganisation of the scrutiny and audit functions resulting in a reduction of committees from four to two, with the audit function now lying within the Scrutiny (Audit Value for Money Council Services) Committee and the other being the Scrutiny (Economic Growth Communities and Health) Committee. The Chairs of these two committees despite their expanded remit and increase in meetings to on average (depending on priorities) six times per year.
48. As such it is only appropriate that the SRA for the Chairs of the two enhanced Scrutiny Committees is revised. Rather than simply doubling the SRA the Panel recognises that there has been synergy savings arising out of the reorganisation and has taken the benchmarked mean SRA (£3,343) paid to Chairs of Scrutiny as a minima guide and has applied a ratio of the 20% of the Leader's recommended SRA (£17,566), which equates to £3,513.
49. **The Panel recommends that the SRA for the Chairs of the Scrutiny (Audit Value for Money Council Services) Committee and the Scrutiny (Economic Growth Communities and Health) Committee is reset at £3,513.**

#### **Chair of the Standards Committee**

50. There has been a consistent pattern of complaints against Members going to the Standards Committee for determination, on average four per year since the last review. This is in addition to the four scheduled meetings per year although it is noted that typically 1-2 of these scheduled meetings have been cancelled due to lack of business. The Chair's current SRA of £958 was originally arrived at by assessing the role at 5% of the Leaders (higher) SRA.
51. Benchmarking this SRA shows that the mean SRA paid to Chairs of Standards Committees in the comparator group of councils is £1,709, with a median SRA of £1,410. Again, this benchmarking comes with warning as only 8 out of 15 comparator councils maintain a Standards Committee and pay their Chair. Nor does the benchmarking give an indication of how busy other Standards Committees are but it can be assumed that the very fact that a Council has maintained a Standards Committee there are complaints to deal with.
52. Nonetheless, there is a clear case to revise this SRA and the Panel has been guided by the median SRA (£1,410) payable in the benchmarking group and in keeping with the pro rata approach the Panel has reset it at 8% of the Leader's recommended SRA (£17,556), which equates to £1,404.



53. **The Panel recommends that the SRA for the Chairman of the Standards Committee is reset at £1,404.**

#### **Deputy Leader of the Opposition**

54. The Panel considered whether the Deputy Leader of the Opposition merited an SRA. Benchmarking shows that this post is not normally paid and no evidence was received to show the role of Opposition Deputy Leader was of sufficient 'significant responsibility' merit an SRA. **The Panel does not recommend that the Deputy Leader of the Opposition be paid an SRA.**

#### **Leader of a Minority Group – with 10% of Council Membership**

55. There is provision in allowances scheme for an SRA (£958) for a Leader of a Minority Group if the group has 10% (4) of Council membership. Currently this SRA is not payable as the Minority Group does not meet the qualifying threshold. However, to future proof the scheme and ensure that a Minority Group that reaches a meaningful size has the support the Panel feels that this provision should be maintained.
56. **The Panel recommends that the SRA for a Leader of a Minority Group should be maintained at £958 – subject to meeting the qualification criteria of four Members.**

#### **Other SRAs considered I – Outside Bodies**

57. The Panel received representation that certain appointments to outside bodies should be remunerated. The Panel acknowledges that some of these outside appointments can be onerous and that some will be appointments to outside bodies will entail more work and responsibility than others but in accordance with the 2006 Statutory Guidance the Basic Allowance and SRAs have been set at such a level that presumes Members will be appointed to outside bodies – it is just a more straightforward deal with the issue. Moreover, the Panel was informed that the Council will be looking at its policy on appointments to outside bodies and it would be difficult for the Panel to second guess the outcome of this exercise. The Panel will return to this issue at its next review.
58. **Therefore at this juncture the Panel is not recommending any specific appointments to outside bodies should be recommended an SRA.**

#### **Other SRAs considered II – The Mayor**

59. The post of Mayor was also specifically raised with the Panel for consideration of an SRA primarily on the grounds that the role involves a substantial time commitment. While it is possible to pay the Mayor/Chair of the Council an SRA it is not typically done at district/borough councils. The Mayor is the civic head and does involve a considerable time commitment representing the Council at civic, community and other local events in addition to substantial expenses such as making church donations, buying raffle tickets, etc. This context is recognised in the Local Government Act 1972 (s3(5) which permits a principal council to pay the a Mayor/Chair an allowance which it thinks is appropriate for the purpose of meeting expenses of holding the office of civic head, known as the 'Civic Allowance'.
60. East Staffordshire Borough Council has a Mayor's Civic Allowance of £11,255 per year. From the Civic Allowance the Mayor is directly paid £175 per month (£2,200) to meet day to day expenses that cannot be receipted. The rest of the annual Civic Allowance (£9,155) is held by the Mayor's office for which the Mayor can claim against for clothing expenses, tickets to events, hosting civic functions, etc. A similar provision is also in place for the Deputy Mayor with an annual Civic Allowance of £2,757 out of which the Deputy Mayor is directly paid £75 per month/£900 per year.
61. On the evidence available, the Panel feels that the role of Mayor is adequately supported through the Civic Allowance and therefore is not making a recommendation for an SRA. **The Panel is not recommending that the Mayor should be paid an SRA.**

### **Co-optees' Allowances – Standards (2+2) and Scrutiny (Audit & VFM - 2) Committees**

62. The Council appoints 4 Co-optees to the Standards Committee (2 parish council representatives and 2 'independent' appointees) and 2 Co-optees onto the Scrutiny (Audit & Value for Money) Committee. They are non-voting members in each case. They are all eligible for an annual Co-optees' Allowance of £220. No evidence was received to revisit this allowance
63. **The Panel recommends that the Co-optees' Allowance remains at £220 per annum.**

### **Travel and Subsistence Allowances**

64. No evidence was received to indicate the Travel and Subsistence Allowances required amending. In particular, the mileage and subsistence rates that are payable and the approved duties for which they may be claimed are in line with standard practice **The Panel recommends that the current rates payable for the Travel and**

**Subsistence Allowances and the terms and conditions by which they may be claimed are maintained.**

### **The Dependants' Carers' Allowance (DCA)**

65. The Dependants' Carers' Allowance is rarely claimed. Nonetheless, there was overall support for the allowance to be maintained as assists in reducing barriers to serving on Council, an important principle that underpins Members' Allowances schemes. This is the main reason the DCA has been given express legal authority by the 2003 Members Allowance Regulations and why the vast majority of councils have a DCA in place.
66. By and large, the evidence received showed that the DCA only required limited revision. First, in relation to the child care element; currently the maximum rate claimable is capped at the minimum wage. The minimum wage is somewhat of a misnomer these days and a more suitable rate is the National Living Wage. Secondly, an administrative issue arose in that the DCA would benefit from a clarification namely that the scheme should spell out that the DCA should only be claimed on production of receipts and a carer cannot be a Member of the claimant's family.
67. **The Panel recommends that the Dependants' Carers' Allowance is maintained and the following changes/clarifications are inserted into the allowances scheme:**
  - **That the DCA can only be claimed upon the production of relevant receipts**
  - **That where the DCA is claimed the carer cannot be a member of the claimants' family.**

### **Continuation of Indexation**

68. Currently the Basic Allowance, SRAs and Co-optees' Allowances are indexed to the same annual percentage cost of living index as received by Officers each year. This is agreed each year or every two years by the National Joint Council for Local Government Staff and is known as the NJC index. The representation received was generally supportive of the principle of indexation on the current basis.
69. The Panel supports this view for the main allowances and recommends:
  - **Basic, Special Responsibility Allowances, Co-optees' Allowances:**
  - Indexed to the annual percentage salary increase for local government staff (at new spinal column 43) to be implemented from 1 April 2019 and to run for 4 years.

- **DCA:**
    - **Index maintained** – at relevant hourly rate for a home help as charged by Staffordshire County Council for the elderly and/or disabled element and the applicable National Living Wage for age of carer for the child care element
    - **Travel Allowances:**
      - **Mileage:** indexed to the HMRC rates
      - **Other Travel:** actual costs subject to most cost effective provisions
    - **Subsistence and Overnight Allowances (Outwith Borough Only):**
      - **Subsistence:** indexed to the maximum rates payable under the Officers Subsistence Scheme.
      - **Overnight Allowances:** indexed to the NJC index unless directly provided by the Council.
70. It is pointed out that if the Council adopts all or any of the indices recommended by the Panel then it is under no obligation to implement a particular index each year. If adopted, the Council has a choice and retains the right not to implement an index or if it decides to implement an index then it can implement an alternative index. However, if the principle of indexation is not adopted by the Council then it cannot index its allowances and if any, even minor, uplifts for inflation are sought by the Council then it must come back to the Panel for its advice. By having the principle of indexation in place it removes the requirement to seek advice from the Panel for a maximum period of 4 years, unless the Council seeks a review sooner.

### **Extending and refining the withholding Allowances system**

71. At the previous review the Panel recommended and the Council accepted that where a Member does not attend 70% of their scheduled meetings, with normal exemptions for sickness, family emergency, etc., by the end of the municipal year then their 12<sup>th</sup> instalment of the Basic Allowance and if relevant SRA should be withheld. This recommendation arose out of a strong message arising from the representation from Members that not all Members were putting in equal work for equal pay. In particular there was a consistent key message that a small but noticeable number of Members did not attend all the meetings of committees to which they are appointed albeit.
72. The Panel has specifically been asked to review the success of this measure. The data shows that it can be deemed to have been a success in that the first year of operation (2015/16) 11 Members did not reach the qualifying threshold of 70% attendance. In the last two years the number of Members not attending 70% of meetings has been six in each year. In

addition, there are two further points to make since the introduction of the 70% attendance threshold:

- There have been no meetings that are inquorate since the introduction of the attendance monitoring system
- There is general acceptance amongst the Members that the system is effective

### **Increasing attendance threshold to 75% for withholding 12<sup>th</sup> instalment**

73. Such was the widespread acceptance of the withholding the 12<sup>th</sup> instalment that the general view in the representation received was that the threshold could be increased to 75%, it was not seen as an unreasonable performance criteria.
74. There was a view presented that where a Member had to be in two places at once that it should be granted as an exemption. It is acknowledged that a Member may have to be at two places at the same time, such as at a scheduled council related meeting and a local event, but the guiding principle in these cases should be that it is incumbent upon a Member to put the Council first. Moreover, setting the attendance threshold at under 75% for the 12<sup>th</sup> instalment to be withheld still allows a Member to miss 25% of scheduled meetings without their Basic Allowance or if applicable SRA being withheld – the Panel is content 75% is a reasonable threshold and does not impose an unduly high barrier.
75. It is recognised that attendance at formal council and committee meetings is not the sole important and visible Member activity. Yet, it is hard to justify to the public paying the same to a Member regardless of whether they attended 97% or 30% of their scheduled meetings. In the long run, i.e. a maximum of 4 years, non-attendance of the majority of their meetings by a Member will be addressed through the party selection and electoral process. Yet that does not address the short term problem and impact it has on the public perception of Members.
76. **The Panel recommends that the attendance threshold for the 12<sup>th</sup> instalment to be withheld is increased from 70% to 75%. Where a Member has not attended 75% of all scheduled meetings by the end of any municipal year their 12<sup>th</sup> remuneration instalment should be withheld.**

### **Introducing a second attendance threshold at 50% attendance**

77. The point was made to the Panel numerous times that the current system of withholding allowances does not distinguish between those who for instance only attend 25% of their scheduled meetings and those who attend 69% of their scheduled meetings – the consequence (withholding of 12<sup>th</sup> instalment) is the same in either case. The argument was that there

should be a graduated threshold system that reflected the percentage of meetings missed.

78. To introduce a withhold of allowances system that reflects all the graduations of missed meetings would be administratively burdensome, thus negating one of the Panel's terms of reference. However, introducing a second attendance threshold at 50% by the end of the 10<sup>th</sup> month is a large enough differentiation that should not be unduly onerous to administer. In other words, where a Member has not attended 50% of their scheduled meetings by the end of 10<sup>th</sup> month in the municipal year then their 11<sup>th</sup> and 12<sup>th</sup> remuneration instalment should be withheld. This would go some way to recognising the principle that was raised with the Panel regarding those who still attend the majority of their meetings and those that do not.
79. **The Panel recommends that where a Member has not attended 50% of their scheduled meetings by the end of the 10<sup>th</sup> month of the municipal year then the 11<sup>th</sup> and 12<sup>th</sup> instalment of their Basic Allowance and any SRA payable is withheld.**

#### **Clarification of what constitutes an attendance at a meeting**

80. There was a great deal of representation received on what constituted attendance at a meeting. The main issue raised was that it was noticeable that some Members signed into a meeting then left shortly thereafter and that counted as an attendance just the same as those Members who attended the whole meeting. The Panel views this as a matter of clarifying the allowances scheme on what constitutes 'attendance', namely it should be attending the whole of a meeting.

**The Panel recommends that the Members' Allowances scheme is clarified by adding that "to qualify as an attendance at a meeting a Member shall attend all of that meeting until the expiry of the meeting (i.e. up to 3 hours from the beginning of the meeting)"**

#### **Attendance at Planning Meetings and site visits**

81. A further issue on attendance was raised regarding the Planning Committee. It arises out the nature of Planning in that there is normally an organised site visit in the morning with the Planning Committee meeting in the afternoon. At present if a Member attends both the site visits in the morning and the Planning Committee in the afternoon then they have been deemed to have attended one meeting. A Member who does not attend the site visit in the morning but attends the Planning Committee in the morning also has been deemed to have attended one meeting despite not being able to vote at the Planning Committee meeting as they did not attend the site visits.

82. There was a sense of inequity in this approach. Again the Panel sees this as this as a matter of clarification. In particular, where a Member attends both the site visits and subsequent Planning Committee meeting they should be deemed to have attended two meetings and where a Member only attends the Planning Committee meeting and therefore cannot vote at that meeting as they have not attended the preceding site visits they should not be deemed to have attended any meeting, i.e., a Member is either deemed to have attended 2 meetings or zero meetings.
83. **The Panel recommends that the Members' Allowances scheme is amended to clarify that where a Member on the Planning Committee does not attend the preceding site visits but does attend the subsequent Planning Committee meeting then no attendance will be recorded. Furthermore, where a Member attends both the site visits in the morning and Planning Committee meeting in the afternoon then they will have been deemed as attending two meetings.**

### **Implementation**

84. **The Panel further recommends that its recommendations contained in this report are implemented as follows:**
- **Recommendations regarding the Basic Allowance, SRAs, Co-optees' Allowance, Travel and Subsistence Allowances, the DCA and refreshed authority on indexation from 1<sup>st</sup> April 2019.**
  - **Recommendations regarding attendance – extending the current attendance monitoring framework and clarifications on what counts as an attendance – from the date of the Council's Annual Meeting on 17<sup>th</sup> May 2019.**

## **APPENDIX 1: MEMBERS AND OFFICERS WHO MET WITH THE PANEL**

### **Members:**

Cllr E. Barker	Chairman of the Planning Committee (Conservative)
Cllr M. Fitzpatrick	Leader of the Main Opposition Group (Labour)
Cllr D. Florence-Jukes	Leader of the Liberal Democrat and Independent Group – LDIG (Independent)
Cllr R. Grosvenor	Leader of the Council and Chairman of the Cabinet (Conservative)
Cllr H. Hall	Deputy Leader of the Liberal Democrat and Independent Group – LDIG (Liberal Democrat)
Cllr A. Johnson	Chairman of the Scrutiny (Economic Growth, Communities and Health) Committee (Conservative)
Cllr Mrs J. Jones	Deputy Leader of the Council, Deputy Leader – Planning (Conservative)
Cllr B. G. Peters	Chairman of Licensing Committee (Conservative)

### **Officers who provided a briefing to the Panel:**

Andy O'Brien	Chief Executive
Angela Wakefield	Monitoring Officer and Solicitor to the Council
Chris Ebberley	Corporate and Commercial Manager and Deputy Monitoring Officer
Andrea Davies	Principal Democratic Services Officer



## **APPENDIX 2: INFORMATION RECEIVED & REVIEWED BY THE PANEL**

1. The Panel's Terms of Reference as agreed by Council 18<sup>th</sup> December 2018
2. East Staffordshire Borough Council IRP - the Sixth Report dated February 2015, including attachments
  - i. 03a covering report to Council on 2<sup>nd</sup> March 2015;
  - ii. 03b Appendix (sixth report of the Independent Remuneration Panel);
  - iii. 03c minutes of the Council meeting held on 2<sup>nd</sup> March 2015
3. East Staffordshire Borough Council Members' Allowances Schemes 2018/19
4. East Staffordshire Borough Council 2017/18 statutory publication of allowances and expenses received by Members
5. Details of support received by Members
6. Analysis of Members attendance including who missed the 70% threshold and those who came within 70%-74.9% and 75%-79.9% modes
7. ESBC meetings schedule of Council, committees, etc., including political make up of Council
8. Details on remit of Council, Cabinet, Committees, etc.
9. Power point presentation to IRP by Panel Chair – reviewing allowances, the ESBC model, including benchmarking, issues of concern and options
10. National Joint Council for Local Government Services, 2018 and 2019 Payscales & Allowances including up rating figures, 10 April 2018 showing 2% uplift
11. Copies of Members written submissions/replies to short questionnaire sent to all Members
12. Statutory Guidance on Consolidated Regulations for Local Authority Allowances May 2006. Introduction + paragraphs 1-90
13. Relevant benchmarking data/material namely spread sheets summarising & comparing allowances paid in benchmarking group for the review (based on CIPFA 8 NN 2018 + 7 other Staffordshire district councils)
  - Kettering
  - Bassetlaw
  - Carlisle
  - Rugby
  - South Kesteven
  - St Edmundsbury
  - Newark & Sherwood

- Wellingborough
  - Cannock Chase
  - Lichfield
  - Newcastle
  - South Staffordshire
  - Stafford
  - Staffordshire Moorlands
  - Tamworth
14. Members' Allowances Schemes (2018/19) from benchmarking councils
15. Statutory Instruments: 2003 No. 1021 – The Local Authorities (Members' Allowances) (England) Regulations 2003

## APPENDIX 3: ALLOWANCES PAID IN COMPARATOR AUTHORITIES

BM 1: East Staffs Comparator Group: Basic Allowances plus Executive, Scrutiny & Policy SRAs 2018/19								
Authority	Basic Allowance	Leader	Leader Total	Deputy Leader	Cabinet Members	Cabinet Mbr w/o Portfolio or Other	Chair[s] of Scrutiny	V/Chair Scrutiny
Kettering	£5,394	£13,397	£18,791	£8,469	£4,705	£6,257 (Finance)	£2,667	
Bassetlaw	£4,674	£13,231	£17,905	£8,888	£5,656		£3,131	£606
Carlisle	£4,887	£17,967	£22,854	£11,229	£6,735		£4,497	
Rugby	£6,688	£18,240	£24,928		£5,573		£3,344	
South Kesteven	£5,407	£18,925	£24,332	£14,869	£10,814		£5,407	£1,784
St Edmundsbury	£5,459	£10,917	£16,376	£6,551	£6,008		£3,279	£1,640
Newark & Sherwood	£4,794	£13,526	£18,320	Committee System				
Wellingborough	£4,386	£8,944	£13,330	Committee System				
Cannock Chase	£5,445	£18,514	£23,959	£9,447	£8,185		£2,040	
Lichfield	£4,131	£12,393	£16,524	£7,436	£6,816		£2,479	£620
Newcastle BC	£3,365	£13,590	£16,955	£9,510	£5,660		£2,830	£1,130
South Staffs	£5,000	£12,000	£17,000		£5,000		£2,500	
Stafford	£4,636	£10,817	£15,453	£7,726	£5,872		£3,297	
Staffordshire Moorlands	£2,902	£9,565	£12,467	£5,739	£4,783	£3,828 Cabinet Support Members	£3,348	£1,913
Tamworth BC	£5,391	£13,493	£18,884	£10,119	£8,770		£6,071	
East Staffs	£4,724	£17,566	£22,290		£7,984		£1,917	
Highest	£6,688	£18,925	£24,928	£14,869	£10,814		£6,071	£1,913
Lowest	£2,902	£8,944	£12,467	£5,739	£4,705		£1,917	£606
Mean	£4,830	£13,943	£18,773	£9,089	£6,612		£3,343	£1,282
Median	£4,841	£13,445	£18,113	£8,888	£5,940		£3,205	£1,385

BM 2: East Staffs Comparator Group: Regulatory SRAs 2018/19													
Authority	Chair of Planning	V/Chair Planning	Planning Mbrs	Chair of Licensing	V/Chair Licensing	Mbrs Licensing Panels	Chair of Audit	V/Chair Audit	Chair HR, Employ'mt or Appeals	V/Chr Employ'mt	Chair Standards	V/Chr Standards	Co-optees
Kettering	£5,335			£4,001							£2,667		£653
Bassetlaw	£3,131	£1,111	£707	£2,121	£404	£24 p/mtng	£3,131	£606					
Carlisle	£4,497			£1,128			£4,497		£1,128		£510		£255
Rugby	£3,903			£3,903	.		£3,222	£1,373	£558				£536
South Kesteven	£4,866	£1,606		£2,974	£981		£3,605	£1,190	£3,605	£1,190			
St Edmundsbury	£4,368	£1,640		£1,089			£3,279	£1,640			£1,089		£215
Newark & Sherwood	£5,513	£1,017		£3,256	£479		£1,868						
Wellingborough	£5,419	.		£2,820			£2,820		£1,410		£1,410		
Cannock Chase	£4,408	.	.	£1,891	.		£1,891		£956		.		£220
Lichfield	£6,196	£1,558		£2,479	£620		£1,549	£620	£1,558	£620			
Newcastle BC	£4,230	£1,410		£3,430	£1,130		£2,830	£1,130			£2,830	£1,130	£525
South Staffs	£2,500	.		£2,500			£2,500				£2,500		
Stafford	£4,327	£927		£1,648			£2,369		£979		£1,030		
Staffordshire Moorlands	£3,348	£957		£3,348	£957		£3,348		£1,913	£478	£2,391	£478	
Tamworth BC	£6,071			£1,348			£3,372						£45 p/meeting
East Staffs	£6,707			£4,790							£958		£220
Highest	£6,707	£1,640		£4,790	£1,130		£4,497	£1,640	£3,605		£2,830		£653
Lowest	£2,500	£927		£1,089	£404		£1,549	£606	£558		£510		£215
Mean	£4,676	£1,278		£2,670	£762		£2,877	£1,093	£1,513		£1,709		£375
Median	£4,453	£1,261		£2,660	£789		£2,981	£1,160	£1,269		£1,410		£255

<b>BM 3: East Staffs Comparator Group Miscellaneous SRAs</b>				
<b>Authority</b>	<b>Chair Council</b>	<b>V/Chair Council</b>	<b>Other Chairs Sub/Committees or Panels &amp;/or Other Vice Chairs</b>	<b>Other SRAs/Comments</b>
<b>Kettering</b>			Chair Planning Policy £5,335	
<b>Bassetlaw</b>	£7,979	£2,525		> 1 SRA payable, Tel & Broadband Allowance £156 p/yr + £25 daily attendance subsistence allowance
<b>Carlisle</b>				
<b>Rugby</b>	£2,788			Broadband reimbursed
<b>South Kesteven</b>			Chairs + V/Chrs Shareholder Committee £3,605/£1,190 + Constitution Committee £2,433/£803	
<b>St Edmundsbury</b>			Chair Sustainable Development Working Party £2,183	
<b>Newark &amp; Sherwood</b>				> 1 SRA payable
<b>Wellingborough</b>				IT expenses reimbursed
<b>Cannock Chase</b>				Communications Allowance £400 p/yr
<b>Lichfield</b>	£2,828	£707	Chair Parish Forum £51 per meeting	
<b>Newcastle BC</b>			Chair Taxi Licensing £3,430 + V/Chair £1,130	
<b>South Staffs</b>				
<b>Stafford</b>	£1,435		Chair Licensing Appeals £1,648	
<b>Staffordshire Moorlands</b>			Chairs Constitution Working Party + Local Plan Steering Group £1,913	Member Development Champion £1,913
<b>Tamworth BC</b>			Chairs Licensing Subs £45/£90 per meeting up to/over 4 hours	
<b>East Staffs</b>				
<b>Highest</b>	<b>£7,979</b>			
<b>Lowest</b>	<b>£1,435</b>			
<b>Mean</b>	<b>£3,758</b>			
<b>Median</b>	<b>£2,808</b>			



<b>BM 4: East Staffs Comparator Group Opposition &amp; Other Group SRAs 2018/19</b>						
<b>Authority</b>	<b>Majority Group Liaison</b>	<b>Main Opposition Leader</b>	<b>Main Opposition Deputy Leader</b>	<b>Shadow Cabinet</b>	<b>Minor Opposition Group Leader</b>	<b>Other</b>
<b>Kettering</b>		£6,699	£1,468			
<b>Bassetlaw</b>	£1,818	£4,260			£1,490	Planning Minority Spokesperson £992
<b>Carlisle</b>		£4,497			£3,375	Other Opposition Group Leader[s] £2,247
<b>Rugby</b>		£2,788			£2,788	
<b>South Kesteven</b>		£5,407				
<b>St Edmundsbury</b>		£3,279			£1,640	
<b>Newark &amp; Sherwood</b>		£4,682			£802	Opposition Spokesperson on Police & Finance £4,682
<b>Wellingborough</b>		£4,622	£2,310			
<b>Cannock Chase</b>		£6,927		£1,224		
<b>Lichfield</b>		£2,828	£707			
<b>Newcastle BC</b>		£1,130			£1,130	
<b>South Staffs</b>		£2,500				
<b>Stafford</b>		£4,121				
<b>Staffordshire Moorlands</b>		£3,348			£3,348	
<b>Tamworth BC</b>		£6,071	£3,372		£1,348	
<b>East Staffs</b>		£7,984			£958	
<b>Highest</b>		£7,984	£3,372		£3,375	
<b>Lowest</b>		£1,130	£707		£802	
<b>Mean</b>		£4,446	£1,964		£1,875	
<b>Median</b>		£4,379	£1,889		£1,490	