

CITY OF BRADFORD METROPOLITAN COUNCIL
REPORT OF THE INDEPENDENT REMUNERATION PANEL
SEPTEMBER 2002

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. Summary of Recommendations

- 1.1 The basic allowance be increased to £10,650 p.a. (including a telephone element of £650)
- 1.2 The telephone element of the allowance be set at £650 for the 2002-2003 municipal year. The telephone allowance is intended to assist members with:

The cost of all domestic telephone rental, call charges and equipment
Rental and call charges for mobile telephones.
Rental charges for Broad Band connection.

- 1.3 To speed up the introduction of Broad Band connection that the Council meets the initial installation costs and the current 'dial back' facility be terminated with effect from April 2003.
- 1.4 The supply of mobile telephones by the Council for all members including the Leader and members of the Executive be terminated with effect from April 2003.
- 1.5 There should be a generic job description which applies to all members of the Council which sets out clearly the roles that the councillor is expected to perform.
- 1.6 Members should also be required to give an annual report on their activities to be published on the Council's web site.
- 1.7 No member should receive more than one special responsibility allowance in respect of City of Bradford MDC duties.
- 1.8 The following Special Responsibility Allowances be paid to Chairs of Committees and Sub-Committees based on a percentage of the Leaders allowance:

Post	Percentage of Leaders SRA	Amount
Leader of the Council	100%	£30,000
Deputy Leader of the Council	50%	£15,000
Leader 2 nd Group	70%	£21,000
Leader 3 rd Group	50%	£15,000
Executive Member (with Portfolio)	70%	£21,000
Executive Member (without Portfolio)	45%	£13,500
Chief Whips (1 st , 2 nd and 3 rd Groups)	35%	£10,500
Chair of Scrutiny Committees	45%	£13,500
Chair of Scrutiny Co-ordinating Committee	20%	£6,000
Chair of Regulatory Committee	35%	£10,500
Chair of Area Committees	35%	£10,500
Chair of Planning Panels	35%	£10,500
Chair of Private Hire & Hackney Carriage Panel	35%	£10,500
Chair of Licensing Panel	35%	£10,500
Chair of Housing and Council tax appeals panel	20%	£6,000

Chair of West Yorkshire Pension Fund	20%	£6,000
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- 1.9 Further consideration be given to the payment of an allowance for the Chair of the Standards Committee for the 2003-04 municipal year.
- 1.10 The Panel recommends members should be able to claim Child and Dependent Carers' Allowance at the prevailing Social Services hourly rates for the sort of care required up to the full amount of the actual costs incurred for attendance at approved meetings.
- 1.11 Travel and subsistence allowances remain unchanged pending further government guidance after which the panel be reconvened.

2. MEMBERSHIP AND REMIT

- 2.1 The Independent Remuneration Panel (the Panel) was established by the Council in accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2001. These Regulations require councils to establish and maintain an independent remuneration panel which will broadly have the functions of providing the local authority with advice on its scheme and the amounts to be paid. Local authorities must have regard to this advice.
- 2.2 The Panel established by the Council comprises three members. The Chair was appointed directly by the Council and two other members were appointed following an open recruitment exercise. The Panel members are.

Mr Rodney Brooke (Chair)
Mrs Lorraine Clarke
Mr David Wilkinson

- 2.3 The remit of the Panel was to review the scheme of members allowances which was adopted following a report of a non-statutory Independent Panel in December 1999.
- 2.4 The methodology adopted by the Panel was to carry out structured interviews with the Leaders and Chief Whips of the three largest parties in order to examine the operation of the current scheme, how successful it was in attracting people to become councillors, how well it reflected the new constitutional arrangements and roles of councillors and perceptions of the relative importance of various roles. The Panel also took into consideration the approaches adopted by Independent Panels advising similar councils.

3. INTRODUCTION

- 3.1 The vigour of local democracy depends on councillors. Not only do they represent the aspirations of citizens, but they must also take responsibility for an £800m budget. They must have the skills and ability to lead Bradford in the new millennium. It is therefore critical for the future of the Bradford that the City Council continues to attract and retain able councillors. They should also be reasonably representative of the City's population.
- 3.2 Because of changes in society and employment, all the political parties complain that they now find difficulty in finding suitable candidates to stand for election as councillors. Moreover, it is from the body of councillors that the City Council must draw its leadership - those members who play a key role in setting the economic and social strategy for the City and its people. Too often, able leading members are drawn away from local government into service in Parliament or elsewhere. It is critical for the future of the City that there is a reasonable career structure capable of retaining local politicians on the City Council. Money, of course, is not the only answer, but it is a crucial ingredient.
- 3.3 The allowances we propose in this report are lower than those recommended by panels to comparable authorities. In setting them, we have had regard to financial constraints on Bradford and public opinion as well as to the need for reasonable remuneration.

4. BASIC ALLOWANCE

- 4.1 The Government (The Local Authorities (Members Allowances) (England) Regulations 2001) requires that each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members. The allowance must be the same for each councillor.
- 4.2 Basic allowance is intended to recognise the time commitments of all councillors, including not only attendance at committee meetings but such other 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 in connection with their duties.
- 4.3 The Panel also believes that the level of allowances should be sufficient to encourage a wide cross section of the community to consider becoming councillors, including those already in paid employment who may have to give up part of their job.
- 4.4 Many councillors spend the equivalent of 2.5 working days per week or more on council duties. The Panel believe that it is reasonable for members to be adequately compensated for this level of commitment and effort. However, the Panel also agrees with the 1999 Independent Panel that members would not wish to be compensated for all of this time and that a proportion of the time should be given free of charge reflecting the principle of public service. The Panel consider it reasonable that 25% of the councillors' time should be given free of charge. We propose therefore that the basic allowance should be based on 1.85 days of paid Council work per week. The Office of National Statistics New Earnings Survey 2001 showed that on average, non manual male full time annual earnings were £26,635. Updated for wage inflation at 3%, average earnings will now be in the region of £27,450. Using this figure as a basis for calculating the basic allowance would suggest a figure of around £10,000.
- 4.5 It is recommended that the basic allowance be increased to £10,650 p.a. (including a telephone element of £650 (see below for explanation of telephone element)).

Telephone Allowance and Mobile Telephones

- 4.6 Currently members receive a telephone allowance of £450 in addition to the basic allowance which is intended to cover some of the additional telephone costs that they incur. Under the new Regulations there is no provision for a separate telephone allowance and any amount specified for telephones must be included as an element in the basic allowance.
- 4.7 The current telephone allowance is intended to cover the cost of telephone rental and call charges for domestic telephones and for non-executive members the cost of all telephone calls from mobile phones. Executive members have the additional benefit of having the cost of council related mobile telephone calls paid for by the authority.
- 4.8 In order to free the Council from the onerous task of administering mobile telephone contracts, the telephone allowance was also intended to cover the cost of members providing their own mobile telephones. This was with the exception of a limited number of mobile telephones provided for personal safety which would continue to be provided

with rental paid by the council. However, the Council decided to extend the personal safety argument to all members. The majority of members have mobile telephones provided with rental paid for by the Authority. Mobile telephone rentals are a considerable expense on the Member Support budget, they are costly to administer and not always popular with members because of the focus on low rental charges for the authority rather than low call costs for the member. The Panel believe that it is reasonable to expect all members to be responsible for providing their own mobile telephone and the authority should examine other ways of improving personal safety.

- 4.9 A further increasingly vital role of telecommunications is to enable members to access the Council's computer network using Council provided computers and thereby have access to e-mail, internet and intranet facilities. The current arrangement involves a dial back process whereby the councillor dials into the network using a standard telephone line and modem. The network then automatically drops the connection and dials the councillors' computer back, taking over the cost of the telephone call. This system has worked well to date but the limitations of the technology are becoming increasingly apparent and it will be desirable in the future for most members to move to "broad band" connections. The Panel has considered how this can be facilitated through the allowance scheme.
- 4.10 The Panel believe that the telephone allowance should be added to the basic allowance but be identified as a distinct element within that allowance. The panel propose that the telephone element of the allowance be set at £650 for the 2002-2003 municipal year. The telephone allowance is intended to assist members with:

The cost of all domestic telephone rental, call charges and equipment
Rental and call charges for mobile telephones.
Rental charges for Broad Band connection.

- 4.11 The Panel wish members to understand that in including provision within the allowance for Broad Band connection there is a clear expectation that members will utilise the allowance for that purpose. The Panel also recommend to the Council that to speed up the introduction of Broad Band that the Council meets the initial installation costs and that the current 'dial back' facility be terminated with effect from April 2003.
- 4.12 It is also recommended that the supply of mobile telephones by the Council for all members including the Leader and Executive be terminated with effect from April 2003.
- 4.13 It is recognised that some members may feel that the proposed telephone element of the basic allowance will not cover the actual cost incurred. However, members should recognise that both the basic and special responsibility allowances are also intended to assist with these costs.

Accountability

- 4.14 The Panel strongly believes that with the payment of the basic allowance comes a responsibility for members to be accountable to their constituents for the work that they have done. Councillors are of course ultimately responsible to the public through the ballot box and most political parties also have internal mechanisms to monitor performance. However, it is important, for the health of local democracy and to build confidence in the work of elected members, that the public is better informed about the

job that members do. It is recommended therefore that there should be a generic job description which applies to all members of the Council which sets out clearly the roles that the councillor is expected to perform. An example of such a generic job description is attached at Appendix 1. Members should also be prepared to give an annual report on their activities. These reports could be placed on the Council's web site. An example of a possible format for an annual report is attached as Appendix 2.

5. SPECIAL RESPONSIBILITY ALLOWANCE

- 5.1 Special responsibility allowance may be paid to those members of the council who have significant additional responsibilities, over and above the generally accepted duties of a councillor.
- 5.2 Although the regulations do not prohibit the payment of more than one special responsibility allowance to one member the Panel believes that no member should receive more than one special responsibility allowance in respect of City of Bradford MDC duties.
- 5.3 A good starting point in determining special responsibility allowances is to agree the allowance which should be attached to the most time consuming post (The Leader) and pro rata downwards for the other roles which it has been agreed ought to receive an extra allowance. This approach has been adopted by the Panel.
- 5.4 In terms of the value of the Leader of the Council the Panel considers that the position is a full time role with a level of responsibility which is comparable or greater than that of a back bench Member of Parliament who is paid £55,188 per year. However, reflecting local circumstances, the Panel considers that it would not be appropriate at the current time to recommend a similar level of payment to the Council Leader, however justified that may be. The Panel recommends therefore that the total allowance paid to the Leader of the Council should be approximately 75% of that paid to an MP. We therefore recommend a Special responsibility allowance of £30,000 p.a in addition to the basic allowance to give a total allowance of £40,650. (75% of £55,188 = £41,391)
- 5.5 The Panel propose the following Special Responsibility Allowances in addition to the Basic allowance.

Post	Percentage of Leaders SRA	Amount
Leader of the Council	100%	£30,000
Deputy Leader of the Council	50%	£15,000
Leader 2 nd Group	70%	£21,000
Leader 3 rd Group	50%	£15,000
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Chair of Licensing Panel	35%	£10,500
Chair of Housing and Council tax appeals panel	20%	£6,000
Chair of West Yorkshire Pension Fund	20%	£6,000

Chair of Standards Committee

- 5.6 The Chair of the Standards Committee is an independent member of the public. Powers exist to pay the Chair an allowance it is this Panels' view that an allowance should be paid once an assessment of the workload of the committee can be made.

Chairs of other bodies

- 5.7 Under the current members' allowance scheme a Special Responsibility Allowance is paid to the Chairs of a number of other bodies despite the fact that they may meet very infrequently. This Panel considers that an SRA should only be paid to the chair of bodies where there is a significant additional workload involved. The Panel therefore only recommends payment of SRAs to the chairs of bodies listed in the table above.

Political Groups

- 5.8 Consideration was given as to whether any Special Responsibility Allowance should be payable to the Leader of the Green Group which currently has two members. The Panel considers that SRA's should not be payable to Leaders of political groups having fewer than five members.

6. CHILDCARE AND DEPENDENT CARERS' ALLOWANCE

- 6.1 Under the current scheme of allowances members may claim a childcare and dependent carers allowance of up to £25 per day based on the actual cost incurred for attendance at approved meetings.
- 6.2 Government guidance on the payment of childcare and dependent carers allowance suggests that 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.
- 6.3 The Panel recommends that members should be able to claim at the prevailing Social Services hourly rates for the sort of care required up to the full amount of the actual costs incurred for attendance at approved meetings.

7. SUBSISTENCE AND TRAVEL ALLOWANCE

- 7.1 The Panel notes that further government guidance on the payment of pensions, subsistence and travel allowances is due to be published in Autumn 2002. It therefore proposes to further consider this matter once the guidance is issued. In the meantime it

is recommended that the current levels of subsistence and travel allowance remain unchanged.

8. CONCLUSION

- 8.1 The cost of the current members' allowance scheme (basic allowance, telephone allowance and special responsibility allowance) is approximately £962,000 per year. The proposals contained in this report would increase the annual allowance bill to approximately £1,380,000. In the context of the Councils' revenue budget of almost £820,000,000 this represents less than 0.17% of overall Council expenditure.

Appendix 1

SPECIMEN

Job Profile for a councillor

Purposes

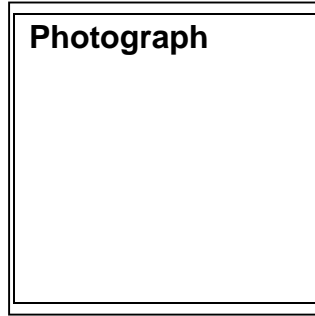
1. To participate effectively in the good government of the area.
2. To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
3. To represent effectively the interests of the Ward for which the councillor was elected and deal effectively and efficiently with constituents' enquiries and representations.
4. To champion the causes which best relate to the interests and sustainability of the community and campaign for improvement in the quality of life of the community in terms of equity, economy and environment.
5. To represent the council on outside bodies, such as a neighbourhood association, governing body or charitable trust.

Key Tasks

1. To fulfil the statutory and locally determined requirements of an elected member of a local authority and the authority itself, including compliance with all relevant codes of conduct and participation in those decisions and activities reserved to the full Council (eg setting budget, overall priorities, strategy).
2. To participate effectively as a member of any committee, panel or forum to which the councillor is appointed, including related responsibilities for the services falling within the committee's, panel's or forum's remit, human resources issues, staff appointments, fees and charges and liaison with other public bodies to promote better understanding and partnership working.
3. To participate in the activities of an outside body to which the councillor is appointed, providing two-way communication between the organisations; and to develop and maintain a working knowledge of the authority's policies and practices in relation to that body and of the community's needs and aspirations in respect of that body's role and functions.
4. To participate, as appointed, in the scrutiny of the services and policies of the authority and their effectiveness in meeting the strategic objectives of the authority and the needs of its residents.
5. To participate, as appointed, in the area committees and the consultative processes with the community and other organisations.
6. To represent the authority to the community and the community to the authority, through the various fora available.

7. To develop and maintain a working knowledge of the authority's services, management arrangements, powers/duties and constraints and to develop good working relationships with relevant officers of the authority.
8. To develop and maintain a working knowledge of the organisations, services, activities and other factors which impact upon the community's well-being and identity.
9. To contribute constructively to open government and democratic renewal through active encouragement to the community to participate generally in the government of the area.
10. To participate in the activities of any political group of which the councillor is a member.
11. To report at least annually on the activities undertaken by the councillor.
12. To participate in relevant training programmes made available by the authority.

Appendix 2



ANNUAL REPORT POSSIBLE FORMAT

Name of Member

Ward

Party

Date elected

Next election date

Basic Allowance

Special Responsibility Allowance

Other Council related remuneration

Positions held (attendance possible/actual) e.g Member of Corporate Overview and Scrutiny Committee (6/4) LEA Governor ABC school (5/3)

My priorities for the past year were:

What I have achieved in the past year:

I have attended the following training sessions to develop skills and gain knowledge which will help me serve the people of the district.

My priorities for the coming year will be: