

Report of the Independent Remuneration Panel for Cambridge City Council

March 2011

1 Introduction

- 1.1 Under the Local Government Act 2000 and relevant Regulations, the Independent Remuneration Panel ('the Panel') is appointed to make recommendations to the Council on the amount of allowance payable to Councillors. The Council, before it makes or amends its allowance scheme, must have regard to the recommendations that have been made to it by the Panel.
- 1.2 The Panel meets at least annually to recommend an allowances scheme for the Council's Municipal Year (May to April). The Panel met in November 2010 and February 2011 to consider amendments to the 2010/11 municipal year scheme. The Panel previously met in May 2010 to consider any amendments following the local elections.
- 1.3 The Panel has undertaken consultation work via an on-line survey and drop-in surgery to seek Councillors' views on whether the basic and/or special responsibility allowances should be amended for the 2011/12 municipal year.
- 1.4 The Panel reports to Civic Affairs Committee, who in turn report to Full Council. The Council is not bound by the Panel's recommendations.

2. Recommendations

- 2.1 The Panel recommends to the Council:
 - (i) To make no change to the existing rate of basic allowance. Basic allowance to remain the same 2011-2012 as in 2010-2011 (£3199). This means no inflation increase.
 - (ii) That the current special responsibility allowance for Vice Chairs of all committees (Scrutiny, Planning, Licensing, Civic Affairs, Areas, Environment & Transport Area Joint Committee) is removed this money should be treated as a saving and not redistributed in view of the current economic climate.

- (iii) To make no change to the remaining special responsibility allowances. This means no inflation increase.
- (iv) The allowances for Dependent Carer and Childcare / babysitting should not be capped per hour and instead refunded at cost.
- (v) That all remaining duties for which travelling and subsistence are paid remain the same, and that they are paid in line with the local government officers' scheme.
- (vi) That ungrouped councillors should receive a special responsibility allowance equivalent to one fifth of the basic allowance.
- (vii) That levels of allowances available to co-opted members remain the same 2011-2012 as in 2010-2011, with no inflation increase. This will not apply if the person is in receipt of any other allowance or expenses entitlement provided by the City Council. Co-opted members being non-councillors co-opted onto committees, working parties etc.
- (viii) To note that no allowances under the scheme should be pensionable.

3. Background

3.1 The Panel's terms of reference are set by the Civic Affairs Committee and were last reviewed on 16 April 2008.

- (i) Recognises that councillors undertake their council work for the sake of public service and not private gain.
- (ii) Recognises in both basic and special responsibility allowances the varying demands placed upon councillors, dependent upon their roles and responsibilities.
- (iii) Fairly and equitably compensates councillors, so far as the Panel thinks appropriate, for the time and effort they can reasonably be expected to devote to their work as a councillor.
- (iv) Is economic, efficient to administer and effective.
- (v) Is easy to understand, explain and administer.

- (vi) Recognises the level of out-of-pocket expenses councillors incur in carrying out their functions (e.g. stationery, telephone costs and computer consumables).
 - (vii) Has flexibility to reflect changes of responsibilities of individual councillors during the course of a municipal year.
- 3.2 As part of above, the statutory requirement is for the Panel to recommend:
- (i) The level of basic allowance.
 - (ii) Which member roles should receive a special responsibility allowance and what level.
 - (iii) Whether allowances are pensionable and if so applied to basic and/or special responsibility allowances.
 - (iv) Whether a childcare and dependent carers' allowances should be made available, at what level, and how it should be determined.
 - (v) Duties for which travelling and subsistence is to be paid and levels of allowance.
 - (vi) Levels of allowance which should be paid to co-opted members.
 - (vii) Whether any allowance should be backdated to the beginning of the financial year in event of the scheme being amended.
 - (viii) Whether annual adjustments of allowance levels may be made by reference to an index, and if so, for how long such a measure should run.

4. Membership of the Panel and its Work

- 4.1 A recruitment exercise was undertaken July to August 2010, which led to the filling of one vacancy. Members of the public were invited to submit application forms, which conformed to a person specification agreed by Members. Applicants that met the requirements were interviewed by a panel made up from 2 Councillors from the Standards Committee and one member of the Independent Remuneration Panel.

4.2 The Panel was fully staffed with five members until September 2010, when Brian Cockburn; a long standing member resigned. Further recruitment is still ongoing via details on the City Council website. The law requires a minimum of three members on a Panel, the Council has chosen to have five seats on its Panel. The members of the Panel are:

- Michael Arnold
- Graham Humby
- Geoffrey Kirkness
- Tobias Paul

Mr Arnold tendered his resignation of the Panel in March 2011.

Background details of the Panel are listed in the section 8 (biographies).

4.3 The Panel met on 28 February 2011 and heard in public the views of the Liberal Democrat, Labour and Green Groups, put by Councillors Boyce, Herbert, Reid and Wright respectively. The Panel considered a written statement submitted by Councillor Herbert pre-meeting. The Committee Manager acted as clerk to the Panel.

5. The Panel's Evidence and Deliberations

5.1 The Panel set out evidence and contextual information that had guided their thinking concerning member allowances. The representation covered the following issues:

- (i) A drop-in surgery on 17 February and on-line survey in January were undertaken. 17 of 42 councillors had responded, so the Panel had received a representative view.
- (ii) The survey suggested that councillors were unhappy with special responsibility allowance priorities for committees. Results were summarised in the 'Information for Group Leaders' and 'Cambridge City Council Committees SRAs – Meeting Rankings' documents.
- (iii) Based on feedback from the surgery and survey, the Panel were looking at ways to reallocate special responsibility allowance.

5.2 On 28 February the Panel received representations concerning allowances from the following:

- Councillor Boyce
- Councillor Herbert
- Councillor Reid
- Councillor Wright

5.3 The representation covered the following issues:

- (i) Sought clarification on Panel's view as to how the budget of £128,390 for basic allowance and £135,490 for special responsibility allowance should be allocated.
- (ii) Sought clarification on Panel's priorities for special responsibility allowance priorities. It was felt that special responsibility allowance was paid due to a member having responsibility for a portfolio, and not just for having a seat on a committee. It also reflected that work was undertaken outside of meetings.
- (iii) Sought clarification on Panel's views as to when special responsibility allowance should be paid.

Members raised concerns about results summarised in the 'Information for Group Leaders' and 'Cambridge City Council Committees SRAs – Meeting Rankings' documents. They felt that although the rankings reflected councillor survey comments, attendance at meetings and meeting profiles (ie awareness of meetings by members of the public), the rankings did not reflect:

- The 'real' number of meetings (briefings, meetings administered by other bodies (eg Area Joint Committee) etc) not listed in website meeting frequency figures.
 - Sitting on a committee required councillors to sit on linked meetings. For example, Development Control Forums and Planning meetings.
 - The number of meetings required for different portfolios was unpredictable. Sometimes these could be cancelled and reconvened.
 - Cancelled meetings still required preparation work prior to being cancelled.
 - Not all meetings required full committee membership attendance (such as sub-committees of full committees).
- (iv) Councillors expressed general difficulties when completing the survey used by the Independent Remuneration Panel as research material.

5.4 The Panel made the following points in response:

- (i) Basic allowance was paid for 'standard' councillor work such as ward work. The original allowance calculation allowed for 12 hours ward work per week, but the survey indicated that this had dropped to 7. If the work roles of councillors had changed, then an adjustment to allowances maybe required reflecting the change in priorities. An adjustment to the circa 50/50 budget split between basic and special responsibility allowance to facilitate this was considered and rejected.

Members felt that allowances should be paid for:

- Ward work.
- Time on committees and linked meetings.
- Preparation work for the above and post meeting follow up actions.

- (ii) The Panel had received mixed messages from the surgery as to whether special responsibility allowance priorities should be changed, or if the status quo should be maintained. Councillor Boyce suggested that the Council would be happy to reallocate allowances so long as Members did not receive less than current levels, unless it could be evidenced that a specific allowance should not be paid as it was redundant, then the funding could be reallocated.

- (iii) Attendance figures on the Council website suggested to the Panel that not all councillors were able to attend all committees they had seats on. The Panel noted Members response that in their view:
 - Attendance figures did not reflect when alternate contacts substituted for regular contacts on committees, or when a proportion of the main group were required to meet instead of the whole body (for example a sub-committee which only required 3 from a pool of 12 full committee members to attend).
 - The timings of meetings also had an impact on availability ie day time meetings were more difficult for full time employed councillors to attend than evening ones. Due to the number of possible time commitments in their diaries, councillors had to prioritise which meetings they could attend.

Timesheets had been used as a basis for paying allowances in the past. Members and the Panel agreed that arrangements had not proved satisfactory, particularly as it was difficult to quantify the amount of time councillors spent on work as it expanded to fill the

time available, which led to the need to find a new way to allocate allowances.

The possibility of a grading scale of special responsibility allowance for committees was discussed (ie more allowance would be paid to higher profile/more onerous committees). Councillors could understand this suggestion in principle, but felt it may prove impracticable because:

- The methodology would have to be robust.
- The Council does not have sufficient (staff) resource capacity to facilitate a graded or hourly paid special responsibility allowance scheme.

Liberal Democrat Group Comments to Independent Remuneration Panel on Cambridge City Members Allowances Scheme 2011/12

- 5.5 The status quo should be maintained on allowances in the short term. There would be justification in changing the multipliers if Council priorities, structure or work load changed. For example, the Localism Bill may require a change to Council structure through removing the need for an Executive.
- 5.6 Multipliers for special responsibility allowance could be changed where there was justification. Members should not receive less than current levels, unless it could be evidenced that a specific allowance should not be paid as it was redundant. The intention in 2008 was to freeze Executive Councillor allowances and increase allowances for remaining Members when additional funding became available. The expected funding did not become available, and so a larger than expected gap emerged between Members and Executive Councillors.
- 5.7 Councillor Reid expressed a personal view that the special responsibility allowance for Vice Chair positions may no longer be necessary. The Panel asked how meetings were led. Members responded:
- Executive Councillors drove scrutiny committees.
 - The law required some meetings to occur such as Licensing and Audit Committees.
 - The City Council constitution requires some committees to occur such as Planning and Area Committees. Their respective Chairs lead these.
- 5.8 Clarification was sought concerning carer's allowances. The Panel said that payment should be made against submitted costs.

5.9 The adoption of HMRC mileage allowance rates was requested

Labour Group Comments to Independent Remuneration Panel on Cambridge City Members Allowances Scheme 2011/12

5.10 Reference was made to Labour Group comments to the Panel in November 2008 and May 2010 (as listed in Appendix 3). Labour's position essentially remains the same.

- Simpler, fairer, transparent system needed.
- Independent panel needs to be supported by council to take the decisions.
- Redistribution from Executive Councillors to all Councilors.

5.11 The Council was requested to improve computer services for councillors to ensure they have appropriate hardware and software to operate outside the Guildhall (ie remote working).

5.12 The Panel asked how the allowance calculation system could be improved. Councillor Herbert suggested changing the weighting on multipliers used in calculations to redistribute allowances to make them more equitable between all Members and the Executive Councillors.

Green Group Comments to Independent Remuneration Panel on Cambridge City Members Allowances Scheme 2011/12

5.13 The Green Group agreed with the main thrust of the Labour Group's comments, and supplemented these with some of their own comments.

5.14 The Panel were asked to consider the matter of ICT provision to Members. The variation in ICT literacy and provision of equipment made it difficult for Members to undertake their duties effectively as so much information from the Council to Member was communicated via email and e-reporting/web. There was no corporate provision of (wi-fi) equipment.

6. The Panel's Conclusions

- 6.1 The Panel recommended the retention of the current scheme for another year, subject to the following minor changes. The Panel is cognizant of the possibility of wider institutional reform to the Authority's governance arrangements and considers that large-scale revision of the Scheme should be timed to coincide with any such decisions being taken by members. The Panel also notes that it is unlikely there will be any additional funds in the next few years.
- 6.2 The Panel noted that the budget for Members' Allowances for 2011/12 is £263,880. However the Panel's recommendation is to keep within the previous year's budget of £255,700, minus allowances for Vice Chairs (amounting to £241,985). By keeping rates at last two years' levels, there is an underspend of £21,895.
- 6.3 The Panel requested that the report specifically mentioned:
- The Panel has undertaken a further survey of councillors this year.
 - That members of the Panel have attended many committees this year.
 - The Panel feel that they cannot recommend any increases in specific allowances or the overall spend due to the current economic climate.
 - The Panel's thanks to all councillors who have participated in consultation and data gathering exercises, especially Councillors Taylor, Reid and Wright.
- 6.4 Specific Panel recommendations in detail as follows:
- (i) Basic allowance to remain the same as last municipal year (£3199) despite the strong evidence from the survey that if the Panel use the normal calculation method (average hours per week on ward work times minimum hourly rate times 52 weeks plus £417 for area committee), they would arrive at a lower rate. This means no inflation increase.
- (ii) That the current special responsibility allowance for Vice Chairs of all committees (Planning, Licensing, Civic Affairs, Areas, Environment & Transport Area Joint Committee, Scrutiny) are all cancelled, this money in view of the current economic climate should be treated as a saving and not redistributed.
- (iii) That the multiplier for all of the remaining special responsibility allowance's remain the same with no inflation, despite a strong feeling that some of the payment should be dependant on attendance of the committee meetings

- (iv) That the expenses allowance for Dependent Carer and Childcare / babysitting costs be refunded at cost.
- (v) That all remaining duties for which travelling and subsistence are paid remain the same and that they are paid in line with the local government officers' scheme.
- (vi) That ungrouped councillors be paid a special responsibility allowance equivalent to one fifth of the basic allowance to reflect organisational requirements, correspondence and administrative costs.
- (vii) That the levels of allowances paid to co-opted members remain the same as this year, with no inflation increase.
- (viii) That allowances paid to Councillors are not subject to pension payments.

7. List of Appendices

Appendix 1 - The proposed Allowances Scheme 2010/11

8. Panel's Biography

Mr Michael Arnold - Retired. Lifelong resident of City. Financial background, most recently working for a biopharmaceutical company. Community Governor for Castle School. Volunteer Rowing Coach who looks after the schools section of a local rowing club. Member of the Panel 2002 - 2011.

Mr Graham Humby – Qualified Barrister and Solicitor. Currently a Law Lecturer at Anglia Ruskin University. LEA School Governor. Member of the Courts Board for Cambridgeshire. Member of the Panel from 2010.

Mr Geoffrey Kirkness – English degree from Cambridge University. Works for local company that looks at data provision for access by the public sector. Member of the Panel since 2006.

Mr Tobias Paul – Presently an undergraduate reading law at Robinson College. Other voluntary commitments include work for the Scottish Government advising on alcohol policy and various collegiate and university-based secretarial posts. Member of the Panel from 2010.

9. Background Papers

The following are the background papers that were used in the preparation of this report:

Civic Affairs Minutes 150910
Civic Affairs Report 150910
Civic Affairs Minutes 300610
Independent Remuneration Panel Report 2008
Cambridge City Councillors Allowances 2010-11
Cambridge City Councillors Allowances 2009-10
IRP_2009-10 allowance Spreadsheet
Cambridgeshire County Council Councillors Allowances 2010-11
East Cambridgeshire DC Councillors Allowances 2010-11
Fenland DC Councillors Allowances 2010-11
Huntingdonshire DC Councillors Allowances 2010-11
South Cambridgeshire DC Councillors Allowances 2010-11
Labour Submission 210211i_ Labour Grp Comments for IRP May 2010
Labour Submission 210211ii_ Lbr Grp Comments - Summary of LGA Survey 2008
Labour Submission 210211iii_Copy of LGA Members' Allowances Survey 2008 - summary analysis FINAL
Labour Submission 210211iv_ Cambs Mmbr Allowances Information for Group Leaders
Cambridge City Council Committees SRAs – Meeting Rankings

To inspect these documents contact James Goddard on 01223 457015 or james.goddard@cambridge.gov.uk.

The author and contact officer for queries on the report is James Goddard on 01223 457015 or james.goddard@cambridge.gov.uk.