



A REVIEW OF MEMBERS' ALLOWANCES FOR
MAIDSTONE BOROUGH COUNCIL

THE REPORT BY THE INDEPENDENT REMUNERATION PANEL

MARCH 2015

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Foreword

This report has been produced for Maidstone Borough Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The Panel was established to review members' allowances for both Maidstone Borough Council and Swale Borough Council. On this occasion Swale Borough Council did not participate as they did not have any issues that they wished to raise with the Panel. The membership of the Panel on this occasion was Chair, Mark Palmer (Development Director, South East Employers), Athos Louca (Invicta Chamber of Commerce) and Steve Golding (Independent Member).

The current Panel was asked to carry out a full review of the existing scheme of allowances as the Council moves towards a new governance system. The Panel met on 12th and 13th March 2015 and the summary of recommendations, together with the full report, is attached.

The Panel would like to thank those Members of the Council who completed the questionnaire, some 22 in all, and those Members who were interviewed and contributed to our discussions. Those who attended are set out in Appendix One.

Our thanks also to the Chief Executive and the Head of Policy and Communications for agreeing to be interviewed in order that their views on members allowances and the new governance arrangements could be taken into account.

Finally thanks to Sandra Marchant and Caroline Matthews for providing their assistance throughout the two days that the Panel met.

Mark Palmer
Chair
Independent Remuneration Panel

Summary of Recommendations

This summary sets out the main recommendations. The considerations that have led to these recommendations are set out in the full report.

The proposals are based on a review of background information, interviews with Councillors and Officers of the Council, a review of oral and written submissions and a review of benchmark information from other relevant authorities in the region. At the forefront of the discussions was the Council's change in governance arrangements coming into force in May 2015.

The Panel took into account the statutory guidance relating to Members' Allowances which falls within the remit of the Department of Communities and Local Government (DCLG).

Summary of Recommendations

Allowance	Current Amount	Recommended Amount (*)	Comments
Basic Allowance	£4,666	£4,900 (increase of 5% to reflect enhanced role)	55 Members
Leader of the Council/Chairman of Policy & Resources Comt	£23,326	£18,661 (reduction of 20% to reflect the change in role)	1 Member
Chairman of Strategic Planning, Sustainability and Transport Comt	Not applicable	£7,464 (40% of Leader's Allowance)	Committee of 9 Members
Chairman of Communities, Housing and Environment Comt	Not applicable	£7,464 (40% of Leader's Allowance)	Committee of 9 Members
Chairman of Heritage, Culture and Leisure Comt	Not applicable	£3,732 (20% of Leader's Allowance)	Committee of 9 Members
Chairman of Planning Committee	£5,831	£7,464 (40% of Leader's Allowance)	Committee of 13 Members
Chairman of Audit, Governance and Standards Comt	Chair of Audit - £1,166, Chair of Standards - £1,166	£3,732 (20% of Leader's Allowance)	Committee of 5 Members

Allowance	Current Amount	Recommended Amount (*)	Comments
Chairman of Licensing Comt	£2,332	£3,732 (20% of Leader's Allowance)	Committee of 12 Members
Group Leaders Allowance	£11,663	£11,663	Based on Composition of Party x £376 (£11,663 ÷ 31, 31 being the current composition of Members excluding the Leader's party)
Co-opted Members of Standards Comt	£331	£331	To be confirmed
Independent Person	£700	£700	To be confirmed
Chair of Licensing Panel Hearing	£77 per session	£77 per session	1 Member
Licensing Panel Hearing Members	£58 per session	£58 per session	2 Members

(*) – All rates subject to the percentage increase in line with the staff indexation rise (with effect from 1st April each year).

Mayor's Allowance – the Panel recommended that the Mayor's Allowance should stay the same, at £2,500.12 per annum

Deputy Mayor's Allowance - the Panel recommended that the Deputy Mayor's Allowance should stay the same, at £1,000.15 per annum

Special Responsibility Allowance for Vice-Chairmen – the Panel recommended that there should be no special responsibility allowance for Vice-Chairmen. However, provision should be built into the Council's Constitution which allows for a Vice Chairman to be given the Chairman's allowance if the Chair is absent for a significant period of time.

Broadband Allowance - The Panel recommended that a specific broadband allowance was no longer relevant as most households have broadband as a matter of course.

Dependent Carer's Allowance – The Panel recommended that the Dependent Carer's Allowance be paid on production of receipts as follows:-

Child-Care Provider - £7.85 per hour (Living Wage). The Living Wage would

be subject to a review every November by the Living Wage Foundation.

Specialist Carer Provider – Currently stands at £15-£20 per hour but must not exceed Market Rates.

Reasonable travelling time can also be claimed by the carer.

Travel and Subsistence - the Panel recommended that Members continue to be reimbursed for subsistence in the event that a meal is not provided in the course of their Council duties as long as it is deemed reasonable and on production of receipts.

Travelling expenses can also be claimed for train, taxi or car journeys. The current rate for travelling by car is 45p per mile which is in line with HMRC recommendations. Other than car journeys, travelling expenses should only be paid on the production of receipts.

Mobile Phones – the Panel recommended that only the Leader receives a mobile phone for their use on Council business.

Member Development & Training - the Panel felt that in the light of the new governance arrangements, all Members should receive Member development and training. Furthermore, in recognition of the increase to the basic allowance, all Members should take up current and future training development opportunities to support the revised governance arrangements. This would also assist Members to meet the defined responsibilities and competencies within the new role descriptions and responsibilities.

Date of Implementation

The recommendations relating to the Basic Allowance and Special Responsibility Allowances, and all other recommendations, should be implemented with effect from the Council's Annual Meeting to be held on 23 May 2015.

Methodology

The Panel met at the Town Hall in Maidstone for two days on 12th and 13th March 2015. The Panel meetings were held in private session so as to enable the Panel to interview Councillors and Officers in confidence. The list of the Elected Members and Council Officers that met with the Panel are provided in Appendix One.

The Panel recognised that a lot of assumptions have had to be made in their deliberations and would like to review the recommendations they have made in eighteen months to two years, following the proposed review of the new governance arrangements by the Council's Democracy Committee. The Panel could then consider any recommendations for changes to the Scheme of Allowances arising from that review.

The Panel worked within the set of principles for the proposed governance structure:-

- * to be cost neutral
- * to increase Member participation in decision making
- * to lead to more effective and efficient decision making

The Panel were also keen to simplify the current Members Allowances Scheme in preparation for the new governance structure wherever possible.

The Panel's activity fell into four parts:-

One – Review of background information, in particular, the current political structures and composition of Council committees compared to the Committee structure that Maidstone Borough Council would be adopting with effect from the Council AGM in May 2015 under new governance arrangements. The Panel also looked at relevant benchmarking information about members' allowances elsewhere in Kent.

Two – The principle of a Special Responsibility Allowance for Vice-Chairmen.

Three – Interviews with Councillors and Officers of the Council.

Four – Review of oral and written submissions including an analysis of responses to the questionnaire that was sent to all Councillors.

Five – Arriving at recommendations.

Whilst the Panel reviewed a wide range of available information and interviewed a cross section of Councillors, it also considered responses received from Members in relation to the questionnaire that had been circulated to all Members prior to the Panel's meeting. This ensured no Councillor was denied a voice in the review process (see Appendix Two for a copy of the questionnaire). Twenty two out of fifty five Councillors responded to the questionnaire.

The Panel assessed the hierarchy of the new Committees and from that determined the Special Responsibility Allowances that would be attributed to these. Some Committees were not considered appropriate to attract any Special Responsibility Allowance (SRA).

It is from these processes and deliberations that the Panel has arrived at the recommendations set out in this report.

Principles of the Review

Before the Panel arrived at its recommendations it determined that its deliberations should be underpinned by the following principles, which took into account the current statutory provisions:-

- * The recommended allowances should be of a sufficient level that they would allow most people to consider becoming an elected Member without undue financial hardship, whilst not being at such a level that allowances would become the primary reason for standing for Council.
- * As far as possible the Panel would abide by the precedent and approach of previous reviews, except where there was a clear and prescient case not to do so.
- * The allowances should be seen as a contribution and recognition of the time and skills of councillors, not as an equivalent to a formal job evaluation exercise and salaries.
- * A healthy and resourced Opposition is important in maintaining an appropriate balance within local democracy.
- * Any recommendations should be based on a logical and transparent construction and arrived at in a way that is simple to understand.
- * Sensitivities of cost of implementation of any recommendations should be borne in mind.

The Panel has laid out a synopsis of its deliberations in this report to assist Members and the public to understand its approach. Following its deliberations, the Panel concluded that there was an appetite for small changes to the current scheme of allowances at Maidstone.

Whilst the Panel's recommendations are not mandatory, it is hoped that if the Council disagrees with the actual figures recommended, that the Council would accept the Panel's logic. The recommendations presented in this report represent the view of the Panel and not the official view of Maidstone Borough Council.

Arriving at the Recommendations

Basic Allowance

The Panel noted the statutory guidance it must pay regard to, in particular, that the authority's scheme of allowances must include provision for a Basic Allowance that is payable at an equal flat rate to all Members.

The Panel noted that in response to the question "Is the Basic Allowance appropriate?", 45% of those who responded to the questionnaire said "Yes". In the interviews conducted with Councillors the Panel noted that Councillors felt it should be slightly increased in the light of the new arrangements and that it would in turn attract new councillors. They were, however, of the opinion that being a Councillor should not give undue financial hardship.

The Panel were in agreement with the Members' views that the basic allowance should be increased to reflect the change in governance arrangements as Members will have increased decision making responsibilities and will need to increase their knowledge. They therefore felt that a small increase should be made to the basic allowance.

Special Responsibility Allowances

The Panel was under a duty to recognise the following statutory guidance in arriving at recommendations for Special Responsibility Allowances (SRAs):

Special Responsibility Allowance (SRA) 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.

These are important considerations for local authorities. If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance.

It does not necessarily follow that a particular responsibility, which is vested to a particular member, is a significant additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work, which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.

The majority of the Councillors interviewed were strongly of the view that the Special Responsibility Allowance for the Leader should be reassessed in recognition of the fact that whilst the level of work will remain the same, the Leader, under the new Committee model, would no longer have executive authority which it had under the Leader/Cabinet model.

In response to the question "Would you like to see changes made to the SRAs?", 68% of all respondents said 'Yes', 32% said 'No'. There were some suggestions made by Members in terms of what positions should be paid a SRA and the associated hierarchy of the Committees which the Panel largely concurred with.

The Panel felt that in terms of the Committees that should receive a Special Responsibility Allowance, there was a clear hierarchy structure, and they based their determination in the level of SRA on this, which is illustrated as follows:-

	Council		<i>Top Tier</i>
	P & R Comt		<i>Second Tier</i>
SPS&TC	CH&EC	PC	<i>Third Tier</i>
HC&LC	AG&SC	LC	<i>Fourth Tier</i>
<i>Remaining Committees not remunerated – Fifth Tier</i>			

Key: SPS&TC – Strategic Planning, Sustainability and Transport Committee
 CH&EC – Communities, Housing and Environment Committee
 PC – Planning Committee
 HC&LC – Heritage, Culture and Leisure Committee
 AG&SC – Audit, Governance and Standards Committee
 LC – Licensing Committee

Overall, the number of Special Responsibility Allowances had decreased from twenty four to seventeen.

Leader of the Council/Chairman of Policy & Resources Committee

The Panel recognised that the role of the Leader of the Council under the new governance arrangements would change, specifically that the decision making powers would not be as strong as they were under the Executive Model.

Of those Members interviewed, it was generally envisaged that the Leader’s role would not be as significant under the new governance arrangements, although it could be an onerous one in terms of being Chairman of Policy and Resources Committee. It was, however, accepted that this may not become apparent until the new arrangements had been in operation for a while.

Chairmen of Strategic Planning, Sustainability and Transport Committee; Communities, Housing and Environment Committee; and Planning Committee

The Panel put these as third tier Committees in the belief that their responsibilities were of greater significance than those on the fourth tier.

Chairmen of Heritage, Culture and Leisure Committee; Audit, Governance and Standards Committee; and Licensing Committee

The Panel put these as fourth tier Committees in the belief that their responsibilities were of greater significance than those on the fifth tier but of less significance than those on the third tier.

Cobtree Sub Committee, Queens Own Royal West Kent Regiment Sub Committee; Local Plan Sub Committee; Employment & Development Panel; Democracy Committee; Joint Transportation Board; Charity Committees: Bentlif, Relief in Need, Brenchley and Gunsley; and Planning Referrals

The Panel put these as fifth tier Committees in the belief that their responsibilities were of less significance than all the other Committees and did not therefore afford a Special Responsibility Allowance.

Group Leaders Allowance

The Panel submitted a proposal at their January meeting that the Group Leaders Allowance be based on the composition of the relevant political parties. This was subsequently agreed by Council at its meeting in February 2015.

The Panel therefore have no proposals to revise their recommendation.

Co-Opted Members of Standards Committee

The Panel did not consider that the current remuneration for Co-Opted Members of Standards Committee should change at this stage.

Independent Person

The Panel did not consider that the current remuneration for the Independent Person should change at this stage.

Chair of Licensing Panel Hearing

The Panel did not consider that the current remuneration for the Chair of Licensing Panel Hearings should change at this stage.

Licensing Panel Hearing Members

The Panel did not consider that the current remuneration for the two Members of the Licensing Panel Hearings should change at this stage.

Mayor and Deputy Mayor Allowances

The Panel did not consider that the current remuneration paid to the Mayor and Deputy Mayor should change at this stage.

Vice-Chairman Allowance

The Panel considered fully the proposal put forward by the Licensing Committee for all Vice-Chairmen to be paid a Special Responsibility Allowance. They considered benchmarking statistics from some neighbouring authorities and based on that evidence and the fact that there was no evidence yet of the amount of work that a Vice-Chairman would contribute under the new system, they felt that this should be reviewed when the Panel carry out a further review in eighteen months to two years' time when the new system has had time to settle in.

However, provision should be built into the Council's Constitution which allows for a Vice Chairman to be given the Chairman's allowance if the Chair is absent for a significant period of time.

Broadband Allowance

The Panel thought that a specific broadband allowance was no longer relevant as most households have broadband as a matter of course.

Dependent Carer's Allowance

Dependent Carer's Allowance to be paid on production of receipts as follows:-

Child-Care Provider - £7.85 per hour (Living Wage). The Living Wage would be subject to a review every November by the Living Wage Foundation.

Specialist Carer Provider – Currently stands at £15-£20 per hour but must not exceed Market Rates.

Reasonable travelling time can also be claimed by the carer.

Following comments received from Members, the Panel were mindful that this needed to be publicised more as it could be an integral consideration for anyone thinking about becoming a Councillor.

Travel and Subsistence

The Panel recommended that Members continue to be reimbursed for subsistence in the event that a meal is not provided in the course of their normal Council duties as long as it is deemed reasonable and on production of receipts.

Travelling expenses can also be claimed for public transport, taxis or car journeys. The current rate for travelling by car is 45p per mile which is in line with HMRC recommendations. Claims can only be made for travelling whilst on approved Council business.

Mobile Phones

The Panel were made aware that the Cabinet Member positions did attract the provision of a mobile phone for Council use. It was recommended that only

the Leader's position should attract a mobile phone for Council use in the future.

Member Development & Training

The Panel felt that in the light of the new governance arrangements, all Members should receive Member development and training. Furthermore, in recognition of the increase to the basic allowance, all Members should take up current and future training development opportunities to support the revised governance arrangements. This would also assist Members to meet the defined responsibilities and competencies within the new role descriptions and responsibilities.

The Panel did discuss the possibility of Members' Special Responsibility Allowances being linked to performance but it was felt that this should not be considered at this time, particularly as the new arrangements were not in place yet.

Indexation Rise

The Panel put forward a recommendation following their meeting in January 2015 that Members receive an indexation rise in line with whatever the indexation rise is for staff. This was approved by Council at its meeting in February and therefore all the figures set out above should take into account any indexation rise with effect from 1st April each year.

Recommendations

- (1) That the Basic Allowance for Councillors be increased by 5% to take into account the enhanced role that they will have moving forward to the new committee structure;
- (2) That the Special Responsibility Allowance for the Leader of the Council/Chairman of Policy and Resources Committee be reduced by 20% to take into account the change in role;
- (3) That the Chairmen of Strategic Planning, Sustainability and Transport Committee; Communities, Housing and Environment Committee; and Planning Committee be given a Special Responsibility Allowance of £7,464 p.a. (40% of the Leader's Allowance);
- (4) That the Chairmen of Heritage, Culture and Leisure Committee; Audit, Governance and Standards Committee and Licensing Committee be given a Special Responsibility Allowance of £3,732 p.a. (20% of the Leader's Allowance);
- (5) That the Group Leaders Allowance stay the same as previous at £11,663 per annum, split between the Group Leaders dependent on the current composition;

- (6) That the remunerations for the Co-Opted Members and Independent Person for Standards Committee stay the same;
- (7) That the remunerations for the Chair and Panel Members of the Licensing Panel Hearings stay the same;
- (8) That the Mayor and Deputy Mayor's Allowance stay the same;
- (9) That there should be no special responsibility allowance for Vice-Chairmen but this should be reviewed when the Panel meet again in eighteen months to two years time;
- (10) That the broadband allowance cease to exist;
- (11) That the Dependent Carer's Allowance be determined as follows:-

Child-Care Provider - £7.85 per hour (Living Wage). The Living Wage would be subject to a review every November by the Living Wage Foundation.

Specialist Carer Provider – Currently stands at £15-£20 per hour but must not exceed Market Rates.

Reasonable travelling time can also be claimed by the carer.

Following comments received from Members, the Panel were mindful that this needed to be publicised more as it could be an integral consideration for anyone thinking about becoming a Councillor;
- (12) That the Travel and Subsistence scheme stay the same;
- (13) That only the Leader of the Council be given a mobile phone for Council use;
- (14) That in the light of the new governance arrangements, Members should receive Member development and training. In addition, they should take up current and future training development opportunities to support the revised governance arrangements; and
- (15) That the new Democracy Committee carry out an evaluation of the new system in due course and that the Members Allowance would be reviewed by the Panel in the next eighteen months to two years.

Appendix One

Members and Officers interviewed by the Panel

- * Councillor Mrs Annabelle Blackmore, Leader of the Council
- * Councillor Mrs Fran Wilson, Leader of the Liberal Democrats Party
- * Councillor Dan Daley, Maidstone Borough Council
- * Councillor Denise Joy, Maidstone Borough Council
- * Councillor Clive English, Maidstone Borough Council
- * Councillor Fay Gooch, Leader of the Independent Party
- * Councillor Malcolm McKay, Leader of the Labour Party
- * Councillor Alistair Black, Maidstone Borough Council
- * Councillor Martin Cox, Maidstone Borough Council
- * Councillor Eddie Powell, Leader of the UKIP Party
- * Councillor Mike Cuming, Maidstone Borough Council
- * Councillor Mrs Parvin, Maidstone Borough Council
- * Councillor Richard Ash, Maidstone Borough Council
- * Councillor Mrs Grigg, Maidstone Borough Council
- * Alison Broom, Chief Executive, Maidstone Borough Council
- * Angela Woodhouse, Head of Policy & Communications, Maidstone Borough Council

Appendix Two

Members Allowances - Questionnaire

In accordance with Government regulations, a review of payments to councillors is to be undertaken by an independent panel every 4 years.

Your views are vital in allowing the panel members to assess an appropriate level of allowances. As part of this process, I would be grateful if you could take a few minutes to answer the following questions. Don't worry if you feel unable to answer some of the questions, just leave that section blank. I can assure you that the individual views expressed by councillors will remain confidential and will only be disclosed to the members of the panel.

Please return your completed questionnaire to me by Friday 6 March 2015.

Thank you.

Caroline Matthews
Democratic Services Officer
01622 602743

1. How many hours on average do you spend each week on council business?	___ hours Role
2. In a typical week, how will this time be spent? Please complete the details below:	
a) Attending meetings (including travelling)	___ hours
b) Community representation	___ hours
c) Case work (dealing with particular issues in your ward)	___ hours
d) Research	___ hours
e) Other (please specify)	___ hours
3. The average number of hours assessed at the last review was 20 per week. Is this figure broadly right for the role of an average constituency councillor? If not, then what do you feel would be the correct number of hours to fulfil the role in an effective and efficient manner?	YES / NO (delete as appropriate) ___ hours

<p>4. Do you incur any significant costs which you believe are not covered by your present allowance?</p>	<p>YES / NO</p> <p>If YES, please provide details</p>
<p>5. Governance guidance states that “it is important that some element of the work of Members continues to be voluntary”. Independent Remuneration Panels are required to assess what Public Service Discount should apply to the basic allowance. That is the percentage of their time Councillors expect to give without any financial remuneration. The average for this is typically one third. Do you feel this is broadly right?</p>	<p>YES / NO</p> <p>If NO, then what do you feel would be an acceptable % discount?</p>
<p>6. The present level of basic allowance payable to all councillors is £4666. Do you think this is appropriate?</p> <p>If NO, should it be higher or lower?</p> <p>If you are able, please indicate an appropriate level</p>	<p>YES / NO</p> <p>HIGHER / LOWER</p> <p>£</p>
<p>7. Special responsibility allowances (SRAs) are currently paid as follows:</p> <ul style="list-style-type: none"> • Leader of the Council • Cabinet members • Chairman of the Overview and Scrutiny Committees • Chairman of the Planning Committee • Chairman of the Licensing Committee • Chairman of the Standards Committee • Chairman of Audit Committee • Group Leaders • Co-optee Allowance <p>Note: SRAs are subject to change with the new governance arrangements</p>	<p>£23,326</p> <p>£11,663</p> <p>£4,665</p> <p>£5,831</p> <p>£2,332</p> <p>£1,166</p> <p>£1,166</p> <p>£11,663*</p> <p>£331</p> <p>*Shared between each Group Leader on basis of number of members in Political Group</p>

<p>Would you like to see any changes made to these allowances?</p>	<p>YES / NO</p> <p>If YES, please provide details</p>
<p>Would you like to see any additional SRAs introduced other than those that will arise from the new Governance arrangements?</p>	<p>YES / NO</p> <p>If YES, please provide details</p>
<p>8. Carer's Allowance</p> <p>The Dependent Carer's Allowance is required to be set to at least the minimum wage level, currently £6.50 per hour. Do you think this rate should be increased?</p>	<p>YES / NO</p> <p>If YES, please can you suggest a new amount?</p>
<p>9. Travel and Subsistence</p> <p>The current scheme is attached.</p> <p>Do you have any comments on the current Travel and Subsistence scheme for Members?</p>	<p>YES/NO</p> <p>If YES, please can you provide details here:</p>

If you have any other comments on allowances, please include details below. Please add additional pages as necessary.

If required, would you be prepared to be interviewed by the independent panel? **YES / NO**

Name _____
Councillor

Dated _____