

**Swindon Borough Council
Independent Remuneration Panel
on Councillors' Allowances
Review of Councillors' Allowances 2010/11**

1 Introduction and Report from the Chair

- 1.1 The membership of the Independent Review Panel has changed since the last review of Allowances a year ago. However, two long serving members remain and this continuity has been invaluable during the present review.
- 1.2 Determining fair and just allowances reflecting the degree of effort, responsibility and significance of each task performed by the Councillors has been foremost in the minds of the Panel.
- 1.3 Our research again included examining the issues and forthcoming changes affecting local government, Councillors, and Swindon Council, and the changes that have occurred to the Council's political management structure and the roles and responsibilities of Councillors since the Panel's last report.
- 1.4 The Panel was also aware of the current volatile nature of the national economy, the effects of the current recession, and the impact of this for Swindon and for Swindon Council's Budget.
- 1.5 The Panel considered that, in view of these factors and, in particular, potential forthcoming changes impacting on Councillors' roles and responsibilities, through, for example, the continuing development of the Connecting People, Connecting Places Programme, it would again not be appropriate to look further than one Municipal Year ahead. It therefore determined to only make recommendations for the 2010/11 Municipal Year, and to reconvene in 2010 to commence work on a further study looking at allowances for 2011/12 and future years.
- 1.6 The Panel concentrated its work at ensuring that its aim to maintain Councillors' Allowances in Swindon at a level that was at least at the "mid-point" for all unitary authorities within its "Audit Family Group" was being achieved. It also examined how changes in the Council's structure and operation had impacted on Special Responsibility Allowances, most notably on the way in which regulatory committees were currently operating within the Council.
- 1.7 The Panel has also looked at the levels of travel, subsistence and dependent care allowances, as these had not been reviewed for more than three Municipal Years.
- 1.8 The Panel in its last report examined and made recommendations relating to the support for Councillors' telephones and IT equipment costs. The Council rejected these. However, the Panel chose to

once again revisit the issue to determine if it should re-submit any of its recommendations from the 2009/10 Review

- 1.9 Throughout the review process the Panel remained impressed by the enthusiasm of all Councillors and their personal commitment to serving the people of Swindon and elevating the Council's national standing. The Panel sincerely hopes that its recommendations will be seen as fair, and acceptable to Councillors for 2010/11.

Stuart Macpherson

Chair of the Independent Review Panel

11th November 2009

2 Background

- 2.1 The Swindon Independent Remuneration Panel on Councillors' Allowances was originally established in 2001.
- 2.2 The Independent Remuneration Panel operates under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003. These Regulations require that all councils should set up independent panels, and take account of their advice, before changing their councillors' allowances scheme.
- 2.3 The Council's Standards Committee oversees the composition and appointments procedure associated with the establishment and maintenance of the Independent Remuneration Panel.
- 2.4 The Panel reports its recommendations to –
 - Swindon Council's Cabinet who in turn make recommendations to the Full Council;
 - Parish and town councils within the Borough of Swindon.

3 Membership

- 3.1 The membership of the Panel is as follows: -

Mr Stuart Macpherson (a Lay Member) (Chair of the Panel);
Ms Wendy Hall (from the Family Mediation Service representing the Community Sector);
Ms Jenny Newlyn (from the Royal Agricultural College representing the Education Sector);
Mr. David Wilkie (a Lay Member), and
Revd. John Railton (a Lay Member).
- 3.2 The Panel currently has one vacancy for a representative of the Business Sector. Steps are to be taken to fill this vacancy prior to the Panel reconvening to undertake its next review.
- 3.3 Mr. Ian Willcox and Ms. Sally Rhind Tutt, Committee and Member Services, acted as support officers to the Panel in its work.

4 The Conduct of the Review

- 4.1 ***Reasons for the 2010/11 Review*** – The Local Authorities (Members Allowances) (England) Regulations 2003, require that any Scheme of Allowances agreed by an Independent Remuneration Panel must be reviewed after a maximum of three years. The Panel in 2005 recommended a Scheme of Allowances to apply for the period until the 2008/09 Municipal Year. Last year the Panel determined that because of the volatile nature of the economy and proposed changes within the Council impacting on Councillors roles, it would only make recommendations for the 2009/10 Municipal Year. It agreed to meet throughout 2009 to review the Scheme of Allowances for 2009/10 and to make recommendations for 2010/11 and, if appropriate, for future Municipal Years.

4.2 **Scope of the Review** – The Panel considered the following issues as part of its review –

- The level of “Basic” Allowance payable to all Councillors;
- The number and level of Special Responsibility Allowances;
- The payment of Co-optees’ Allowance / Special Responsibility Allowance;
- The scope and level of travelling, subsistence and dependent care allowances;
- Councillors’ telephones and IT costs;
- The level of Allowances to be applied to parish councils.

4.3 **Research** – The Panel undertook a programme of research to inform its review. This research included –

4.3.1 *Benchmarking* – The Panel considered

- the Improvement and Development Agency’s / South West Regional Assembly’s latest detailed reports on levels of Councillors’ Allowances in England/ South West Councils;
- data collected by the Panel’s support officers throughout 2009 on levels of allowances in other authorities, particularly unitary authorities that were within Swindon’s Audit Family group;
- the current advice issued by the Local Government Association on the potential “day session” rate for Councillors;
- Documents produced by the Council and other local authority sources on potential forthcoming changes impacting on Councillors’ roles and responsibilities at both the national and local level;
- The finding of a 2008 survey into Councillors use of IT and their views on the provision of IT and IT support in Swindon;
- Information on changes to the Council’s political management arrangements and structure since the Panel’s last Report in 2008.

4.3.2 *Annual Survey of Hours and Earnings* – The Panel noted the latest findings of the Government’s New Earnings Survey and how this linked to the level of a Councillor’s Basic allowances. This figure being “amended” to reflect the “principle of public service” (The elements of a Councillors time that should be recognised as being the “voluntary” element of performing the role). The Panel compared the level in 2009 with the “formula” level established for the 2006/07 review in respect of “Basic” allowance.

4.3.3 *Interviews* – The Panel undertook interviews with a cross-section of Swindon Borough Councillors, representing front and

backbenchers, different political parties, and different ages, gender and length of service on the Council. The Panel also met with the Chief Executive, the Deputy Leader of the Council (on behalf of the Leader of the Council who also made a written submission) and the Council's IT Business Manager. The Interviews with Councillors sought to get their views on –

- The time commitment involved in being a Swindon Councillor;
- Whether the role of a Councillor should be voluntary or paid;
- The effect that the development of the Connecting People, Connecting Places programme would have on the roles, responsibilities and time commitment of Councillors, and particularly for the Chairs of the new Cluster Boards;
- The appropriate level of “Basic Allowance” for a Swindon Councillor;
- The appropriate allowance for the Leader of the Council;
- Travel, subsistence and dependent care allowances;
- IT and telephone provision and costs;
- Accountability of Councillors receiving allowances, and whether it is possible to measure the performance and effectiveness of a Councillor; and
- Other Views and Comments.

4.3.4 *Councillor Submissions* – The Panel received written submissions from Swindon Councillors following a request to all Councillors for their views on the current Allowances system and on future levels of Allowances. These were considered and taken into account by the Panel as it undertook its research and reached its conclusions.

4.3.5 The Panel would wish to record its appreciation to all those Councillors who made written submissions and, in particular, to those Councillors who agreed to be interviewed by the Panel. The information gained from these exercises was essential to the formulation of the Panel's recommendations.

4.3.6 *Changes to Political Management Arrangements, operation and structure* – The Panel received information from the Committee and Member Services Manager on changes that had occurred in the Council's political management operational arrangements since its last report, and on the changes in Councillor roles and responsibilities that had resulted from these changes.

4.3.7 The Chief Executive briefed the Panel on the progress of the Connecting People, Connecting Places initiative and on the

Council's transformation vision, including the likely implications of the New Ways of Working project.

- 4.3.8 The Panel also received a briefing from Mr. Shaun Banks, Committee Officer with responsibility for the Licensing Committee, its Panels and sub-committees, on the operation of the Committee over the last two Municipal Years, and on the roles and responsibilities of individual Councillors serving on those bodies.

4.4 *General Research* – Data and information was also collected on –

- The operation of the current Councillors' Allowances Scheme, including details of the October 2009 backdated uplift in Basic and Special Responsibility Allowances for 2009/10 to reflect the index-link to the Local Government Officer Pay Settlement for 2009, and the current levels of take up by Councillors' of Travelling, Subsistence and Dependent Care allowances;
- level of use of the Councillors' Telephone Chargecard;

4.5 **Findings and Recommendations** – The Panel's recommendations for Councillors' Allowances in Swindon for 2010/11 are set out in Appendix 1 to this report.

- 4.6 *Councillors' Basic Allowance* - The Panel was pleased to find from its research that its aim that Swindon Council should have retained a level of "Basic Allowance" that was at least equivalent to the average level for all unitary authorities in Swindon's "Family Group" had been achieved, although it was noted that Swindon had fallen to fifth position out of the twelve unitary authorities in its Audit Family Group (the group of local authorities that the Audit Commission considered to be most comparable to Swindon for audit and performance review), and that this was a factor that the Panel would wish to monitor in its future Reviews.

- 4.7 From the research conducted and for the reasons highlighted earlier in this report regarding current uncertainties, and, in particular, the impact of the recession on Swindon and its Council, the Panel agreed that for the Municipal Year 2010/11, the level of Basic and Special Responsibility Allowance should again be indexed to the percentage increase in Local Government Officers' salaries for that Municipal Year.

- 4.8 The Panel believed that the index linking of these Allowances should maintain the current position avoiding the need for significant "catch-up" increases in the future.

- 4.9 This recommendation is in accordance with previous Panel recommendations to the Council on a method of indexing allowances. The Council has previously supported this approach with payments being "back dated" for Councillors in the same way as for Council officers if national agreement on salaries is not achieved by the beginning of the Municipal Year concerned.

- 4.10 *Specific Special Responsibility Allowances* - The Panel noted that the Special Responsibility Allowance paid to the Leader of the Council was now the second lowest out of the twelve unitary authorities in its Audit Family Group, and third lowest within the group of neighbouring Local Authorities reviewed. The Panel agreed that this was a concern and should be highlighted within its final report as an area that the Panel would wish to consider in a future Allowances review.
- 4.11 The Panel, having received and considered information on the roles and responsibilities of the Licensing Committee and individual Licensing Committee Members, and taking into account comments made by individual Councillors when interviewed, determined that it was minded to recommend that the payment of Special Responsibility Allowance to Licensing Committee Members should remain unchanged.
- 4.12 The Special Responsibility Allowances payable to all “regulatory” committees and their Chairs were reviewed and the comments made by individual Councillors when interviewed, or in written submissions, were noted. The Panel, in making comparisons with other comparable unitary authorities, noted that Swindon Council was in the small minority of those that did not assign a Special Responsibility Allowance to the post of the Chair of the Audit Committee. The Panel considered the significance of the responsibility associated with this role and the individual commitment that was required, and agreed that it would recommend to the Council that the Chair of the Audit Committee should receive a Special Responsibility Allowance of £4,211 to reflect the workload and level of responsibility for this position.
- 4.13 The Panel noted with interest the continuing development of the “Connecting People, Connecting Places, initiative. However, following deliberation, it determined that it would wish to await more information on the progress and growth of the initiative before considering whether appropriate Special Responsibility Allowances should be applied. It would revisit this issue as part of the review to be undertaken in 2010.
- 4.14 Following review, the Panel agreed that the existing Co-optees Special Responsibility Allowance should be treated in the same way as other allowances for 2010/11, and reviewed again in 2010.
- 4.15 The Panel agreed that it would reconvene in 2010 to further review all Swindon Allowances and to make recommendations for 2011/12 and future years if appropriate.
- 4.16 *Travel, Subsistence and Dependent Care Allowances* – The Panel reviewed the Scheme of Allowances and the current levels of take up of Travel, Subsistence and Dependent Care Allowances.
- 4.17 The Panel was very conscious of the current state of both the national and local economy and the external pressures on the Council’s Budget. It reviewed the inflation levels that had applied in

each of the years since the Panel had last recommended increases in Travel, Subsistence and Dependent Care Allowances as part of its review conducted in 2005, and was pleased to observe that the levels it had recommended at that time had kept pace with the level of inflation and were extremely close to those it had predicted. It therefore did not wish to recommend any significant changes to these Allowances.

- 4.17.1 *Travel by Car* – Following review the Panel believed that there should be no change to the current arrangements, with the allowance for cars remaining at the “Inland Revenue Tax Threshold” rate, currently 40p per mile.
- 4.17.2 *Other Travel, Subsistence and Dependent Care Allowances* – Following review and taking into account the projected national inflation increase for 2010/11, estimated to be between 1% and 1.5%, and the Panel’s wish of avoiding the need for significant “catch-up” increases in the future, the Panel agreed that the Council should be recommended to apply an increase of 1% to all other travel, subsistence and dependent care allowances for 2010/11. The Panel wished to remind the Council that this would be first increase in these allowances since the 2006/07 Municipal Year.
- 4.18 The Panel noted comments made by Councillors regarding the payment of travel allowances for journeys within the Borough. This is an issue that has been considered by the Panel over a number of reviews, and has, in the past, been the subject of a number of recommendations to the Council, which subsequently have not been supported by Councillors. The Panel believes that this is a difficult area in which to find a solution which is equitable to all Councillors, and it therefore intends to make no further recommendations relating to this issue as part of its 2010/11 Review.
- 4.19 *Councillors IT Allowance* – The Panel noted the Council’s previous decision on recommendations regarding an IT allowance. It further noted the responses of Councillors interviewed, and information provided by the Council’s IT Business Manager on the “New Ways of Working” initiative and on the new ways in which Councillors would be able to access the Council’s systems and email sent to Council email addresses. In view of this information, the Panel determined that it would make no recommendation to the Council regarding the establishment of an IT Allowance, but that the Council should be recommended to ensure that individual Councillors should receive information, training and support at the same level as Council staff regarding access to the Council’s new IT systems.
- 4.20 *Telephone Allowance* – The issue of a Councillor telephone allowance is another issue that the Panel has considered in previous reviews. The Panel received information on the usage and costs associated with the current BT Chargecard provision

available to all Councillors. It noted the responses of Councillors interviewed, and information provided by the Council's IT Business Manager on the cost of providing Councillors with Broadband and / or telephone cost support by way of existing Council contracts. In view of the information received, the Panel decided to recommend that the Council make no change to the existing system for remuneration, but investigates more cost efficient means of meeting Members' telephone costs for calls made in connection with their role as a councillor than that provided by the BT Chargecard solution.

- 4.21 *Councillor Accountability and Performance Measurement* – The Panel considered responses from Councillors regarding the issue of Councillor accountability and measures that could be used for assessing a Councillor's performance. It being suggested by some that there should be an Allowance "claw back" mechanism for Councillors who did not perform or show the commitment required from an elected representative.
- 4.22 The Panel noted the concerns and comments made by the Councillors they interviewed and gave consideration to this issue and the possible involvement of the Allowances system in the process. As part of their consideration they contacted other local authorities and independent remuneration panels that had considered introducing such measures. The Panel concluded that the measurement of the performance and accountability of individual Councillors was difficult. They were not convinced that simply reviewing the number of meetings attended in a given period gave an accurate reflection of a Councillor's overall commitment or performance within their ward or within the Council.
- 4.23 They noted that, to date, no local authority had successfully introduced an Allowance "claw back" mechanism for poor attendance or performance. They believed that this was a serious issue but was one that was best left to the Council's political groups to monitor and resolve. They agreed to reflect this view in the Panel's final recommendations.
- 4.24 Another issue highlighted in Councillor's submissions and at interview was the fact that some Councillors, who were appointed by the Borough Council to serve on other public bodies, were in receipt of Allowances paid by those bodies, and that these were sometimes significant. However as the other bodies concerned administered the allowances systems, information on the level of allowance or performance or commitment of the individual to that body was not always readily available to the Council or the public.
- 4.25 The Panel noted the comments made and concluded that it saw no particular problem with a Councillor serving on another public body and receiving remuneration by way of a basic or special responsibility allowance for their work. However, in the interests of openness and transparency, and in particular noting the public response to the recent MP's Allowances media coverage, it

believed there was merit in Swindon Councillors placing on record the allowances they received from other public sector bodies to which the Council had appointed them. They felt that this was an issue that the Council's Standards Committee might wish to consider. The Panel believed that the performance or commitment of an individual to the body they were appointed to was an issue to be addressed by the body concerned and, perhaps, for the relevant political groups to monitor and resolve.

4.26 *Parish and Town Council Allowances* – The Independent Remuneration Panel is also responsible for recommending levels of allowances to parish and town councils in Swindon. In its previous reviews of parish allowances it sought to link any increases in parish allowances to the equivalent percentage increase in the equivalent Borough allowance.

4.27 Therefore the Panel intends to recommend to the parishes that –

- the “Parish Basic and Parish Chairs’ Allowance” be increased for the 2010/11 Municipal Year by an amount equivalent to the percentage increase applied to local government officer salaries in the “Annual Pay Round” for that Municipal Year. (Payments being “backdated” for parish and town councillors in the same way as for Council officers if national agreement on salaries is not achieved by the beginning of the Municipal Year.)
- *Travel by Car* –there be no change to the current arrangements, with the allowance for cars remaining at the “Inland Revenue Tax Threshold” rate, currently 40p per mile.
- *Other Travel, Subsistence and Dependent Care Allowances* – apply an increase of 1% to all other travel, subsistence and dependent care allowances for 2010/11.

4.28 *Conclusion* – The Panel believes that it has arrived at a series of recommendations that having noted the current state of the local and national economy, carried out a thorough study of Councillors’ allowances nationally, and researched the roles and responsibilities now carried out by Swindon Councillors, reflects the “going rate for the job” in Swindon for 2010/11.

4.29 The Panel will reconvene in 2010 to undertake a further review of all Councillors Allowances that will be able to be applied to the Municipal Year 2011/12 and for the period to the 2013/14 Municipal Year if this is practical at that time.

4.30 The Panel wishes to place on record its continuing disappointment that the Government has chosen not to assist independent remuneration panels in their reviews by providing guidance on the levels of allowances that are appropriate for different types of local authorities. The Panel reiterates, again, its belief that a unified approach to the payment of Councillors’ Allowances determined nationally is desirable. It hoped that the Council would support this view and make appropriate representations.

- 4.31 Overall there is a small increase proposed for the Council's Councillors' Allowances Budget in 2010/11. However, the Panel believes it is justified and appropriate given the workload and responsibilities associated with being a Swindon Councillor and serving local citizens. The total Budget for Councillors' Allowances still remains only a very small part of the Council's overall budget.
- 4.32 The Panel considers that, even given the current economic climate, it is important to avoid making decisions that will result in a need for significant "catch-up" increases in allowances in the future. It also notes that certain allowances are beginning to fall in relationship to levels applying to other local authorities within Swindon's Audit Family Group.
- 4.33 The Panel is conscious that it is up to the Council to determine whether it wishes to adopt all or some of the Panel's recommendations. It is also up to the Council to determine if it wishes to phase in any of the Panel's recommendations.

5 Financial Summary

- 5.1 The budget for Councillors' allowances in 2009/10 is £722,600. This included £450,347 set aside for the payment of Councillors' Basic Allowances (£7,633 x 59) and £272,253 available for Mayoral Allowances, Special Responsibility Allowances and other Allowances, such as Travelling, Subsistence and Dependent Care, as specified in the Scheme of Allowances.
- 5.2 The actual costs of the recommendations for 2010/11 for all 59 Councillors cannot be accurately determined until such time that the Local Government Pay Settlement for 2010/11 is agreed. However, the Panel is aware that the Council's Director of Finance will be making an estimated provision in the Council's proposed 2010/11 Budget for this pay award for Council staff, and will be able to make a similar provision in the Budget for the payment of Councillors' Allowances in 2010/11. The increase in Special Responsibility Allowances in one area should equate to only an additional £4,211 on the proposed Councillors' Allowances Budget for 2010/11. The proposed increase in Travelling, Subsistence and Dependent Care Allowance will place an additional budget pressure of 1% on the amount actually claimed by Councillors during the next Municipal Year. Based on an estimate of the level of total claims made in 2009/10 (of £10,000), this would result in a relatively small increased demand on the Budget of £10,100 for the 2010/11 Municipal Year.
- 5.3 A table summarising all the Panel's recommendations for 2010/11 is set out in the Appendix 1 to this report.
- 5.4 To also help put the Panel's recommendations into context, set out in Appendix 2 are some examples of councillors' payments in other unitary local authorities within Swindon's Audit Family Group and in certain neighbouring authorities.

That the Independent Remuneration Panel recommends the Council:

- a) To index link the Basic Allowance payable to all Councillors for 2010/11 to the percentage increase in the Local Government Pay Settlement for 2010/11,
- b) To index link the level of Special Responsibility Allowances for 2010/11 to the percentage increase in the Local Government Pay Settlement for 2010/11, with the exception of c) below.
- c) To reflect the role and responsibilities associated with the position of Chair of the Council's Audit Committee, a Special Responsibility Allowance of £4,211 (October 2009 rate) be introduced for this post from the Annual Council Meeting on 21st May 2010.
- d) To index link the level of Co-optees' Special Responsibility Allowance for 2010/11 to the percentage increase in the Local Government Pay Settlement for 2010/11.
- e) To maintain current arrangements for the Travel Allowance for Cars, with this remaining at the "Inland Revenue Tax Threshold" rate, currently 40p per mile.
- f) To implement an increase of 1% to be applied to all other Travel, Subsistence and Dependent Care Allowances for 2010/11.
- g) The Council makes no change to the existing system for remuneration of Councillors telephone costs, but investigates more cost efficient means of meeting costs for calls made by them in connection with their role as a councillor than that currently provided by the BT Chargecard.
- h) To take no action regarding the establishment of a Councillors' IT Allowance, but that the Council ensure that individual Councillors receive support, information and training, at the same level as Council staff, regarding access to and use of the Council's new IT systems associated with the introduction of the New Ways of Working Initiative.
- i) To note the Panel's interest in seeking to ensure that Member's receiving Allowances adequately perform their roles on the Council and within their wards, and to request all political groups on the Council to consider the measures they could introduce to monitor the performance and accountability of individual Councillors within their groups.
- j) To, in the interest of openness and transparency, consider requesting the Council's Standards Committee to examine the possibility of Councillors, who are appointed by the Borough Council to serve on

other public bodies, and are in receipt of Allowances paid by those bodies, being requested as part of the declaration of interests process to declare the remuneration they receive from those other public bodies to which they are appointed.

- k) To note the Panel's continuing disappointment that the Government has chosen not to assist independent remuneration panels in their reviews by providing guidance on the levels of allowances that are appropriate for different types of local authorities. The Panel reiterates, again, its belief that a unified approach to the payment of Councillors' Allowances determined nationally is desirable. It encourages the Leader of the Council, on behalf of the Borough Council, to write to the Government to draw its attention to the Panel's views and to express its support for a unified approach to the payment of Councillors' Allowances determined nationally.
- l) *For Parish and Town Councils* - The Parish Basic and Parish Chairs' Allowance be increased for the 2010/11 Municipal Year by an amount equivalent to the percentage increase applied to local government officer salaries in the "Annual Pay Round" for that Municipal Year. (Payments being "backdated" for parish and town councillors in the same way as for Council officers if national agreement on salaries is not achieved by the beginning of the Municipal Year.)
- m) *For Parish and Town Councils* - To maintain current arrangements for the Travel Allowance for Cars, with this remaining at the "Inland Revenue Tax Threshold" rate, currently 40p per mile.
- n) *For Parish and Town Councils* - an increase of 1% is applied to all other Travel, Subsistence and Dependent Care Allowances for 2010/11.