



## **COUNCILLORS' ALLOWANCES**

### **Fifth Report of the Birmingham Independent Remuneration Panel**

**February 2006**

# ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL

## BIRMINGHAM CITY COUNCIL

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## FOREWORD

The organisation and development of the City of Birmingham is a complex and demanding task. The City's financial budget is comparable with that of a FTSE 100 company.

The management of the City is undergoing a major change with the devolution of certain services and policy decisions to local districts. The objective is to make the Council more responsive to varying local needs whilst at the same time improving understanding and accountability between the elected Members of Council and their constituents. The devolution process is still at a relatively early stage but it should become increasingly effective as the local district organisations, which have been set up, develop their own priorities. The effect of these changes may well increase the demands placed on individual Councillors, but at this relatively early stage the effect on them is still unclear.

There is no doubt that the job of a Councillor is both interesting and stimulating. However, the Council needs to keep the demands generated by the devolution process under continuous review to ensure that a sensible balance is maintained between the work load placed on individual Councillors and their other responsibilities - be they business or private. Birmingham is best served if the job of a Councillor is seen to be attractive and candidates are drawn from a wide cross-section of the community and from all walks of life.

## **A. SUMMARY**

- A1** During the past twelve months the main change factor which appears to have impacted on the role of back bench Councillors during 2005 is the developing process of devolution. Whilst the most significant impact has been on the eleven Chairpersons of the District Committees the Panel has heard evidence that for some back bench Councillors the effect has been to increase their time commitment significantly without a corresponding reduction in their time commitment to central committees and other Council activities.
- A2** The current Basic Allowance is based on an assessment, first made in 2001, that the minimum time commitment necessary for a Councillor to carry out the role effectively is 26 hours or 3 days per week. The Panel is concerned that if it is true that the effect of devolution and other factors has been to increase the required time significantly then this will act as a disincentive to individuals, particularly those in the younger age groups, from putting their names forward as candidates for the Council. The Council's policy is that candidates for Council should be drawn from as wide and diverse a cross section of the population as possible.
- A3** The Panel has concluded that the appropriate response is not to recommend an increase in the Basic Allowance beyond indexation but to invite the Council to carry out a review of the demands placed on back bench Councillors, including membership of committees, to determine whether it is satisfied that the role can be carried out effectively in three days per week. The Panel recognises that there will always be Councillors who wish to devote considerably more time than any minimum that may be established but it believes that it is important to try to create a structure where no criticism can be made of a Councillor who is unable to devote significantly more than 26 hours per week providing that time is used effectively in accordance with the priorities set by the Council.
- A4** In general, Special Responsibility Allowances have been indexed in line with inflation. The principle change is to recommend that for the first time a Special Responsibility Allowance is paid to District Chairpersons.
- A5** The Panel recommends that the Council consider whether the definition of activities for which travel expenses can be claimed should be broadened.
- A6** The Panel has met on a number of occasions since September 2005 and its members are grateful to the Councillors and Officers who have given evidence – either verbally or in writing – and to our adviser, Dr Declan Hall of Birmingham University.

## **B. RECOMMENDATIONS**

- B1** The Council should review the demands that it makes on a back bench Councillor – both collectively and individually – and consider ways of working such that the requirements can be achieved within a time consistent with a part-time role.
- B2** The Basic Allowance for 2006/7 should be £15,148 in accordance with the average adult wage rate for all full-time employees of 4.8% as published in the current Annual Survey of Hours and Earnings (Ashe) index rate for the Birmingham area.
- B3** The Special Responsibility Allowances for 2006/07 should be increased in line with the Birmingham area average adult wage rate of the top 10% of full-time earners of 5% as published in the current Annual Survey of Hours and Earnings (Ashe) index.
- B4** A Special Responsibility Allowance of £2,187 per annum is awarded to the District Committee Chairperson.
- B5** The Chairperson of the Public Protection Committee receives an increase in the current Special Responsibility Allowance to £10,937 per annum.
- B6** The role of the Deputy Leader of the smaller Group in a coalition administration should be awarded a Special Responsibility Allowance of £5,468 per annum.
- B7** No Special Responsibility Allowance is awarded to Political Group Secretaries.
- B8** No special one-off allowance or Special Responsibility Allowance is awarded to Councillors of the Licensing Committee.
- B9** No Special Responsibility Allowance is awarded to ‘Shadow’ Portfolio Posts at this stage.
- B10** The Council should consider broadening the definition of ‘approved’ Councillors’ activities for which expenses can be claimed.

## **C. INTRODUCTION**

- C1** This year's report discusses the demands currently placed on back bench Councillors and the impact of Devolution on their role.
- C2** The main recommended changes to the Basic Allowance, Special Responsibility Allowances and Expenses are highlighted in the report and full details are shown in Appendix 1.
- C3** The Summary highlights the main issues of this year's review, which the Panel recommends for the City Council's consideration.
- C4** The Allowances Scheme is based on a Basic Allowance for all Councillors, supplemented by additional Special Responsibility Allowances for holders of posts bearing significant increased responsibility, and also where substantial additional time is required to carry out their duties.
- C5** The principles of the present Allowances Scheme have been set out in earlier reports and are set out in full in Appendix 2.
- C6** The key objectives are:
- Promote a healthy democracy by 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.
  - Reflect and support the operation of the new political arrangements introduced by Councils under the Local Government Act 2000, whilst excluding any payment for solely Party Political activity.
- C7** The key factors underlying the basis of the Scheme are:
- Maintain the ethic of voluntary public service and reflect this within the Basic Allowance paid to all Councillors and the Co-optee Allowance paid to non-elected Members.
  - Councillors generally should not expect nor receive a full-time salary.
  - Reflect a reality that some Councillors will be expected to take on significant additional responsibilities that will require a near full-time commitment to the detriment or limitation of other career activity.
- C8** The above underlines the Council's policy, which is that City Councillors should be drawn from as wide a range of backgrounds and experiences to reflect the complexity and diversity of a city the size of Birmingham.
- C9** The Panel is concerned that the pressures and demands on the time of Councillors appear to be increasing and that this may act as a deterrent especially to young people with dependents and careers to putting themselves forward as candidates.

## **D. ROLE OF THE BACK BENCH COUNCILLOR**

- D1** At the present time 75 Councillors are employed and 45 have no job. From the job description of those who are employed it appears that 37 of the Councillors are in a position to decide their own pattern of work e.g. this includes those who own their own businesses or who are self-employed, 20 are employed in the public sector who may be expected to be sympathetic to the needs of public service and 19 are employed in the private sector in positions where it is likely there would be some potential restriction on the time available for Council duties. In this latter category no more than two or three appear to be engaged in manual occupation.
- D2** The results of the Birmingham Councillors' survey, which had a 53% response rate, were included in the Panel's first report in 2001. The responses showed that Councillors in a fulltime job who accounted for 36% of the survey spent an average 29 hours per week on council duties and Councillors with no job which accounted for 39% of the survey spent an average of 44 hours on Council duties. After taking verbal evidence in 2001 the Panel then concluded that whilst many Councillors chose to spend more time on Council duties the average time needed to undertake the basic role of a Councillor, which might include membership of a number of committees, was 26 hours or three days per week.
- D3** This year 31 Councillors responded to the survey, 2 have given separate written evidence and the Panel has met 17 Councillors who have given verbal evidence. In aggregate we have received written or verbal evidence from 37 Councillors, 31% of the total complement of Councillors.
- D4** Section H of the City Council's Constitution describes the role of a back bench Councillor but does not address the question as to how much time is necessary to fulfil the role effectively. From the responses we have received it is clear that some Councillors believe that it is no longer possible to complete the role effectively in 3 days per week. Councillors have a variety of duties and roles including attendance at regular meetings of the full City council, usually membership of one 'central' Committee, membership of their District and Ward Committees, membership of ad hoc task forces, involvement in local case work and meetings with Ward constituents either on an individual basis or collectively.
- D5** The Panel has always recognised that some Councillors will chose to spend more than 26 hours per week but it is not clear whether the current demands on Councillors mean that it is no longer possible to discharge their role effectively on a minimum of 26 hours per week. The main thrust of the representations received is that the Council's policy of Devolution, which is widely supported, has resulted in increased workloads and time commitment without a corresponding reduction in commitments to 'centrally' organised meetings.
- D6** The Panel views the possible implications with concern. If it is indeed the case that a significant increase in time commitment in excess of 26 hours is necessary for a back bench Councillor to carry out the role effectively, then not only will it prove to be a deterrent to potential new candidates, it will further limit the sectors of the population from whom candidates can be drawn. It is difficult to envisage an employer from either the public or private sector viewing such a situation with

equanimity when faced with a request from an employee for co-operation in supporting his candidature to become a Councillor.

**D7** It is also clearly contrary to the Government's intentions behind the Act of 2000 that the role of the back bench Councillor should not be full-time.

**D8** **The Panel therefore recommends** that the Council review the demands that it makes on a back bench Councillor - both collectively and individually - to determine what time is necessary to carry out the role effectively. If necessary, the objective should be to reallocate roles and responsibilities to allow the role to be achieved effectively in 26 hours. This will not, and of course should not, inhibit any individual Councillor from devoting more time if he or she so wishes.



## **E. ACCOUNTABILITY TO THE LOCAL ELECTORATE**

- E1** On a number of occasions the Panel has recommended that the Council implements performance reviews. The Panel believes that the devolution process, which will increase responsiveness to local needs, will also significantly improve accountability to the local community.
- E2** The Panel understands that the Council is undertaking a number of developments to its existing website, which will result in enhanced website pages for Councillors giving them further opportunities to report directly on latest issues, priorities and their activities to local constituents.
- E3** The introduction of a Councillors' casework management system could also provide useful performance information in the future.
- E4** The Panel welcomes these changes, together with the enhanced reporting by the Cabinet Members, Chairpersons of the Regulatory Committees and other Lead Members approved by the City Council in April 2005 following the Overview and Scrutiny review of the role of Councillors and Council meetings. The Panel believes these steps will improve transparency and accountability between Councillors and the local electorate.

## F. ALLOWANCES

### Basic Allowance

- F1 The Panel has received representations from 37 Councillors. It is not clear whether or not this implies that the remaining 83 Councillors are satisfied with the existing Allowances Scheme.
- F2 Whilst the Panel accepts that there are many demands placed on the back bench Councillor, it believes that the current Basic Allowance is set at an appropriate level.
- F3 At the present time there is a public service discount of 25% to reflect the public service nature of a Councillor's role and that, as a consequence, there should be a significant voluntary element. It is clear that the concept of a public service discount is widely accepted.
- F4 **The Panel therefore recommends** that the Basic Allowance for 2006/7 should be £15,148 in accordance with the Birmingham area average adult wage rate for all full-time employees of 4.8% as published in the current Annual Survey of Hours and Earnings (Ashe) index.

### Special Responsibility Allowances (SRAs)

- F5 The Panel gave careful consideration to a number of roles undertaken by Councillors to determine whether they justified a recommendation to the City Council for a Special Responsibility Allowance.
- F6 To assist in their deliberations, the Panel referred to the Guidance on Members' Allowances from the Office of the Deputy Prime Minister, which states that:
- "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."
  - "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."
- F7 The Panel noted, in particular, that:
- "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.”

**F8** The posts that the Panel has considered for a change and in some cases recommends that a Special Responsibility Allowance be awarded, or changed from the existing position, are as follows:

- **District Committee Chairperson**

It is clear that the post of District Committee Chairperson is still evolving as the system of devolution develops. At present there also appears to be significant differences as to how far Devolution has developed in different Districts. This may be explained in part by the variation in the time that individual District Directors have been in post. Nevertheless **the Panel is** satisfied that the post has developed sufficiently to justify **recommending** that a Special Responsibility Allowance be awarded to the District Committee Chairperson and at this stage the Panel recommends it should be set at £2,187 per annum, the same level as the Deputy Leader of Other Qualifying Opposition Groups.

It is the Panel's intention to review this in future years, as the role of the District Committee Chairperson develops, to determine whether any further change is required.

- **Public Protection Committee Chairperson**

**The Panel is** satisfied that the role and consequent responsibility and time commitment of the Chairperson of the Public Protection Committee has increased sufficiently to justify **recommending** an increase in the current Special Responsibility Allowance to £10,937 per annum, which brings it to the same level as the Chairperson of the Personnel Appeals Committee.

- **Deputy Leaders of both Lead Groups (Progressive Partnership)**

**The Panel** understands that under the current Scheme, there is no provision to recognise the role of the Deputy Leader of the smaller Group in the Progressive Partnership coalition. It **therefore recommends** that the Scheme should be amended to reflect such joint arrangements, when in operation, and a Special Responsibility Allowance of £5,468 per annum, which is the same level as the Leader of the Largest Qualifying Opposition Group.

- **Political Group Secretary**

The Panel received a number of representations about the role the Political Group Secretary. The Panel has always adopted the policy that duties of a party political nature should not be awarded an additional allowance. Whilst acknowledging the wide range of activities involved in carrying out this role to facilitate the smooth operation of Council business between Councillors and Officers and the additional time commitment required, the Panel considers that there is an insufficient demonstrable level of additional significant responsibility to warrant the award of a Special Responsibility Allowances. Consequently, the Panel is **unable to recommend** a Special Responsibility Allowance for this role.

- **Members of the Licensing Committee**

The Panel is aware that following the introduction of Local Government Acts evidence shows that some Local Authorities have paid Special Allowances to Councillors of the Licensing Committee to compensate them for the extra work that they have had to undertake in implementing the change in local licensing arrangements under the Licensing Act 2003. The transition period for the granting of new licences ended on 24 November 2005.

The Licensing Committee set up 4 new Sub-Committees B, C, D and E to hear the applications. Sub-Committee A, which is already part of the Licensing Committee structure, is also responsible for hearing applications for Hackney Carriage and Private Hire.

The hearings took place over the period May to November 2005, the peak workload being in August and September. During the peak two-month period there were 25 meetings, an average of 5 per Sub-Committee. Outside this period during the 5 months May, June, July, October and November Sub-Committee A met 9 times - an average of just under 2 per month - but only one other Sub-Committee - Sub Committee C which met twice in November - met more than once per month.

Whilst the Panel was impressed with the obvious commitment that Councillors of the Licensing Committee that it met had shown throughout this period, the Panel did not conclude that the time commitment and responsibility undertaken was any higher than that, for example, of a Member of the Planning Committee.

There is no evidence at this stage as to how the time commitment for Councillors of the Licensing Committee will evolve in the future.

The Panel does not doubt the sincerity of the representations it has received from some Members of the Committee as to the level of their total time commitment during the summer months, but the Panel believes this is intrinsically bound up with the demands on back bench Councillors as a whole, as discussed in the earlier section of this report under Basic Allowance. The system of a Basic Allowance already allows for back bench Councillors to sit on committees and from time to time to accept additional short-term work loads to sit on ad-hoc committees or do other work on behalf of the Council.

In the light of the above, **the Panel therefore is unable to recommend** that a special one-off allowance or a Special Responsibility Allowance be awarded to Councillors of the Licensing Committee.

- **'Shadow' Portfolio Posts**

There has been representations that 'Shadow' Portfolio Posts should receive a Special Responsibility Allowance, but **the Panel does not** consider that the evidence at this stage is sufficiently strong to justify **recommending** a change.

- F9** In general, with the exception of the specific posts mentioned above, the Panel believes that the existing Special Responsibility Allowances are at the correct level. It may be that, in the future, as the devolution process develops and if the balance of responsibility between central and local functions changes, this will impact on the Special Responsibility Allowances for some posts.
- F10** **The Panel therefore recommends** that, as in previous years, the Special Responsibility Allowances for 2006/07 should be increased in line with the Birmingham area average adult wage rate of the top 10% of full-time earners of 5% as published in the current Annual Survey of Hours and Earnings (Ashe) index.

## **G. EXPENSES**

- G1** Devolution will increase the interaction between back bench Councillors and local institutions and with individual members of the public. The Panel notes that, at the present time, **travel expenses** can only be claimed for attendance at various categories of 'approved' meetings. Visits to local institutions such as schools or to meet individual constituents do not qualify for expenses. The Panel is concerned that this may be contrary to the objectives of the Devolution process and militate against its effectiveness. In most walks of life expenses are only paid against receipts or authorised mileage travel allowances. Whilst the Panel believes that all travel and subsistence claims must be supported by receipts it recommends that the Council should consider broadening the definition of 'approved' activities for which expenses can be claimed.
- G2** The Panel has always been supportive of a policy to support Councillors by providing them with computers and other relevant office equipment necessary to carry out their roles effectively. The proposed Basic Allowance for 2006/7 includes, after indexation, a sum of £669 per annum to cover the cost of additional expenses incurred, such as stationery, postage, home telephone calls and other home expenses necessary, to enable a Councillor to fulfil their role effectively. The Panel has received only one representation about the adequacy of this element of the Basic Allowance and is therefore unable to consider whether a change is necessary.

## **H. CONCLUSIONS**

- H1** In concluding this year's review of the Allowances Scheme for Birmingham City Councillors, the Independent Remuneration Panel recommends a review of the demands currently placed on back bench Councillors to ensure that they align with the Council's priorities and that the minimum time commitment required to carry out the role effectively should be contained, if possible, to 3 days per week.
- H2** The Panel welcomes the emphasis being placed on reporting the activities of both Portfolio holders and back bench Councillors, and believes that this will improve accountability between Councillors and the local electorate.

**2006-07 PROPOSED SCHEDULE OF ALLOWANCES AND EXPENSES**

<b><u>BASIC ALLOWANCE</u></b> [per annum unless otherwise stated]	£
<b>Baseline per Day Rate</b>	123.75
<b>Basic Allowance</b>	15,148
Time Element	14,479
Additional Expenses Element	669
<b><u>SPECIAL RESPONSIBILITY ALLOWANCES</u></b> [per annum unless otherwise stated]	
<b>Baseline per Week Rate</b>	1,001.54
<b><i>The Executive [Leader and Cabinet]</i></b>	
Leader of the Council	52,080
Deputy Leader of the Council	39,060
Cabinet Member	29,165
 <b><i>Local Executive</i></b>	
Chair of a District Committee	2,187
 <b><i>Overview and Scrutiny Committees</i></b>	
Chair of Co-ordinating Overview & Scrutiny Committee	20,415
Chair of an Overview & Scrutiny Committee	13,124
Chair of a Task and Finish Overview & Scrutiny Committee [for the period of its existence]	13,124
 <b><i>Regulatory Committees</i></b>	
Chair of the Development Control Committee	15,312
Chair of the Licensing Committee	13,124
Chair of the Personnel Appeals Committee	10,937
Chair of the Public Protection Committee	10,937
 <b><i>Opposition Groups</i></b>	
Leader of the Largest Qualifying Opposition Group *	13,124
Deputy Leader of the Largest Qualifying Opposition Group *	5,468
Leader of Other Qualifying Opposition Group *	5,468
Deputy Leader of Other Qualifying Opposition Group *	2,187
[* A Qualifying Opposition Group is one with a minimum of 12 Councillors]	
 <b><i>Coalition Arrangements</i></b>	
Deputy Leader of the minority Group in a coalition administration	5,468



## **CO-OPTEE ALLOWANCES [per annum]**

Member of an Overview & Scrutiny Committee	773
Member of the Standards Committee	309
Chair of the Standards Committee	519

## **CHILDCARE AND DEPENDANT CARERS' ALLOWANCE**

	<b>£</b>
Independent care of a child (under the age of 14) - maximum hourly rate of	5.05
Professional care of a dependent relative - maximum hourly rate of	6.06

## **TRAVEL ALLOWANCES AND SUBSISTENCE EXPENSES**

Car, Motorcycle and Bicycle Allowance Rates are in line with those paid to officers of the authority. The benchmark rates for Day and Overnight Subsistence Allowances are in line with those paid to officers of the authority or the inflation factor in the council's budget.

### **TRAVEL ALLOWANCES AND EXPENSES**

#### **Car Mileage Rates**

Car up to 999cc	- first 8,500 miles	38.70p per mile
	- after 8,500 miles	11.70p per mile
Car 1000cc and above	- first 8,500 miles	42.00p per mile
	- after 8,500 miles	11.80p per mile

Supplement for Official Passenger 0.30p per mile

If car mileage is claimed for travel outside the West Midlands, the payment will be the lesser of the value of the actual mileage claimed or the peak time standard rail fare.

#### **Motorcycle Mileage Rates**

Motorcycle up to 150cc	19.35p per mile
Motorcycle 151cc and above	23.22p per mile

#### **Bicycle Mileage Rates**

First 400 miles per annum	20.00p per mile
All subsequent miles	8.00p per mile

#### **Other Travel Expenses**

Rail Travel [supporting receipt required]	Standard Class Fare
Taxi, Tube and Bus Fares, Car Parking, Toll Charges [supporting receipts if possible]	Actual Cost

If a travel pass is provided by the Council the recipient must make a contribution of 40% towards the total cost met by the Council. The recipient also forgoes the right to claim for travel allowances or expenses for duties undertaken in the area covered by the pass or to make use of transport services provided direct by the Council [other than the standard Chauffeur Service] unless the relevant travel service is not available.

## **Subsistence Allowances And Expenses**

<b>Benchmark Day Subsistence</b> [excluding VAT]	<b>£</b>
Breakfast	4.48
Lunch	6.17
Tea	2.43
Evening Meal	7.64
<b>Benchmark Overnight Subsistence</b> [excluding VAT]	
In London	97.09
Other than in London	85.13

The reasonable cost of meals taken, overnight accommodation and minor associated out-of-pocket expenses will be reimbursed, **subject to the provision of supporting receipts**. The validity of claims made will be judged against where the meal was taken or where the stay occurred, the total time spent on the duty and the relevant benchmark subsistence value.

April 2006

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## Principles for the Councillors' Allowances Scheme

### **Background**

The Panel felt that there should be a set of principles that can be used as a logical, transparent and robust framework for the City Council's Members Allowances Scheme.

The Panel agreed that the following set of principles should continue to underpin any Scheme adopted by the Council.

### **Scheme Objectives**

- Promote a healthy democracy by 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.
- Reflect and support the operation of the new political arrangements introduced by Councils under the Local Government Act 2000 whilst excluding any payment for solely party political activity.
- Recognise the role that Co-opted Members play in the operation of the Council.

### **Basis of Scheme**

- Maintain the ethic of voluntary public service and reflect this within the Basic Allowance paid to all Councillors and the Co-optee Allowance paid to non-elected members.
- Councillors generally should not expect nor receive a full-time salary.
- Reflect a reality that some Councillors will be expected to take on significant additional responsibilities that will require a near full time commitment to the detriment or limitation of other career activity.
- All Councillors should have the right to opt to join the Local Government Pension Scheme.

### **Better Performance**

- Effective support arrangements should be available to assist Councillors in their roles and to maximise the value of the time that Councillors with work and family commitments have available.
- Adequately resourced training and development opportunities should be available to Councillors that would enable them to acquire the skills and knowledge for both their current and future roles.
- The framework to support better performance should involve the publication of Job Descriptions for all roles for which allowances are paid.

- Transparent and audited performance measures should exist that are open to public scrutiny and demonstrate better performance and value for money.

### **Methodology**

- Recommendations of the Panel should be arrived at following a logical, impartial and transparent process that identifies roles, reasonable expectations on those roles and make use of suitable external indicators or comparators to establish the value of individual allowances.
- Wage rate Indicators or comparators should not be related to local authority pay scales or jobs so as to maintain the distinction between the roles of elected members and officers.
- Job Descriptions that clearly define the roles and responsibilities and key accountabilities for the standard role of a Councillor and for those roles for which a Special Responsibility Allowance is or might be paid should be produced as an essential requirement of any Scheme.

Other than the annual rate review, no changes to the Scheme should be made until Job Descriptions are available.

- Basic Allowance should reflect the core time [less a discount for Voluntary Public Service] needed to undertake a generally accepted range of duties expected of all Councillors. It includes a recognition that all Councillors will from time to time take on additional roles that fall outside the scope of significant additional responsibilities.
- Special Responsibility Allowances 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 Basic Allowance.
- Co-optee Allowances should reflect the core time needed to serve on a Committee. It should also recognise that any additional work will be undertaken within the ethic of voluntary public service.

### **Expenses**

- The Council should meet a standard range of general 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.
- Councillors and Co-opted Members should be entitled to claim reasonable travel expenses that are necessarily and exclusively incurred in carrying out approved duties.

- Councillors and Co-opted Members should be entitled to claim reasonable subsistence expenses that are necessarily and exclusively incurred in carrying out approved duties outside the Birmingham authority area.
- Councillors should be entitled to claim for reasonable childcare and dependent carer costs that are necessarily and exclusively incurred in carrying out approved duties.
- Claims for expenses should be made on a quarterly basis. Claims outside that time limit should only be paid if there are acceptable and identifiable exceptional circumstances that prevented the claim being submitted.

### **Administration and Review**

- Robust administrative arrangements should minimise the potential for abuse of the system and remove the possibility of a member receiving allowances from more than one authority for the same duty.
- Appropriate allowances should be withheld where a member is suspended or partially suspended from responsibilities or duties in accordance with Part III of the Local Government Act 2000.
- The Independent Remuneration Panel should undertake an annual review of the principles, assumptions and the appropriateness of the indicators used in drawing up the scheme.

Allowance rates should be automatically updated annually in line with selected wage indicators for Basic [Time Commitment element], Special Responsibility, Co-optee and Childcare and Dependent Carer Allowances. Comparator rates for Mileage and Day Subsistence Allowances or a local authority inflation factor for Basic Allowance [Additional Expenses element] and Overnight Subsistence Allowances will be increased in line with Officer rates.

Backdating of amendments to a Scheme in the relevant year should only take place if the Independent Remuneration Panel has accepted in its recommendations that the changes had already taken place.

- Allowances Scheme and records of payments should be widely published and generally available to the public.

## Membership of the Independent Remuneration Panel

An Independent Remuneration Panel for Birmingham was established by the City Council at its meeting on 3 July 2001. The main features are:

- 7 members selected from a public advertisement.
- 1 representative of the Trades Unions.
- Panel Members are appointed for a 3-year term of office.
- Appointment of an Independent Advisor with wide experience of reviews of councillors' allowances

The current Birmingham Independent Remuneration Panel comprises:

Linda Elliot of Moseley, Birmingham Citizen Representative.

Ray Way, former President of 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.

Valerie Hackett, Council appointee.

Roger McKenzie, Trades Union Representative.

Ray Way was appointed as Chair of the Panel in August 2005.

Dr Declan Hall of INLOGOV [The University of Birmingham], who has considerable experience and expertise in the area of members' allowances acts as a special adviser to the Panel.

February 2006