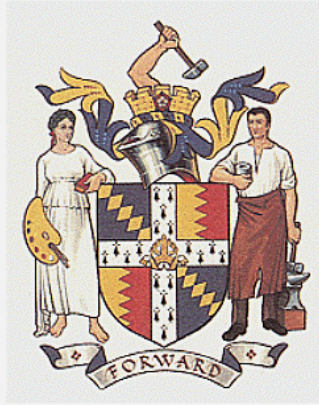




VALUING PUBLIC SERVICE

Report of the Birmingham Independent Remuneration Panel

November 2001

FOREWORD

The Local Government Act 2000 and the wider modernisation agenda mean that Councils throughout the country are facing enormous change. There are inevitable and significant implications for the structure, style and culture of Councils. At the heart of the process are Councillors who have never faced so much change not only in what they do but also in how they do it. There is a lack of understanding of what it means to be a Councillor in a city the size of Birmingham and even less appreciation of the demands on time and the high (sometimes unrealistic) expectations placed on those undertaking public service.

Taking on the role of a Councillor involves some choices and sacrifices in terms of financial disadvantage, loss of pensions, reduced work and career opportunities as well as a significant impact on family and social life. Further it is recognised that within these choices made there is an ethic of public service associated with the role of a Councillor. This aspect is accounted for by the inclusion of a Public Service Discount in the calculations.

However a healthy local democracy depends on people from a wide range of backgrounds and with a wide range of skills standing for election and serving as Councillors. At present there are significant barriers to young people, those with dependants and those with careers doing so. The Panel was clear that whilst the level of time commitment for Councillors in general was substantial, it was not and should not be regarded as a full time job. Expecting a full time commitment would only serve to reinforce the barriers to a wider range of people standing and serving as Councillors.

The recommendation for Basic Allowance therefore reflects the ethic of public service whilst also being at a sufficient level to help remove the barrier of financial disadvantage. The Panel also felt that it was reasonable that the Council should defray at least in part additional costs that Councillors incur directly in undertaking their roles. In addition the Council needs to define the expectations and set up support arrangements that enable Councillors to work effectively from home and make best use of the time they have available for their Council duties.

It is a long-standing feature of the current arrangements that Councillors take on additional roles for which a Special Responsibility Allowance is paid. The Local Government Act 2000 reinforces the expectation that some Councillors will have significant additional responsibilities that demand a level of time commitment to the exclusion or detriment of other career activity and prospects.

The Panel felt that the level of Special Responsibility Allowance paid must therefore reflect that in addition to the level of responsibility there was an expectation of a high and in some cases full time commitment to these defined roles.

Birmingham City Council with an overall budget of approaching £2.2 billion and serving a city of over 1 million people is a large and complex organisation. The roles taken on by Councillors, at whatever level, demand a range of skills and breadth of knowledge that are likely to exceed those expected of most people in a job. To remunerate these roles requires a balance between, on the one hand, the rewards paid to public sector officers [Birmingham Chief Executive at £150,000 per annum] or private sector chairmen and directors [of companies of £2.2 billion business per annum] and the level that is acceptable to the people of Birmingham on the other hand. Inevitably there may be concern raised about the financial implications arising from the recommendations of the Panel. This need to be viewed in the context that the present cost represents 0.06% of the overall City Council budget and equates to around £1.80 per elector per year.

In addition to having streamlined and effective information systems, the Council also needs to establish a member development programme that reinforces the many skills that Councillors already bring with them and provides the opportunity to obtain the new skills that may be needed to carry out their roles.

There is a poor understanding of the roles of Councillors and those with significant additional roles. The Council therefore needs to do more to raise awareness of such roles and the expectations on those undertaking them. This would also provide a useful benchmark against which current activity, performance and future changes in the roles may be judged.

The Panel faced a difficult task in a relatively short time frame. I would like to pay tribute to the commitment and the contribution made by the members of the Panel in dealing with the volume of information received and the complex issues involved. The level of debate and depth of discussion meant that recommendations were arrived at through a logical and robust process. In addition the Panel was indebted to the input from Dr Declan Hall of INLOGOV [Birmingham University] who acted as a special adviser to the Panel and who brought his experience and expertise from involvement in around 40 similar panels or reviews.

I also want to place on record the Panel's appreciation of the time given by the Councillors in completing survey forms, providing written comments and attending meetings to give evidence and for the high standard of the professional support from Council officers.

New constitutional arrangements provide a fresh opportunity for a healthy local democracy that benefits local communities. The Panel's recommendations recognise that achieving this objective requires an investment of both time and resources that taken together place a realistic value on public service in a modern world

John Hawksley
Chair of Independent Remuneration Panel

Valuing Public Service

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Chapter 1

Summary of Recommendations

1. Basic Allowance [Chapter 4: Sections 1-7]

- 1.1 The Basic Allowance payable to each Councillor should cover the following range of activities:
- ◆ Representative role including acting as an advocate for the interests of the ward, dealing with constituent's enquiries or representations, active participation in the shaping and management of services devolved to a local level and attendance at meetings of local organisations.
 - ◆ City Council and Committee work including preparation for and attendance at meetings, interview panels, appeals, visits, seminars and conferences, service on or chairing ward committees and participation on other bodies relating to the work of the City Council.
 - ◆ Service as the representative of the City Council or its Committees on outside bodies for which no separate remuneration is made.
- 1.2 Consideration should be given to publishing a job profile for the standard role of a Councillor. This would be very useful in raising the awareness of the demands and expectations that are routinely made on those serving as Councillors in a city like Birmingham. It would also provide a benchmark against which current activity and future changes in the role of a Councillor could be judged.
- 1.3 The time element of the Basic Allowance should be based on a gross commitment of no more than 3 days per week.
- 1.4 The existing Public Service Discount of 25% under the current scheme in Birmingham should continue to apply.
- 1.5 The daily rate to be used in Birmingham should be based on the average non-manual male wage for all industries and services [expressed as a day rate] for the West Midlands Metropolitan County area as published in the New Earnings Survey.
- 1.6 The Basic Allowance, after a Public Service Discount of 25%, should be £11,957 per annum. Value is at April 2000 wage rates and will need to be updated when April 2001 rates are published in the National Earnings Survey in January 2002.

2. Additional Expenses [Chapter 4: Section 8]

- 2.1 An additional lump sum of £600 should be paid on top of the Basic Allowance to meet the cost of telephone rental and calls and office expenses such as postage, stationery and other consumables. This figure to be reviewed annually in line with the Council's allowance for inflation in its budget.
- 2.2 The Council should establish needs and requirements and set up arrangements that actively support Councillors working from home on council business by offering Councillors an opportunity to access a range of home office technology [answer machine, fax, computer, printer, telephone line] provided by the Council.

3. Special Responsibility Allowance [Chapter 5]

- 3.1 Special Responsibility Allowance should be paid for the roles of Leader of the Council, Deputy Leader of the Council, Cabinet Members, Chair of the Co-ordinating Overview & Scrutiny Committee, Chairs of Overview & Scrutiny Committees, Chair of a Task and Finish Overview & Scrutiny Committees [for the period of its existence], Chairs of Regulatory Committees and Leaders and Deputy Leaders of Qualifying Opposition Groups. As at present a Qualifying Opposition Group should have a minimum of 12 Councillors.
- 3.2 Job profiles should be published for the roles for which a Special Responsibility Allowance is to be paid. This will promote an understanding of the roles and the expectations on those undertaking them. It will also provide a benchmark against which current activity and future changes in the roles could be judged.
- 3.3 The comparative levels of responsibility for Special Responsibility Allowance roles should be those under the current scheme for Executive, Overview & Scrutiny and Regulatory roles. The comparative level of responsibility for the Leader of the Main Opposition should be in line with that of an Overview & Scrutiny Committee Chair.
- 3.4 The comparative levels of time commitment for Special Responsibility Allowance roles should be based on the median values from the 2001 Birmingham Councillors' Survey.
- 3.5 A Councillor should only receive one Special Responsibility Allowance.
- 3.6 There should be no Public Service Discount applied to the payment of Special Responsibility Allowance.

3. Special Responsibility Allowance [Chapter 5] - continued

3.7 The gross earnings of the top 10% of the non-manual males for all industries and services for the West Midlands Metropolitan County area should be the benchmark for the Special Responsibility Allowance paid to the Leader of the Council. The value is £43,238 at April 2000 wage rates and will need to be updated when April 2001 rates are published in the National Earnings Survey in January 2002.

3.8 The Special Responsibility Allowance for the other recommended roles should be as follows [shown at April 2000 wage rates - to be updated when April 2001 rates are published].

Deputy Leader of the Council	£32,429	per annum
Cabinet Member	£24,213	per annum
Chair of Co-ordinating Overview & Scrutiny Committee	£16,949	per annum
Chair of an Overview & Scrutiny Committee	£10,896	per annum
Chair of a Task & Finish Overview & Scrutiny Committee [for the period of its existence]	based on £10,896	per annum
Chair of Development Control Committee	£12,712	per annum
Chair of Licensing Committee	£10,896	per annum
Chair of Public Protection Committee	£6,702	per annum
Leader of the Largest Opposition [one with a minimum of 12 Councillors]	£10,896	per annum
Deputy Leader of the Largest Opposition [one with a minimum of 12 Councillors]	£4,540	per annum
Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	£4,540	per annum
Deputy Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	£1,816	per annum

4. Childcare and Dependent Carers' Allowance [Chapter 6]

4.1 Councillors should be able to claim a Childcare or Dependent Carer Allowance where such costs are necessarily incurred as a result of undertaking an "approved" duty.

4.2 The maximum hourly rate reimbursed for the independent care of a child [under the age of 14] should be based on the minimum wage and for the professional care of a dependent relative on the Council's own hourly rate for a Home Care Assistant.

4.3 Claiming a Childcare or Dependent Carer Allowance should require that the Councillor provides a reasonable [but not onerous] amount of information that would support a basic verification system.

5. Supporting Better Performance [Chapter 7]

5.1 The Council should consider enhancing general support arrangements for Councillors to improve the opportunity for Councillors to manage their workload within the minimum time assessed for their non-executive role

5.2 There should be an adequately resourced member development programme that enables Councillors to train for their present roles and provides an opportunity to develop for future responsibilities.

5.3 The Council could consider supplementing the traditional performance measures of party discipline/procedures and the ballot box with some form of annual and transparent performance indicators that can be set alongside defined roles and responsibilities.

The Independent Remuneration Panel

1. The Local Authorities (Members' Allowances) (England) Regulations 2001

- 1.1 The Regulations require that councils must have regard to the recommendations made to them by an independent remuneration panel before making an allowance scheme for Basic and Special Responsibility Allowances or for the payment of expenses for the care of children or dependants.
- 1.2 Councils are required to establish and maintain an Independent Remuneration Panel the main aspects of which are:
 - ◆ Must consist of a minimum of 3 persons.
 - ◆ Can be formed by invitation, selection or a mixture of both.
 - ◆ Should be truly independent, have public credibility with its membership arrived at through an open selection process.
 - ◆ The council provides administrative support and meets any operating costs.
 - ◆ Allowances and expenses can be paid to panel members.
 - ◆ Terms of office for panel members should be variable in length to provide continuity to its work.

2. Membership of the Birmingham Independent Remuneration Panel

- 2.1 An Independent Remuneration Panel for Birmingham was established by the City Council at its meeting on 3 July 2001. The main features are:
 - ◆ A total panel of 7 members, made up of 3 "invited" members [one of whom to chair the Panel] and 4 members selected from those responding to a public advertisement.
 - ◆ Appointments for a mixture of 2 and 3 year periods.
 - ◆ Allowance of £1,000 plus travel expenses to be paid to each Panel member.
 - ◆ Appointment of an Independent Advisor with wide experience of reviews of councillors' allowances.
- 2.2 Over 130 citizens registered an initial interest in serving on the Panel. A total of 62 followed this up by completing application forms from which a short list of 12 was drawn up. Applicants then attended individual meetings with the Chair of the Panel and the Director of Corporate & Democratic Services before the final decision on the 4 "citizen representatives" was made.
- 2.3 The Birmingham Independent Remuneration Panel comprises
 - Linda Elliot of Moseley, Birmingham Citizen Representative**
 - Helen Grew, Secretary of the West Midlands Pensioners Convention**
 - John Hawksley, former President of the Birmingham Chamber of Commerce**
 - Subat Khan of Ward End, Birmingham Citizen Representative**
 - Graham Macro of Sutton Coldfield, Birmingham Citizen Representative**
 - Hanifa Shah of Small Heath, Birmingham Citizen Representative**
 - John Warburton, former Chief Executive of the Birmingham Chamber of Commerce**

John Hawksley agreed to act as Chair of the Panel. He served in a similar capacity on an Independent Panel that was set up in 1995 by the West Midlands Joint Committee. Helen Grew also served on that Panel.

Dr Declan Hall of INLOGOV [Birmingham University] agreed to act as a special adviser to the Panel. He has considerable experience and expertise in the area of members' allowances having been involved in around 40 similar panels and reviews.

3. The Panel's Terms of Reference

- 3.1 The role of the Independent Panel is to consider and keep under review certain key aspects of the Allowances Scheme and, as and when appropriate, to submit reports [containing recommendations] to the Council.
- 3.2 The aspects of the Allowances Scheme with which the Panel will be concerned were agreed by the City Council on 3 July 2001:
 - ◆ The amount of Basic Allowance payable to all members.
 - ◆ The duties which should attract Special Responsibility Allowances and the amount of such Allowances.
 - ◆ The new Childcare and Dependants Carers' Allowance i.e. should the Council's Scheme make provision for this type of allowance and if so, the amount of the allowance.
- 3.3 Once the Pensions Regulations are made, the Panel will also be responsible for submitting recommendations as to which members' allowances should be pensionable. There are also proposals by the government for a role for the Panel in making recommendations for travel, subsistence and certain other allowances for elected and non-elected members of Councils.

4. Methodology

4.1 Meetings - Six formal meetings of the Panel took place in the period August to November.

4.2 Background Information - The Panel received the following background papers:

- ◆ Presentation on Members' Allowances and issues for the Panel
- ◆ Members' Allowances: A West Midlands Approach [1995 Independent Panel Report]
- ◆ Birmingham City Council - Current Scheme
- ◆ Report on Members' Allowances in Wales by University of Birmingham INLOGOV [August 2001]
- ◆ Members' Roles and Responsibilities – Birmingham and Liverpool City Councils
- ◆ Child Care Costs: A Need for Clarity [LGIU 1994]

4.3 Reports - Reports to the Panel provided information on current arrangements in Birmingham, guidance on and details of the 2001 Regulations, comparative information from major reviews/other authorities and salary/wage rate statistics from the New Earnings Survey 2000. These reports were commissioned by the Chair of the Panel and were compiled by the Head of Members Services with detailed input from Dr Declan Hall as the independent adviser to the Panel. The reports covered the following topics:

- ◆ Allowances Scheme - Overall Principles
- ◆ Basic Allowance
- ◆ Basic Allowance - 2001 Birmingham Councillors' Survey Results and Conclusions
- ◆ Special Responsibility Allowance
- ◆ Special Responsibility Allowance - 2001 Birmingham Councillors' Survey Results and Conclusions
- ◆ Childcare and Dependant Carers' Allowance
- ◆ Summaries of allowances paid in comparable authorities

The Panel also considered and responded to two government consultation papers on Pensions for Elected Members and on Travel, Subsistence and certain Other Allowances for elected and non-elected members of Councils.

4.4 Evidence to the Panel - In addition to the on-going advice and guidance from Dr Declan Hall as the independent adviser, the Panel invited and received evidence from serving Councillors through a number of means:

- ◆ A survey of all Councillors [53% response rate].
- ◆ A survey of Councillors holding Special Responsibility roles [59% response rate].
- ◆ Detailed written responses from 6 Councillors.
- ◆ Direct evidence to the Panel from 7 Councillors on the subject of Basic Allowance.
- ◆ Direct evidence to the Panel from 9 Councillors on the subject of Special Responsibility Allowance.

Principles for an Allowances Scheme

1. Overall Principles

1.1 Healthy Local Democracy

The scheme should promote a healthy local democracy by the removal of financial disadvantage as a barrier to people from a wide range of backgrounds and with a wide range of skills standing for election or serving as Councillors.

1.2 New Political Arrangements

The scheme should reflect and support the operation of the new political arrangements that have to be introduced by all Councils under the Local Government Act 2000 whilst excluding any payment for solely party political activity.

1.3 Voluntary Public Service Ethic

The ethic of voluntary public service should be maintained and reflected within the basic allowance that is paid to all Councillors. Most Councillors should not expect nor receive a full-time salary.

1.4 Significant Additional Responsibilities

The scheme needs to reflect the reality that some Councillors will be expected to take on significant additional responsibilities that will require a full time or near full time commitment to the exclusion of other career activity.

1.5 Basis of the Scheme

The recommendations for the scheme will be arrived at following a logical, impartial and transparent process that will identify roles, reasonable expectations on those roles and make use of suitable external indicators or comparators to establish the value of individual allowances. The indicators or comparators will not be related to local authority pay scales or jobs so as to maintain the distinction between the roles of elected members and officers.

1.6 Administration of the Scheme

There should be robust administrative arrangements in place to minimise the potential for abuse of the system. The Independent Remuneration Panel should be involved in a regular review of the principles, assumptions and indicators or comparators used in drawing up the scheme.

1.7 Basic Allowance

The Basic Allowance should reflect the core time [less a discount for Voluntary Public Service] that is needed to undertake a generally accepted range of duties expected of all Councillors. This will include a recognition that all Councillors will from time to time take on additional roles that fall outside the scope of significant additional responsibilities.

1.8 Additional Expenses

It is reasonable to expect that the Council should meet a standard range of additional expenses [such as telephone and home office costs] that Councillors incur directly when undertaking their role. To avoid a proliferation of claim based systems this should be done by the payment of a lump sum on top of the Basic Allowance.

1.9 Special Responsibility Allowance

The Special Responsibility Allowance should recognise the level of responsibility, complexity and extent of commitment of a limited number of Councillors who are expected to undertake roles on behalf of the Council that involve **significant** additional time and responsibilities. These will be identifiable over and above the generally accepted range of duties for a Councillor that is reflected in the payment of a Basic Allowance.

1.10 Allowance Rate Review

In the absence of a formal review of the scheme and subject to consultation with the Chair of the Independent Remuneration Panel, allowance rates should be automatically updated annually in line with the selected indicator or comparator [Basic and Special Responsibility Allowance] or inflation [Additional Expenses Lump Sum].

Basic Allowance

1. DETR Guidance on Members' Allowances [April 2001]

- 1.1 "Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members. The allowance may be paid in a lump sum, or in instalments through the year" [para 13].
- 1.2 "Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes" [para 14].
- 1.3 "It is important that some element of the work of members continues to be voluntary - that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained" [para 53].

2. Issues for the Independent Panel

- ◆ Definition of the range of activity covered by the Basic Allowance.
- ◆ Assessment of the minimum time needed for the basic role of a Councillor in Birmingham.
- ◆ The extent of any Public Service Discount against the minimum time needed for the role.
- ◆ The daily rate to be used to calculate the Basic Allowance.
- ◆ The level of the Basic Allowance taking all these factors into account.
- ◆ The additional expenses that ought to be met by the Council and how these should be reimbursed.

3. Range of Activity covered by the Basic Allowance

- 3.1 The Basic Allowance is intended to cover all the roles and activities of Councillors other than those that involve significant additional responsibilities that would justify the payment of a Special Responsibility Allowance.
- 3.2 The Panel was made aware that:
 - ◆ The disparity in the relative ward sizes in Birmingham will be addressed in a forthcoming review.
 - ◆ Councillors will deal with issues that can vary significantly from ward to ward and from constituent to constituent.
 - ◆ There is no defined job profile for the basic role of a Councillor.
 - ◆ There is poor public appreciation of the activities expected of and undertaken by a Councillor.
- 3.3 The written and verbal evidence that the Panel received from serving Councillors provided a very useful insight into the roles and activities of Councillors in Birmingham. This illustrated that:
 - ◆ The role had become more complex and demanding since the previous Independent Panel reported in 1995.
 - ◆ Councillors required a range of inter personal, managerial, partnership working, investigative and analytical skills.
 - ◆ Constituents have increasing expectations of Councillors including an assumption of accessibility at all times.
 - ◆ Constitutional changes are introducing an extended role for Councillors in the governance of wards.
 - ◆ There is no evidence of a significant reduction in the number of meetings that Councillors have to attend.
 - ◆ Most Councillors took on some additional responsibilities for which no special responsibility allowance is paid.
- 3.4 The Independent Remuneration Panel concluded that the Basic Allowance payable to each Councillor should cover the following range of activities:
 - ◆ Representative role including acting as an advocate for the interests of the ward, dealing with constituents' enquiries or representations, active participation in the shaping and management of services devolved to a local level and attendance at meetings of local organisations.
 - ◆ City Council and Committee work including preparation for and attendance at meetings, interview panels, appeals, visits, seminars and conferences, service on or chairing ward committees and participation on other bodies relating to the work of the City Council.
 - ◆ Service as the representative of the City Council or its Committees on outside bodies for which no separate remuneration is made.
- 3.5 The Independent Remuneration Panel also concluded that consideration should be given to publishing a job profile for the standard role of a Councillor. This would be very useful in raising the awareness of the demands and expectations that are routinely made on those serving as Councillors in a city like Birmingham. It would also provide a benchmark against which current activity and future changes in the role of a Councillor could be judged.

4. Minimum Time needed for the Basic Role of a Councillor

4.1 National research studies have used two approaches to arrive at the time needed for the role of a Councillor:

- ◆ **Average Monthly Workload** - This approach reflects the amount of time that Councillors actually spend on undertaking their roles. It therefore includes values for Councillors who are in a position to put in extended hours. The values range from 17 to 32 hours per week and display a trend of increasing hours.
- ◆ **Average Monthly Hours Expected** - This approach tries to establish a value for the minimum time that is needed to undertake the role. It takes into account other demands such as employment on the time spent by Councillors on their role. Understandably the values are lower and range from 14 to 22 hours per week.

4.2 The 2001 Birmingham Councillors' Survey had a 53% response rate and indicated the following:

- ◆ Councillors with a full time job accounted for 36% of the survey. They spent an average of 29 hours per week on council duties with a median value of 26 hours.
- ◆ Councillors with no job accounted for 39% of the survey. They spent an average of 44 hours per week on council duties with a median value of 37 hours.

A broad assessment was also made of the time that Councillors might need to spend on council duties under the current committee structure. This indicated that around 26 hours per week was needed.

4.3 The written and verbal evidence that the Panel received from serving Councillors provided additional information on the time commitment now required of Councillors and the effect of such expectations:

- ◆ The average time needed to undertake the role effectively was around 3 days a week. It was recognised that some Councillors are in a position to [and do] spend more time than this on their council duties.
- ◆ The expected time commitment had an adverse effect on family life, career opportunities, work relationships and overall work/life balance [juggling things to fit around council role].
- ◆ The level of time commitment was a significant barrier to young people, those with dependants and those with careers standing as Councillors.

4.4 **Taking everything into account the Independent Remuneration Panel concluded that the time element of the Basic Allowance should be based on a gross commitment of no more than 3 days per week.**

5. Extent of Public Service Discount

5.1 The 2001 Birmingham Councillors' Survey along with the written and verbal evidence to the Panel acknowledged the concept of a public service element to the role of a Councillor. The motivations are service to the community/ward together with a desire to try and make a difference.

The current demands on Councillors are such that the role took on many of the characteristics of a job but with an unreasonable expectation that much of the 'work' should be done for nothing. There is a general undervaluing of the commitment and contribution of Councillors and the sacrifices that had to be made in the name of public service.

This was reinforced by the proposal in a government consultation paper that would continue to deny the majority of Councillors access to pensions when this was a significant financial disadvantage that Councillors and their families suffered from.

5.2 The current Scheme in Birmingham is based on the recommendations of an Independent Panel set up in 1995 by the seven West Midlands District Councils. A survey for that Panel indicated that an average of 121 days was spent on Councillor duties. The resultant recommendation was a Basic Allowance based on 90 days equating to a 25% public service discount.

5.3 A Public Service Discount is now a feature of most reviews. Discounts of up to 50% have been applied with 33.3% being used in the recent INLOGOV report for Wales and the ALG report for London.

5.4 **The Independent Remuneration Panel concluded that the existing Public Service Discount of 25% under the current scheme in Birmingham should continue to apply.**

6. The Daily Rate

6.1 The current Birmingham scheme is based on the use of the average non-manual male wage for all industries and services [expressed as a day rate]. This is in line with a recommendation made in 1995 by the then three Local Authority Associations.

6.2 Important factors in the choice of an indicator include transparency, ease of understanding, relevance to the nature of the work involved, ease of application and reflective of the wider community from which Councillors are [or should be] drawn.

6.3 To satisfy this latter objective most recent reviews have chosen to make use of an indicator that is locally rather than nationally based. The nearest equivalent to a Birmingham indicator that is published in the New Earnings Survey is a rate for the former West Midlands Metropolitan County area.

6.4 The average non-manual male wage for all industries and services for the West Midlands Metropolitan County area is £102.20 per day [April 2000]. The equivalent national indicator published in the Revised Version of the New Earnings Survey 2000 is £106.78 per day. The rate for April 2001 will not be available until the New Earnings Survey 2001 is published next January.

6.5 **The Independent Remuneration Panel concluded that the daily rate to be used in Birmingham should be based on the average non-manual male wage for all industries and services [expressed as a day rate] for the West Midlands Metropolitan County area as published in the New Earnings Survey.**

7. The level of the Basic Allowance

- 7.1 The 2001 Birmingham Councillors' Survey along with the written and verbal evidence to the Panel provided views on the level of the Basic Allowance.
- ◆ It was more compensation than pay or a living wage.
 - ◆ Its value was reduced by a range of additional costs [dependent care, additional petrol, IT hardware and consumables, office expenses] that arose as a result of undertaking the role of a Councillor.
 - ◆ For employed Councillors the issue was also about effective support that would balance the increasing time demands. This would enable them to do the basic job better and offer more opportunity to undertake additional responsibilities. It would also help remove a barrier to a wider range of people including young people, those with dependants and those with careers standing as Councillors.
 - ◆ There was no support for the concept of a salaried career politician.
- 7.2 Based on the recommendations under 4.4, 5.4 and 6.5 above the actual level of the Basic Allowance would be arrived at through the following calculation.
- | | |
|---|----------------------------|
| Assessed Gross Minimum Time [3 days x 52 weeks] | 156 days per annum |
| <u>less</u> Public Service Discount of 25% | <u>- 39</u> days per annum |
| Assessed Net Minimum Time after Public Service Discount | 117 days per annum |
| Average non-manual male wage - all industries & services for the WM Metropolitan County area [April 2000] | x £102.20 per day |
| Basic Allowance after Public Service Discount [based on April 2000 wage rates] | £11,957 per annum |
- 7.3 **The Independent Remuneration Panel concluded that the Basic Allowance, after a Public Service Discount of 25%, should be £11,957 per annum. Value is at April 2000 wage rates and will need to be updated when April 2001 rates are published in the National Earnings Survey in January 2002.**

8. Additional Expenses

- 8.1 The evidence given to the Panel identified a range of additional expenses that Councillors incur direct in undertaking their roles. These include the use of home, telephone rental/calls, postage, stationery, carer/dependent costs and IT equipment/consumables. With the exception of the reimbursement of the cost of business telephone calls there are no arrangements in place for the Council to meet these expenses. The issue of carer/dependent costs is dealt with elsewhere in this report.
- 8.2 The only option currently available to a Councillor is to defray some of these costs by submitting a claim to the Inland Revenue for the expenditure to be treated as allowable expenses against the tax paid against Basic and Special Responsibility Allowances. Apart from a standard allowance of £400 for use of home, there are no other 'automatic' allowances given by the Inland Revenue. There is no allowance however given for carer/dependent costs.
- 8.3 The Panel was supportive of the principle that the Council should meet additional costs such as telephone rental/calls and office related expenses such as postage, stationery and other consumables. The Panel was concerned to avoid a proliferation of claim based systems that would be administratively cumbersome and as a result could actually prove to be a barrier for Councillors.
- On balance there was a preference for the payment of a lump sum on top of the Basic Allowance to cover these additional costs. The INLOGOV report for Wales adopted this approach and arrived at a value of £600 [£400 Telephone and £200 General Office]. The 2001 Birmingham Councillors' Survey produced an identical average value of £600 for these costs but with a slightly different breakdown [£380 Telephone and £220 General Office].
- 8.4 The Panel was also aware that some Councillors incurred costs arising from provision and use of their own computer facilities in preference or addition to those made available at the Council House. The INLOGOV report for Wales introduced the idea of a credit of £300 for Information Technology that Councillors could access to purchase computer equipment. The Panel felt that Councillors also needed support when working from home on council business. This would involve offering Councillors an opportunity to access a range of home office technology [answer machine, fax, computer, printer, telephone line] that would be provided by the Council.
- 8.5 **The Independent Remuneration Panel concluded that an additional lump sum of £600 should be paid on top of the Basic Allowance to meet the cost of telephone rental and calls and office expenses such as postage, stationery and other consumables. This figure should be reviewed annually in line with the Council's allowance for inflation in its budget.**
- 8.6 **The Independent Remuneration Panel also concluded that the Council should establish the needs and requirements and set up arrangements that actively support Councillors working from home on council business. This should offer Councillors an opportunity to access a range of home office technology [answer machine, fax, computer, printer, telephone line] provided by the Council.**

Special Responsibility Allowance

1. DETR Guidance on Members' Allowances [April 2001]

- 1.1 "Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. The authority, or the panel has to identify the special responsibilities for which the allowance is to be paid, and the amounts of allowance to be paid for each such responsibility" [para 15].
- 1.2 "Where one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group" [para 16].
- 1.3 "The 1991 Regulations provide that special responsibility allowances may be paid for special responsibilities within one or more of the following categories:
- ◆ membership of the executive where the authority is operating executive arrangements
 - ◆ acting as leader or deputy leader of a political group within the authority
 - ◆ presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more authorities, or a sub-committee of such a joint committee
 - ◆ representing the authority at meetings of, or arranged by, any other body
 - ◆ membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
 - ◆ acting as spokesperson of a political group on a committee or sub-committee of the authority
 - ◆ such other activities in relation to the discharge of the authority's functions as require of a member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above whether or not that activity is specified in the scheme" [para 17].
- 1.4 "Special Responsibility allowances may be paid to those members of the council who have **significant** additional responsibilities over and above the generally accepted duties of a councillor " [para 55].
- 1.5 "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" [para 57].
- 1.6 "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 some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended" [para 58].

2. Issues for the Independent Panel

- ◆ The roles and responsibilities for which a Special Responsibility Allowance should be paid.
- ◆ The level of responsibility and time commitment that is expected of those undertaking such additional roles.
- ◆ The approach for Councillors with more than one role or responsibility.
- ◆ The extent of any discount against the Special Responsibility Allowance paid.
- ◆ The Special Responsibility Allowance for the role of Leader of the Council.
- ◆ The values of Special Responsibility Allowance for other recommended roles.

3. Roles and Responsibilities

- 3.1 The current Scheme in Birmingham provides for the payment of 54 Special Responsibility Allowances [46% of all Councillors] covering the following roles and responsibilities.

Executive - Leader of the Council, Deputy Leader of the Council [including Cabinet Member role] and Cabinet Members.

Overview and Scrutiny - Chairs and Vice Chairs of Co-ordinating and individual Overview & Scrutiny Committees.

Regulatory - Chairs and Vice Chairs of Co-ordinating and individual Overview & Scrutiny Committees.

Opposition Groups - Leader and Deputy Leader of the 2 Qualifying Opposition Groups.

Council Business Management - Total of 4 representatives on behalf of the Largest and the 2 Qualifying Opposition Groups.

Spokespersons - Spokespersons for the 2 Qualifying Opposition Groups on Advisory Teams.

- 3.2 The evidence received by the Panel indicated that all Councillors choose to take on some additional roles or responsibility in relation to their ward or committee work. From the views expressed to the Panel it was clear that these roles would not satisfy the test of "significant additional responsibilities". The Panel felt therefore that the Basic Allowance was the way by which these expectations, that were generally common on all Councillors, should be addressed.
- 3.3 In the light of the DTLR guidance and the evidence from Councillors, the Panel considered which roles and responsibilities ought to attract a Special Responsibility Allowance and supported payment for the following.
- ◆ Leader of the Council, Deputy Leader of the Council and Cabinet Members.
 - ◆ Chair of the Co-ordinating and individual Overview & Scrutiny Committees and for a Task and Finish Overview & Scrutiny Committee [for the period of its existence].
 - ◆ Chairs of Regulatory Committees.
 - ◆ Leader and Deputy Leader of a Qualifying Opposition Groups. As at present a Qualifying Opposition Group should have a minimum of 12 Councillors.
- 3.4 The Panel discussed the other roles and responsibilities that currently attract a Special Responsibility Allowance and considered whether there were any other roles that might be included in a scheme.
- ◆ Vice Chairs of Overview & Scrutiny Committees and of Regulatory Committees. The Panel was not able to identify that there was a consistent or clear definition of these roles or that significant additional responsibility was a regular feature of the role. There was also no evidence from the 2001 Birmingham Councillors' Survey that there was a significant time commitment needed to undertake the role. The Panel was not therefore prepared to support the payment of a Special Responsibility Allowance for these roles.
 - ◆ Representatives of the Largest and Qualifying Opposition Groups on the Council Business Management Committee. The Panel was advised of the background that had led to these roles being designated in Birmingham and other authorities. However the Panel was unable to establish from the 2001 Birmingham Councillors' Survey and verbal evidence that these roles involved a major time commitment or had a significant enough Council role that would justify the payment of a Special Responsibility Allowance.
 - ◆ Spokespersons for Qualifying Opposition Groups on Advisory Teams. The Panel noted that Advisory Teams [in their present form] would not be a part of the new executive arrangements. Even if there were some alternative arrangements, the Panel felt that there was no reason to believe that the expectations on opposition members would be any more onerous than those falling on members from the majority group. In addition the 2001 Birmingham Councillors' Survey and verbal evidence to the Panel did not indicate that these roles involved a major time commitment or had a significant enough Council role that would justify the payment of a Special Responsibility Allowance.
 - ◆ Chairs of Ward Committees. The Panel was aware that the move from a central committee structure and the devolution of functions to ward level might have implications for Councillors who undertook the role of a Ward Committee Chair. However the evidence to the Panel was that this was still an undeveloped role with no consistency in terms of the time commitment or the expectations of this role. There was also a clearly expressed view that chairing a Ward Committee was part of the standard role that all Councillors may from time to time be expected to undertake [in most cases this seemed to coincide with the electoral cycle]. On that basis the Panel were not minded to support the payment of a Special Responsibility Allowance for the role of a Ward Committee Chair.
- 3.5 The Panel recognised that at this point in time its recommendations were based on currently available evidence and understanding of the roles and responsibilities under the new executive arrangements. It acknowledged the potential for these roles to change and develop. If these changes were to involve Councillors taking on significant additional responsibilities, the Panel would need to be involved in making recommendations on the level [if any] of any Special Responsibility Allowance.
- 3.6 The Panel felt that a scheme for Special Responsibility Allowances scheme should be supported by a better understanding of the requirements of the roles for which the allowances were paid and of the expectations on the Councillors undertaking those roles.
- 3.7 **The Independent Remuneration Panel concluded that a Special Responsibility Allowance should be paid in respect of the roles of Leader of the Council, Deputy Leader of the Council, Cabinet Members, Chair of the Co-ordinating Overview & Scrutiny Committee, Chairs of Overview & Scrutiny Committees, Chair of a Task and Finish Overview & Scrutiny Committee [for period of its existence], Chairs of Regulatory Committees and Leaders and Deputy Leaders of Qualifying Opposition Groups [one with a minimum of 12 Councillors].**
- 3.8 **The Independent Remuneration Panel also concluded that job profiles should be published for the roles for which a Special Responsibility Allowance is to be paid. This will promote an understanding of the roles and the expectations on those undertaking them. It will also provide a benchmark against which current activity and future changes in the roles could be judged.**

4. Level of Responsibility and Time Commitment

4.1 The Panel considered that there were two components that should be taken into account in arriving at a value for individual Special Responsibility Allowances.

- ◆ The comparative level of responsibility of the role in relation to that of the Leader of the Council.
- ◆ The comparative time commitment of the role in relation to that of the Leader of the Council.

4.2 The City Council's existing scheme already attempts to define the relative relationships between different roles. The 2001 Birmingham Councillors' Survey produced averages that were broadly in line with the existing values.

The Panel was content that the relationships between the roles under the current allowances scheme could be used as the base for the comparative level of responsibility for Executive, Overview & Scrutiny and Regulatory roles. However the Panel felt that the responsibility level of the Leader of the Main Opposition should be in line with that of an Overview & Scrutiny Committee Chair [with a consequent knock-on effect on other Opposition Roles].

4.3 The comparative levels of responsibility that would be used for the recommended Special Responsibility Allowance roles are.

Leader of the Council	100%
Deputy Leader of the Council	75%
Cabinet Member	56%
Chair of Co-ordinating Overview & Scrutiny Committee	56%
Chair of an Overview & Scrutiny Committee	42%
Chair of a Task & Finish Overview & Scrutiny Committee	42%
Chair of Development Control Committee	42%
Chair of Licensing Committee	42%
Chair of Public Protection Committee	31%
Leader of the Largest Opposition [one with a minimum of 12 Councillors]	42%
Deputy Leader of the Largest Opposition [one with a minimum of 12 Councillors]	21%
Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	21%
Deputy Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	10.5%

4.4 **The Independent Panel concluded that the comparative levels of responsibility for Special Responsibility Allowance roles should be those under the current scheme for Executive, Overview & Scrutiny and Regulatory roles and that the comparative level of responsibility for the Leader of the Main Opposition should be in line with that of an Overview & Scrutiny Committee Chair.**

4.5 Although the concept of day sessions is used to calculate the values under the City Council's existing scheme, there has been no attempt since the 1995 to assess the comparative time commitment between different roles. The assessment also needs to be updated to reflect the expectations arising from the new political arrangements that have to be introduced by all Councils under the Local Government Act 2000.

The 2001 Birmingham Councillors' Survey produced an assessment of the time commitment for the roles for which special responsibility allowances were paid. The median values indicated that the roles of Leader, Deputy Leader and Cabinet Members were at least full time with the roles of other Chairs and the Leader of the Main Opposition needing a commitment of between 2½ and 3½ days.

The Panel was content that these median values represented the most up to date assessment available of the comparative time commitment of roles in relation to that of the Leader of the Council and should be used as the base for this factor.

4.6 The comparative levels of time commitment to be used for the recommended Special Responsibility Allowance roles are:

Leader of the Council	5 days [100%]
Deputy Leader of the Council	5 days [100%]
Cabinet Member	5 days [100%]
Chair of Co-ordinating Overview & Scrutiny Committee	3.5 days [70%]
Chair of an Overview & Scrutiny Committee	3 days [60%]
Chair of a Task & Finish Overview & Scrutiny Committee	3 days [60%]
Chair of Development Control Committee	3.5 days [70%]
Chair of Licensing Committee	3 days [60%]
Chair of Public Protection Committee	2.5 days [50%]
Leader of the Largest Opposition [one with a minimum of 12 Councillors]	3 days [60%]
Deputy Leader of the Largest Opposition [one with a minimum of 12 Councillors]	2.5 days [50%]
Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	2.5 days [50%]
Deputy Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	2 days [40%]

4.7 **The Independent Panel concluded that the comparative levels of time commitment for Special Responsibility Allowance roles should be based on the median values from the 2001 Birmingham Councillors' Survey.**

5. Councillors with more than one Responsibility

- 5.1 The current Scheme provides that a Councillor can only receive one Special Responsibility Allowance [the initial Scheme adopted in Birmingham in 1995 included provision for a Councillor to receive up to two]. The INLOGOV report for Wales and the ALG report for London recommend that only one Special Responsibility Allowance should be paid.
- 5.2 **The Panel felt that a Councillor should only receive one Special Responsibility Allowance.**

6. Extent of any Discount against Special Responsibility Allowance

- 6.1 The Panel discussed whether there ought to be a discount applied against the Special Responsibility Allowance along similar lines to the 25% Public Service Discount that has been recommended in respect of the Basic Allowance.
- It was recognised that Councillors chose to put themselves forward for roles with additional responsibilities. However, the 2001 Birmingham Councillors' Survey and evidence highlighted that in order to carry out roles with significant additional responsibilities Councillors had to make a level of time commitment that would exclude or be detrimental to other career activity and prospects.
- 6.2 **On balance the Panel concluded that there should be no Public Service Discount applied to the payment of Special Responsibility Allowance.**

7. Special Responsibility Allowance for the Leader of the Council

- 7.1 The Panel favoured the approach that identified another role or work group with responsibilities that could be regarded as broadly similar to that of a Leader of a Council. This is the basis that is increasingly used in current reviews. The INLOGOV report for Wales used the pay for a Welsh Assembly Member and the ALG report for London used that for Westminster MP.
- 7.2 In the 2001 Birmingham Councillors' Survey the role of Leader was most often seen as equivalent to a Chief Executive, Company Manager or Director. In the public sector it was equated to an Assistant Director, Head Teacher, MP or Health Authority Chair. 93% felt the current allowance for the Leader was too low and the median value suggested was £40,000.
- 7.3 A number of possible comparators were considered for the benchmark figure of the Leader's Special Responsibility Allowance.
- ◆ Backbencher Westminster MP - currently £51,822 [June 2001].
 - ◆ General Manager in National & Local Government, Large Company or Organisation - estimated at around £47,390 for West Midlands Metropolitan County area [April 2000].
 - ◆ Chair of Advantage West Midlands [reported as £44,000].
 - ◆ Gross earnings of the top 10% of the non-manual males for all industries and services for the West Midlands Metropolitan County area - £43,238 [April 2000]. This comes from the same base as the day rate used to calculate Basic Allowance.
- 7.4 A number of those giving evidence considered that the role of a Council Leader in a city like Birmingham fell somewhere between that of a Backbencher MP [£51,822] and a Cabinet Minister [£68,157]. That would equate to a total payment inclusive of the Basic Allowance of approaching £60,000.
- 7.5 **The Panel concluded that the gross earnings of the top 10% of the non-manual males for all industries and services for the West Midlands Metropolitan County area should be the benchmark for the Special Responsibility Allowance paid to the Leader of the Council. The value is £43,238 at April 2000 wage rates and will need to be updated when April 2001 rates are published in the National Earnings Survey in January 2002.**

8. Special Responsibility Allowance for Other Recommended Roles

- 8.1 The rates of Special Responsibility Allowance for the other recommended roles would be arrived at using the following calculation.

Benchmark Value for the role of Leader of the Council	£43,238 per annum
<u>multiplied by</u> comparative level of responsibility for role [section 4.3 above]	X %
<u>multiplied by</u> comparative level of time commitment for role [section 4.6 above]	Y %
Special Responsibility Allowance for role [based on April 2000 wage rates]	£ ??? per annum

- 8.2 **Using the calculation under 8.1 above, results in the following levels of Special Responsibility Allowance for the other recommended roles [these are at April 2000 wage rates - to be updated when April 2001 rates published].**

Deputy Leader of the Council	£32,429 per annum
Cabinet Member	£24,213 per annum
Chair of Co-ordinating Overview & Scrutiny Committee	£16,949 per annum
Chair of an Overview & Scrutiny Committee	£10,896 per annum
Chair of a Task and Finish Overview & Scrutiny Committee [for the period of its existence]	based on £10,896 per annum
Chair of Development Control Committee	£12,712 per annum
Chair of Licensing Committee	£10,896 per annum
Chair of Public Protection Committee	£6,702 per annum
Leader of the Largest Opposition [one with a minimum of 12 Councillors]	£10,896 per annum
Deputy Leader of the Largest Opposition [one with a minimum of 12 Councillors]	£4,540 per annum
Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	£4,540 per annum
Deputy Leader of Other Qualifying Opposition [one with a minimum of 12 Councillors]	£1,816 per annum

Childcare and Dependent Carers' Allowance

1. DETR Guidance on Members' Allowances [April 2001]

- 1.1 "A scheme of allowances may also include the payment of childcare and dependent carers' allowance to those councillors who incur expenditure for the care of children or dependent relatives whilst undertaking particular duties. The duties are specified in the 2001 Regulations and are as follows:
- ◆ a meeting of the executive
 - ◆ a meeting of a committee of the executive
 - ◆ a meeting of the authority
 - ◆ a meeting of a committee or sub-committee of the authority
 - ◆ a meeting of any other body to which the authority makes appointments or nominations, or
 - ◆ a meeting of a committee or sub-committee of any other body to which the authority makes appointments or nominations
 - ◆ a meeting which has **both** been authorised by the authority, a committee or sub-committee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee **and** to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
 - ◆ a meeting of a local authority association of which the authority is a member
 - ◆ duties undertaken on behalf of the authority in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened
 - ◆ duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
 - ◆ duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996" [para 18].
- 1.2 "This is a new allowance. The panel may recommend that such an allowance is made available to elected members of the authority. It may also recommend a level for this allowance" [para 62].
- 1.3 "Local authorities will wish to consider whether this allowance should be set at an hourly rate which may vary depending on the sort of care which has been required. They may wish to consider whether the allowance should be subject to a maximum cap or alternatively, whether the allowances paid will be equal to the costs incurred" [para 63].

2. Issues for the Independent Panel

- ◆ **Whether a Childcare and Dependent Carers' Allowances should be paid.**
- ◆ **The rate for any such allowances.**
- ◆ **The principles of a scheme.**

3. Paying a Childcare and Dependent Carers' Allowance

- 3.1 The Panel was advised that although some councils had set up a scheme in the past, there was uncertainty about the authority under which a Childcare or Dependent Carers' Allowance could be paid. The 2001 Regulations removed any such doubt.
- 3.2 The evidence to the Panel indicated that for some Councillors carer costs could be a significant financial burden. Such costs were also a potential barrier to a wider range of people including young people standing as Councillors or even preventing them from carrying on in the role when individual circumstances changed during the Councillor's term of office.
- 3.3 **The Panel concluded that Councillors should be able to claim Childcare and Dependent Carer's Allowances where such costs were necessarily incurred as a result of undertaking an "approved" duty.**

4. Rate of Childcare and Dependent Carers' Allowance

- 4.1 The Panel recognised that there was a distinction between the nature, and, therefore the cost, of organising independent care for a child [under the age of 14] and that for a dependent relative. The latter would require professional care and this difference needed to be reflected in the maximum rates of allowance that could be claimed under any scheme.
- 4.2 **The Panel concluded that the maximum hourly rate reimbursed for the independent care of a child [under the age of 14] should be based on the minimum wage and for the professional care of a dependent relative on the Council's own hourly rate for a Home Care Assistant.**

5. Principles for a Scheme

- 5.1 Whilst the need for administrative arrangements to minimise the potential for abuse was appreciated, the Panel was anxious that the conditions for claiming the allowance were not made so onerous as to have the effect of actually discouraging Councillors from exercising their entitlement. Councillors would be personally responsible for their claims and this coupled with a basic verification procedure should be enough to “protect the public purse”.
- 5.2 The Panel felt that a scheme for Childcare and Dependent Carers' Allowances should however include the following elements.
- ◆ Full details of the approved duty undertaken.
 - ◆ Confirmation of who the care had been provided for [including age of child or children as appropriate].
 - ◆ Name of the provider of the care.
 - ◆ The amount [within the maximum] limits claimed.
 - ◆ A receipt or copy invoice where the care involved the services of a professional carer.
 - ◆ A declaration that the care had not been provided by a member of the immediate family or household.
 - ◆ A statement to the effect that the costs were necessarily incurred in order to undertake the duty, had not been reimbursed through any other means and were not already covered by any benefits paid to or on behalf of the person for whom the care had been arranged.
- 5.3 **The Panel concluded that claiming a Childcare or Dependent Carer Allowance should require that a Councillor provides a reasonable [but not onerous] amount of information that would support a basic verification system.**

Supporting Better Performance

1. Background

The evidence to the Panel highlighted that the issues faced by Councillors and potential Councillors were about more than just mitigating the financial disadvantage that they suffered in taking on the role.

Unrealistic time demands, unmanageable and indiscriminate volumes of paperwork and the absence of robust personal support meant that taking on the responsibilities of a Councillor was not an attractive proposition for many people. Removing these barriers required the creation of a support framework that would enable Councillors to work effectively from home and make best use of the time they had available for their Council duties.

It was also acknowledged that a scheme that sought to address financial and other disadvantages would bring with it a realistic expectation on the part of local taxpayers that it was money well spent and was an investment in public service that was worth making.

2. Effective Support

Chapter 4 - Section 8 [Additional Expenses] identified a specific issue around actively supporting Councillors in their working from home through the opportunity to access a range of home office technology.

There were other matters that the Panel felt the Council might consider as part of its support arrangements for Councillors

- ◆ Reducing the mountain of paperwork that seemed to be a common feature for all Councillors.
- ◆ Streamlined information and briefing systems.
- ◆ Dedicated secretarial/administrative staff to deal with casework and follow-up action.
- ◆ Officers trained to better support the needs of Councillors faced with time constraints.

3. Member Development

Councillors will often bring to their role a range of skills and experience that are not fully recognised. However the sheer size and complexity of a council like Birmingham demands of Councillors, at whatever level, a range of skills and breadth of knowledge that are likely to exceed those expected of most people in any other job.

The learning curve is steep and the time available to acquire additional skills is very short. It is important therefore that the Council has an adequately resourced member development programme that enables Councillors to train for their present roles and provides an opportunity to develop for future responsibilities.

4. Performance Management

Chapter 4 and 5 recommend that in order to promote better understanding of roles and expectations, job profiles for non-Executive Councillors and those with special responsibilities ought to be developed and published.

The Panel felt that there was an opportunity for the Council to consider extending this process to include establishing the basic skills and competencies that were needed to support these roles. This could support a member development programme and any performance management arrangements.

There is also a case for supplementing the traditional performance measures of party discipline/procedures and the ballot box with some form of annual and transparent performance indicators set alongside the defined roles and responsibilities. These should be widely published externally in an appropriate form [e.g. website, Birmingham Voice]. The indicators might include.

- ◆ Records of attendance and details of representation on outside bodies
- ◆ The number of advice surgeries held and details of other ward based activity.
- ◆ An annual non-political statement of achievement and future aims by the Councillor.

Valuing Public Service - Appendix 1

COMPARATIVE FIGURES FOR SELECTED PROFESSIONS AND WORK CATEGORIES – APRIL 2000

Category	Top 10% Earners			Average for Group		
	£	£	£	£	£	£
	Per Annum	Per Week	Per Day	Per Annum	Per Week	Per Day
Teaching Professional	38,594	742.2	148.4	29,255	562.6	112.5
Property and Estate Managers	46,124	887.0	177.4	34,297	659.6	131.9
Bank, Building Society and Post Office Managers [not self-employed]	47,585	915.1	183.0	34,107	655.9	131.2
Production Manager in Manufacturing, Construction, Mining and Energy	49,904	959.7	191.9	33,082	636.2	127.2
Police Officer [inspector and above]	51,688	994.0	198.8	39,967	768.6	153.7
Business and Financial Professional	58,011	1,115.6	223.1	36,088	694.0	138.8
Personnel, Training and Industrial Relations Managers	62,858	1,208.8	241.8	37,981	730.4	146.1
Legal Professional	67,818	1,304.2	260.8	41,938	806.5	161.3
Health Professional	70,580	1,357.3	271.5	47,991	922.9	184.6
Specialist Managers [across group]	72,909	1,402.1	280.4	42,916	825.3	165.1
Management Consultants, Business Analysts	83,559	1,606.9	321.4	46,134	887.2	177.4
General Manager - National & Local Government, Large Companies & Organisations	94,718	1,821.5	364.3	49,514	952.2	190.4
Treasurers and Company Financial Managers	99,866	1,920.5	384.1	60,440	1162.3	232.5
National Average Non Manual Male - All Industries and Services	45,182	868.9	173.8	27,763	533.9	106.8
West Midlands MC Non Manual Male - All Industries and Services	43,238	831.5	166.3	26,572	511.0	102.2
Source - National Earnings Survey 2000						

Valuing Public Service – Appendix 2

Public Bodies 2000

Body	Payment to Chair [£]		Payment to Member [£]		Other	Inputs
	Total	Per Day	Total	Per Day		
Advantage West Midlands	44,000		7,000			
Advisory Committee on Releases to the Environment		172		132		
Audit Commission for Local Authorities & NHS in England & Wales	32,905		3,400 - 6,800			
Castle Vale HAT	30,828		6,120			
Committee on Standards in Public Life		500		180	All expenses reimbursed	
Commons Commissioners	37,164		15,384			
Docklands Light Railway	36,000		7,000 - 17,000			
East Midlands Development Agency	44,000		7,000			
English Partnerships	25,700		10,363			
Local Govt Commission for England	20,190		5,640			
London Regional Passengers Committee	12,873					
London Regional Transport	39,038		18,818 - 26,345			
Midlands Reg Electricity Consumers Committee	16,642				pay award pending for chair	
National Health Authorities	15,550 - 19,825		5,140			2-4 days per month for Members
National Health Trusts	15,500 - 19,825					2-4 days per month for Members
One North East	66,000		7,000			
Rail Users Committee for the Midlands	10,004					
Source - Dr Declan Hall [INLOGOV]						

Valuing Public Service - Appendix 3

Allowances - Other Authorities & Reviews

Authority	Birmingham	London*	Wales**	Barnsley	Bucks CC	Hampshire	Kent	Kirklees	Leeds	Manchester	Sandwell	Sunderland	Surrey	Tameside	York
Data Source	Report	Report	Report	Report	IDeA Data	IDeA Data	IDeA Data	IDeA Data	IDeA Data	INLOGOV	IDeA Data	IDeA Data	IDeA Data	IDeA Data	IDeA Data
Effective Date	NK	NK	NK	NK	01/07/01	01/09/01	01/08/01	01/09/99	01/05/99	01/12/99	01/03/01	01/07/01	19/06/01	24/07/01	01/08/01
Population [Municipal Year Book 2002]	1,013,177	339,800	320,940	227,213	475,686	1,231,500	1,340,000	390,868	680,722	431,100	290,500	294,300	1,060,500	216,431	175,900
Budget Requirement - £'000 [CIPFA]***	1,144,383	304,163	335,021	202,098	364,903	871,322	1,097,029	356,575	661,191	512,136	309,584	288,046	735,292	215,516	136,000
Number of Councillors	117	60	74	66	54	74	84	72	99	99	71	74	76	57	57
Basic Allowance	11,957	8,500	9,007	9,156	8,500	10,000	11,000	10,800	7,994	10,491	7,500	5,000	10,000	8,500	5,000
Special Responsibility Allowances															
Leader of Council	43,238	43,500	35,742	29,893	31,500	25,000	35,000	16,200	23,451	31,200	17,500	30,900	20,000	22,500	32,900
Deputy Leader of Council	32,429	To 33,100	17,871	19,430	21,000	15,000	26,250	13,500	17,055	13,110	13,125	20,600	-	13,500	23,300
Cabinet Member	24,213	To 33,100	17,871	14,947	16,000	15,000	22,750	11,070	17,055	13,110	8,750	10,300	16,000	13,500	18,300
Chair - Co-ordinating Overview & Scrutiny	16,949	To 33,100	-	-	-	-	-	-	-	-	8,750	-	-	7,100	18,300
Chair - Overview & Scrutiny	10,896	To 22,700	10,723	10,463	8,000	10,000	17,500	5,400	14,924	7,866	4,375	10,300	12,000	6,700	7,900
Chair - Development Control	12,712	To 22,700	7,149	10,463	4,000	5,000	-	2,700	7,944	7,866	5,828	5,150	14,000	6,700	7,900
Chair - Licensing	10,896	-	7,149	10,463	-	-	-	-	-	7,866	5,828	5,150	-	-	-
Chair - Public Protection	6,702	-	7,149	-	-	-	-	-	-	7,866	-	-	-	-	-
Leader of Largest Opposition Group	8,821	To 22,700	10,723	5,389	1,908	10,200	17,500	-	17,055	18,357	5,828	10,300	2,080	6,700	23,400
Deputy Leader of Largest Opposition Group	3,243	To 7,100	-	-	-	-	13,125	-	-	13,113	-	6,866	-	-	16,100
Leader of Other Opposition Group	3,675	To 7,100	3,574	4,789	1,484	5,300	11,550	-	-	-	2,914	5,150	-	-	3,500
Deputy Leader of Other Opposition Group	1,384	-	-	-	-	-	-	-	-	-	-	3,443	-	-	-

* Figures for Barnet [largest London Borough by population]

** Figures for Cardiff County

*** No comparable figures available for Gross Expenditure

2001 Birmingham Councillors' Survey - Summary of Responses

Overall Response

53% response rate to Questionnaire to all Councillors

Councillors with a full time job accounted for 36% of the survey and those with no job accounted for 39% of the survey.

59% response rate to Questionnaire to those currently in receipt of Special Responsibility Allowance

In addition the Panel received 6 written submissions and a total of 16 Councillors gave evidence in person

Basic Allowance

Time Commitment

	Councillors Questionnaire – Median Values		
	<u>Employed F/T</u>	<u>Not Employed</u>	<u>Overall</u>
	Activity Median Value		
Committee Work	10	16	12
Constituency Work	10	12	10
Outside Bodies	4	8	6
Overall Median Value	26	37	34

Public Service Discount

Median values for the level of Public Service Discount to be applied to the Basic Allowance were

Councillors Employed Full Time	–	median discount of 25%
Councillors Not Employed	–	median discount of 20%
Councillors Overall	–	median discount of 25%

Perception of Role and Level of Basic Allowance

- ◆ Role was usually seen as equivalent to senior professional manager/director.
- ◆ 56% felt that the current daily rate used to calculate the Basic Allowance was appropriate.
- ◆ The median value suggested was £15,000.

Additional Expenses

- ◆ There was support for the Council meeting the costs of Telephone Rental [60%], Telephone Calls [87%] and Stationery & Postage [63%].
- ◆ 31% felt that a Childcare and Dependent Carer Allowance should be paid.

Profile of a Birmingham Councillor

A separate broad assessment was made of the characteristics of a current Birmingham Councillor and the sort of hours that might be needed to carry out the basic role in the present structure.

This indicated that a current Councillor in Birmingham is likely to be male, white, aged about 54 and with just over 10 years Council service and will need to spend on average a maximum of around 26 hours per week on council duties.

Special Responsibility Allowance

Time Commitment

Special Responsibility Role	<u>General Questionnaire</u> <u>[Median Required Value]</u>	<u>SRA Questionnaire</u> <u>[Current Average Value]</u>
Leader of the Council	6 days	-
Deputy Leader of the Council	5 days	4.3 days
Cabinet Member	5 days	4.0 days
Chair of Co-ordinating Overview & Scrutiny Committee	3.5 days	-
Chair of Overview & Scrutiny Committee	3 days	2.7 days
Chair of Development Control Committee	3.5 days	-
Chair of Licensing Committee	3 days	-
Chair of Public Protection Committee	2.5 days	-
Chair of Regulatory Committee	-	3.0 days
Leader of the Largest Opposition	3 days	4.9 days
Deputy Leader of the Largest Opposition	-	-
Leader of Other Qualifying Opposition	-	-
Deputy Leader of Other Qualifying Opposition	-	-
Vice Chair of Overview & Scrutiny Committee	-	0.8 days
Vice Chair of Regulatory Committee	-	0.9 days
Majority Group Rep on Council Business Management Committee	-	1.6 days
Opposition Group Rep on Council Business Management Committee	-	0.5 days

The Role of Leader of the Council

- ◆ The median values indicated that the role of Leader is full time [also for Deputy Leader and Cabinet Members].
- ◆ The Leader's role was most often seen as equivalent to a Chief Executive, Company or Director. In the public sector it was equated to an Assistant Director, Head Teacher, MP or Health Authority Chair.
- ◆ 93% felt the current allowance for the Leader was too low.
- ◆ The median value suggested was £40,000.

Current Allowances Scheme - Birmingham City Council

BIRMINGHAM CITY COUNCIL - MEMBERS ALLOWANCES SCHEME

[as amended by the Council Business Management Committee on 30 April 2001]

The City Council's Scheme, as previously amended on 26 May 1999 and 12 January 2000, under Section 18 of the Local Government and Housing Act 1989 shall be further amended to be as follows. The further amendments shall operate from 16 May 2001.

An individual Councillor shall be entitled to receive the payment specified in the amended Scheme with effect from the implementation date of the amended Scheme i.e. 16 May 2001.

1. INTRODUCTION

- 1.1 This Scheme may be cited as the Birmingham City Council Members Allowances Scheme.
- 1.2 In this Scheme, "Councillor" means a member of Birmingham City Council.

2. BASIC ALLOWANCE

2.1 ALLOWANCE RATE

A Basic Allowance shall be paid to each Councillor on the basis of an allocation of 90 Day Sessions.

The actual rate of allowance will be calculated by reference to the average non-manual male wage for 'All Industries and Services' expressed as a daily rate and multiplied by 90 Day Sessions.

The current rate is shown in Appendix A.

2.2 ANNUAL REVIEW

The rate will be automatically revised each year as from 1 October in line with the average non manual wage for 'All Industries and Services' expressed as a daily rate and multiplied by 90 Day Sessions.

2.3 PAYMENT DATES

The effective payment date for the allowance shall be

- a) For a Councillor elected to office following an annual Local Government Election, from the fourth day after the date of the election or the date of making the Declaration of Acceptance of Office, whichever is the later.
- b) For a Councillor elected to office at any other time, from the date of making the Declaration of Acceptance of Office.

2.4 RENUNCIATION

A Councillor may by notice in writing given to the Director of Corporate and Democratic Services elect to forego the whole or part of an entitlement to a Basic Allowance under this Scheme.

Where such a declaration is made, it shall remain in force until it is withdrawn by a further notice in writing to the Director of Corporate and Democratic Services.

2.5 PAYMENT ARRANGEMENTS

Payment will be made in instalments of one-twelfth of the annual amount due and will be paid via a payroll system on the same date as that applicable to employee salaries.

2.6 PARTIAL ENTITLEMENT

Where a Councillor holds the office of Councillor for less than a full calendar month, the Basic Allowance due will be calculated on a pro rata basis by reference to the number of days entitlement to the allowance to the total number of days in that particular month.

2.7 OVERPAYMENT

Where the payment of a monthly instalment of Basic Allowance results in a Councillor receiving more than the amount entitled, the over payment will be recovered subsequently through a deduction from other allowances due to that Councillor or through the issue of an official invoice.

3. SPECIAL RESPONSIBILITY ALLOWANCES

3.1 OFFICES AND ROLES

A Special Responsibility Allowance shall be paid to a Councillor in respect of the following offices or roles:-

- a) Leader and Deputy Leader of the Council
- b) Leader and Deputy Leader of a Qualifying Opposition Group *
- c) Chairperson of an Advisory Team [Cabinet Member]
- d) Chairperson and Vice-Chairperson of the Co-ordinating Overview and Scrutiny Committee
- e) Chairperson and Vice-Chairperson of an Overview and Scrutiny Committee
- f) Chairperson and Vice-Chairperson of a Task & Finish Overview & Scrutiny Committee [pro rata for life of the body concerned]
- g) Chairperson and Vice-Chairperson of the Development Control, Licensing and Public Protection Committees.
- h) Spokespersons for the Largest Qualifying Group and for Other Qualifying Groups on an Advisory Team
- i) Designated Representatives of the Controlling Group [2] and of Qualifying Opposition Groups [1 each] on the Council Business Management Committee.

[* A Qualifying Opposition Group is one with a minimum of 12 Councillors]

3.2 RECEIPT OF SPECIAL RESPONSIBILITY ALLOWANCES

No Councillor can receive more than one Special Responsibility Allowance.

3.3 ALLOCATION OF DAYS

Payment will be made in accordance with the following allocation of days:-

OFFICE OR ROLE	DAY SESSIONS
LEADERS AND DEPUTY LEADERS	
Leader of the Council	140
Deputy Leader of the Council	105
Leader of the Largest Qualifying Opposition Group *	47
Deputy Leader of the Largest Qualifying Opposition Group *	21
Leader of Other Qualifying Opposition Groups *	24
Deputy Leader of Other Qualifying Opposition Groups *	11
CHAIRPERSONS and VICE-CHAIRPERSONS	
Advisory Team - Chairperson	79
Co-ordinating Overview and Scrutiny Committee - Chairperson	79
Co-ordinating Overview and Scrutiny Committee - Vice-Chairperson	12
Overview and Scrutiny Committee - Chairperson	59
Overview and Scrutiny Committee - Vice-Chairperson	9
Task and Finish Overview and Scrutiny Committee – Chairperson [pro rata for life of body]	59
Development Control and Licensing Committees - Chairperson	59
Development Control and Licensing Committees - Vice-Chairperson	12
Public Protection Committee - Chairperson	44
Public Protection Committee - Vice-Chairperson	9
SPOKESPERSONS ON AN ADVISORY TEAM	
Spokespersons for the Largest Qualifying Opposition Group *	9
Spokespersons for Other Qualifying Opposition Groups *	5
COUNCIL BUSINESS MANAGEMENT COMMITTEE	
Designated Representatives [2] of the Controlling Group	42
Designated Representative of the Largest Qualifying Opposition Group *	14
Designated Representative of Other Qualifying Opposition Groups *	7

[* A Qualifying Opposition Group is one with a minimum of 12 Councillors]

3.4 ALLOWANCE RATE

The actual rate of allowance will be calculated by reference to the average non manual male wage for 'All Industries and Services' expressed as a daily rate and multiplied by the appropriate number of Day Sessions allocated for the role or office.

The current rates are shown in Appendix 1.

3.5 ANNUAL REVIEW

The rates will be automatically revised each year as from 1 October in line with the average non manual wage for 'All Industries and Services' expressed as a daily rate and multiplied by the appropriate number of Day Sessions allocated for the role or office.

3.6 ENTITLEMENT TO RECEIVE SPECIAL RESPONSIBILITY ALLOWANCE

The process of identifying a Councillor's entitlement to receive a Special Responsibility Allowance shall be

- a) For the Leader and Deputy Leader of the Council, by appointment at a meeting of the City Council.
- b) For a Leader of a Qualifying Opposition Group *, as a notification to the Chief Executive by a majority of members of that Group.
- c) For a Deputy Leader of a Qualifying Opposition Group *, as a notification to the Chief Executive by the Leader of that Group.
- d) For a Chairperson of an Advisory Team, by appointment at a meeting of the City Council or the Executive Committee.
- e) For a Chairperson or Vice-Chairperson of the Co-ordinating Overview and Scrutiny Committee, by appointment at a meeting of the City Council.
- f) For a Chairperson or Vice-Chairperson of an Overview and Scrutiny Committee, by appointment at a meeting of the City Council.
- g) For a Chairperson of a Task and Finish Overview and Scrutiny Committee, by appointment at a meeting of the City Council.
- h) For a Chairperson or Vice-Chairperson of the Development Control, Licensing and Public Protection Committees, by appointment at a meeting of the City Council.
- i) For Designated Representatives of the Controlling Group and of Qualifying Opposition Groups * on the Council Business Management Committee, as a notification to the Chief Executive by the Leader of the respective Group.
- j) For Spokespersons for the Largest Qualifying Group and for Other Qualifying Groups on an Advisory Team, as a notification to the Chief Executive by the Leader of the respective Group.

[A Qualifying Opposition Group is one with a minimum of 12 Councillors]*

3.7 RENUNCIATION

A Councillor may by notice in writing given to the Director of Corporate and Democratic Services elect to forego the whole or part of an entitlement to a Special Responsibility Allowance under this Scheme.

Where such a declaration is made, it shall remain in force until it is withdrawn by a further notice in writing to the Director of Corporate and Democratic Services.

3.8 PAYMENT ARRANGEMENTS

Payment will be made in instalments of the annual amount due and will be paid via a payroll system on the same date as that applicable to employee salaries.

The payment year will run from June to mid May and comprise 11 full instalments and 1 half instalment.

3.9 PARTIAL ENTITLEMENT

In the event of a Councillor holding an office or undertaking a role for less than a full payment year, the Special Responsibility Allowance due for their final month will be calculated on a pro rata basis by reference to the number of days entitlement to the allowance to the total number of days in that particular month.

3.10 OVERPAYMENT

Where the payment of a monthly instalment of Special Responsibility Allowance results in a Councillor receiving more than the amount entitled, the over payment will be recovered subsequently through a deduction from other allowances due to that Councillor or through the issue of an official invoice.

DESIGNATED OFFICES AND ROLES [from 16 May 2001] ALLOWANCES RATES

	Per Day Session
	£
AVERAGE NON MANUAL MALE WAGE - ALL INDUSTRIES AND SERVICES [from 1 October 2000]	109.62
	Per Annum
	£
BASIC ALLOWANCE [from 1 October 2000]	9,866
SPECIAL RESPONSIBILITY ALLOWANCES [from 1 October 2000]	
LEADERS AND DEPUTY LEADERS	
Leader of the Council	15,347
Deputy Leader of the Council	11,510
Leader of the Largest Qualifying Opposition Group *	5,152
Deputy Leader of the Largest Qualifying Opposition Group *	2,302
Leader of Other Qualifying Opposition Groups *	2,631
Deputy Leader of Other Qualifying Opposition Groups *	1,206
CHAIRPERSONS and VICE-CHAIRPERSONS	
Chairperson of an Advisory Team	8,660
Chairperson of the Co-ordinating Overview and Scrutiny Committee	8,660
Vice-Chairperson of the Co-ordinating Overview and Scrutiny Committee	1,315
Chairperson of an Overview and Scrutiny Committee	6,468
Vice-Chairperson of an Overview and Scrutiny Committee	987
Chairperson of a Task and Finish Overview and Scrutiny Committee [pro rata for life of body]	6,468
Chairperson of the Development Control and Licensing Committees	6,468
Vice- Chairperson of the Development Control and Licensing Committees	1,315
Chairperson of the Public Protection Committee	4,823
Vice-Chairperson of the Public Protection Committee	987
SPOKESPERSONS ON AN ADVISORY TEAM	
Spokespersons for the Largest Qualifying Opposition Group *	
Spokespersons for Other Qualifying Opposition Groups *	
COUNCIL BUSINESS MANAGEMENT COMMITTEE	
Designated Representatives [2] of Controlling Group	4,604
Designated Representative of the Largest Qualifying Opposition Group *	1,535
Designated Representative of Other Qualifying Opposition Groups *	767

[* A Qualifying Opposition Group is one with a minimum of 12 Councillors]