



A REVIEW OF MEMBERS' ALLOWANCES FOR
MAIDSTONE BOROUGH COUNCIL

THE REPORT BY THE INDEPENDENT REMUNERATION PANEL

MARCH 2018

South East Employers
The Guildhall
High Street
Winchester
Hampshire
SO23 9GH

Index

Foreword	Page 3
Summary of Recommendations	Page 4
Methodology	Page 8
Principles of the Review	Page 8
Arriving at the Recommendations	Page 10
Recommendations	Page 12
Appendix One	Page 13
Appendix Two	Pages 14

Foreword

This report has been produced for Maidstone Borough Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The Panel was established to review members' allowances for both Maidstone Borough Council and Swale Borough Council. On this occasion Swale Borough Council did not participate as they did not have any issues that they wished to raise with the Panel having just carried out a full review. As the two Councils were now so far 'out of sync' with one another the Panel suggested that consideration should be given to disbanding the joint partnership arrangement as there would be very few opportunities where they could meet jointly and therefore this provides no benefit to either authority.

The membership of the Panel on this occasion was Chair, Mark Palmer (Development Director, South East Employers), Chris Hare (Kent Invicta Chamber of Commerce) and Chris Webb (Independent Member).

The Panel met previously on 12/13 March 2015 to carry out a full review of the existing scheme of allowances as the Council moved towards a new governance system. As part of the recommendations made, the Panel felt that it would be prudent to review the arrangements in place within 18 months to 2 years once the system had been fully embedded. However, this had not been possible due to the Panel Members changing and difficulties in recruiting an Independent Person.

The Panel would like to thank those Members of the Council who completed the questionnaire, some 28 in all, (compared to 22 in 2015) and those Members who were interviewed and contributed to our discussions. Those who attended are set out in Appendix One.

Our thanks also to the Director of Finance and Business Improvement for agreeing to be interviewed in order that his views on members allowances and the new governance arrangements could be taken into account.

Finally thanks to Caroline Matthews for providing the administrative support.

Mark Palmer
Chair
Independent Remuneration Panel

Summary of Recommendations

This summary sets out the main recommendations. The considerations that have led to these recommendations are set out in the full report.

The proposals are based on a review of background information, interviews with Councillors and an Officer of the Council, a review of oral and written submissions and a review of benchmark information from other relevant authorities in the region. At the forefront of the discussions was a review of the Council's change in governance arrangements which came into force in May 2015.

The Panel took into account the statutory guidance relating to Members' Allowances which falls within the remit of the Ministry of Housing, Communities and Local Government.

Summary of Recommendations

- 1. That a formula be applied to the basic allowance to make it more transparent for future years. This was as follows:-**

12 (average hours) x £14.76 (nomis hourly rate by place of residence for Maidstone 2017) x 52 weeks (minus Public Service Discount of 45%).

- 2. That Officers should produce a list of approved duties within the Members Allowance Scheme to assist Members and that Members should be reimbursed for travel to attend site visits whilst serving on Planning Committee and consideration should be given for Members to be reimbursed for attending meetings with KCC Officers.**
- 3. That the Dependent Carers allowance for a child care provider be amended to reflect the reasonable cost of a child minder but has to be on production of receipts.**
- 4. That an indexation rise be continued which would be linked to staff salary increases.**
- 5. That the Leaders allowance remains the same and the percentage ratio remains the same for the other Special Responsibility Allowances.**
- 6. That provision should be built into the Members Allowance Scheme which allows for a Vice Chairman to be given the Chairman's allowance if the Chair is absent for a significant period of time. The recommended period is 6 months.**
- 7. That the broadband allowance be cancelled as there is an expectation that when elected most Members would have that facility.**

Allowance	Current Amount (*)	Recommended Amount	Comments
Basic Allowance	£4,903	£5,065 (with formula applied)	55 Members
Leader of the Council/Chairman of Policy & Resources Committee	£19,610	£19,610	1 Member
Chairman of Strategic Planning, Sustainability & Transport Committee	£7,843	£7,843 (40% of Leader's Allowance)	Committee of 9 Members
Chairman of Communities, Housing & Environment Committee	£7,843	£7,843 (40% of Leader's Allowance)	Committee of 9 Members
Chairman of Heritage, Culture & Leisure Committee	£7,843	£7,843 (40% of Leader's Allowance)	Committee of 9 Members
Chairman of Planning Committee	£7,843	£7,843 (40% of Leader's Allowance)	Committee of 13 Members
Chairman of Audit, Governance & Standards Committee	£3,921	£3,921 (20% of Leader's Allowance)	Committee of 9 Members plus 2 Non-Voting Parish Councillors for the Standards Hearing Sub-Committees for Parish Council matters
Chairman of Licensing Committee	£3,921	£3,921 (20% of Leader's Allowance)	Committee of 12 Members
Group Leaders Allowance	£11,663	£11,663	Based on Composition of Party x £394 (£13,002 ÷ 33, 33 being the current composition of Members excluding the Leader's party)
Co-opted Members of Audit,	£344	£344	Per Annum, 2 Parish Councillor

Governance and Standards Committee			Members
Independent Person for Code of Conduct Issues (Audit, Governance and Standards Committee)	£735	£735	1 Person
Chairman of Licensing Panel Hearing	£80 per session	£80 per session	1 Member
Licensing Panel Hearing Members	£60 per session	£60 per session	2 Members

(*) – All rates include a percentage increase in line with the staff indexation rise (with effect from 1st April each year).

Mayor’s Allowance – the Panel recommended that the Mayor’s Allowance should stay the same, £2,601.42 per annum, which includes the indexation rise.

Deputy Mayor’s Allowance - the Panel recommended that the Deputy Mayor’s Allowance should stay the same, at £1,040.66 per annum, which also includes the indexation rise.

Special Responsibility Allowance for Vice-Chairmen – at the meeting in 2015 the Panel had recommended that there should be no special responsibility allowance for Vice-Chairmen. However, provision should be built into the Council’s Constitution which allows for a Vice Chairman to be given the Chairman’s allowance if the Chair is absent for a significant period of time, say 6 months. The Panel did not feel there was any evidence to suggest that this should be changed.

Dependent Carer’s Allowance – The Panel revisited the Child-Care Provider allowance as the living wage of £7.85 per hour was not deemed an appropriate level. It was therefore recommended that the Dependent Carer’s Allowance be paid on production of receipts as follows:-

Child-Care Provider – To pay a reasonable amount but must not exceed market rates and upon receipts.

Specialist Carer Provider – Currently stands at £15-£20 per hour but must not exceed market rates.

Reasonable travelling time can also be claimed by the carer.

Travel and Subsistence - the Panel recommended that Members continue to be reimbursed for subsistence in the event that a meal is not provided in the course of their Council duties as long as it is deemed reasonable and on production of receipts.

Travelling expenses can also be claimed for train, taxi or car journeys. The current rate for travelling by car is 45p per mile which is in line with HMRC recommendations. Other than car journeys, travelling expenses should only be paid on the production of receipts.

Mobile Phones – the Panel recommended in 2015 that only the Leader receives a mobile phone for their use on Council business. The Panel did not feel that there was any evidence to suggest that this should change.

Member Development & Training – in 2015 the Panel felt that in the light of the new governance arrangements, all Members should receive Member development and training. Furthermore, in recognition of the increase to the basic allowance, all Members should take up current and future training development opportunities to support the revised governance arrangements. This would also assist Members to meet the defined responsibilities and competencies within the new role descriptions and responsibilities. The Panel did not consider that this should be changed.

Date of Implementation

The recommendations relating to the Basic Allowance and all other recommendations, should be implemented retrospectively with effect from the Council's Annual Meeting to be held on 19 May 2018.

Methodology

The Panel met at the Town Hall in Maidstone on 21st March 2018. The Panel meeting was held in private session in order that the Panel were able to interview Councillors and the Officer in confidence. The list of the Elected Members and the Council Officer that met with the Panel are provided in Appendix One.

The Panel recognised that a lot of assumptions had had to be made when the former Panel Members had met in 2015 as the new governance arrangements had not been implemented at that stage.

The Panel's activities for 21st March 2018 fell into four parts:-

- 1)** To review background information, in particular, issues raised following the last review.
- 2)** Interviews with Councillors and an Officer of the Council.
- 3)** Review of oral and written submissions including an analysis of responses to the questionnaire that was sent to all Councillors.
- 4)** Arriving at recommendations.

Whilst the Panel reviewed a wide range of available information and interviewed a cross section of Councillors, it also considered responses received from Members in relation to the questionnaire that had been circulated to all Members prior to the Panel's meeting. This ensured no Councillor was denied a voice in the review process (see Appendix Two for a copy of the questionnaire). Twenty eight out of a total of fifty five Councillors responded to the questionnaire.

It is from these processes and deliberations that the Panel has arrived at the recommendations set out in this report.

Principles of the Review

Before the Panel arrived at its recommendations it determined that its deliberations should be underpinned by the following principles, which took into account the current statutory provisions:-

- * The recommended allowances should be of a sufficient level that they would allow most people to consider becoming an elected Member without undue financial hardship, whilst not being at such a level that allowances would become the primary reason for standing for Council.
- * As far as possible the Panel would abide by the precedent and approach of previous reviews, except where there was a clear and prescient case not to do so.

- * The allowances should be seen as a contribution and recognition of the time and skills of councillors, not as an equivalent to a formal job evaluation exercise and salaries.
- * A healthy and resourced Opposition is important in maintaining an appropriate balance within local democracy.
- * Any recommendations should be based on a logical and transparent construction and arrived at in a way that is simple to understand.
- * Sensitivities of cost of implementation of any recommendations should be borne in mind.

The Panel has laid out a synopsis of its deliberations in this report to assist Members and the public to understand its approach. Following its deliberations, the Panel concluded that there was an appetite for small changes to the current scheme of allowances at Maidstone.

Whilst the Panel's recommendations are not mandatory, it is hoped that if the Council disagrees with the actual figures recommended, that the Council would accept the Panel's logic. The recommendations presented in this report represent the view of the Panel and not the official view of Maidstone Borough Council.

Arriving at the Recommendations

Basic Allowance

The Panel noted the statutory guidance it must pay regard to, in particular, that the authority's scheme of allowances must include provision for a Basic Allowance that is payable at an equal flat rate to all Members.

The Panel were of the view that for the sake of transparency to both Members and the public, a formula should be applied to show how the basic allowance was assessed and arrived at. This was **12 (average hours) x £14.76 (nomis hourly rate by place of residence for Maidstone 2017) x 52 weeks (minus Public Service Discount of 45%)**. The formula could then be applied for the future allowing for some tweaks as and when necessary, but the basic analysis would stay the same.

The Panel noted that in response to the question "The present level of basic allowance payable to all councillors is £4,807, do you think this is appropriate?", 23% felt the level was appropriate and 73% considered it to be too low. (The consultation exercise carried out in 2015 indicated that 45% who responded considered that the basic allowance was appropriate).

The majority of the Councillors interviewed were strongly of the view that the Basic Allowance did not reflect the level of work carried out. The most common response was that Members spent on average 15 hours a week on Council business, the lowest being 8 and the highest response was 60 hours.

Special Responsibility Allowances

The Panel was under a duty to recognise the following statutory guidance in arriving at recommendations for Special Responsibility Allowances (SRAs):

Special Responsibility Allowance (SRA) may be paid to those members of the council who have significant additional responsibilities, over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority's functions.

These are important considerations for local authorities. 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.

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 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.

The Panel were of the view that the Special Responsibility Allowances should not be amended at this time as there was not any evidence to suggest that the current levels of extra workload were significant enough for the levels to be increased further.

Broadband Allowance

The Panel noted that although currently 38 Members received the broadband allowance, this was no longer relevant as most households had broadband as a matter of course. It should therefore be expected that any Member elected would also have the facility.

Dependent Carer's Allowance

The Panel discussed whether the Dependent Carer's Allowance rates were still relevant. In discussions with Members, it was noted that the Child-Care Provider allowance was not deemed appropriate as the market rate for child care exceeded the living wage. The Panel were therefore of the view that a reasonable amount should be paid upon receipts but not exceed market rates.

The Panel considered that the Specialist Carer Provider – Currently standing at £15-£20 per hour be continued but should not exceed Market Rates. Reasonable travelling time could also be claimed by the carer.

Following comments received from Members, the Panel were mindful that this needed to be publicised more as it could be an integral consideration for anyone thinking about becoming a Councillor.

Travel and Subsistence

The Panel recommended that Members continue to be reimbursed for subsistence in the event that a meal is not provided in the course of their normal Council duties as long as it is deemed reasonable and on production of receipts.

Travelling expenses can also be claimed for public transport, taxis or car journeys. The current rate for travelling by car is 45p per mile which is in line with HMRC recommendations. Claims could only be made for travelling whilst on approved Council business which the Panel had asked to be clarified within the Members Allowances Scheme.

Indexation Rise

In 2015 the Panel put forward a recommendation to Council that Members received an indexation rise in line with the staff pay rise increase. This is recommended to continue.

Recommendations

- 1. That a formula be applied to the basic allowance to make it more transparent for future years. This was as follows:-

12 (average hours) x £14.76 (nomis hourly rate by place of residence for Maidstone 2017) x 52 weeks (minus Public Service Discount of 45%)**
 - 2. That Officers should produce a list of approved duties within the Members Allowance Scheme to assist Members and that Members should be reimbursed for travel to attend site visits whilst serving on Planning Committee and consideration should be given for Members to be reimbursed for attending meetings with KCC Officers.**
 - 3. That the Dependent Carers allowance for a child care provider be amended to reflect the reasonable cost of a child minder but has to be on production of receipts.**
 - 4. That an indexation rise be continued which would be linked to staff salary increases.**
 - 5. That the Leaders allowance remains the same and the percentage ratio remains the same for the other Special Responsibility Allowances.**
 - 6. That provision should be built into the Members Allowances Scheme which allows for a Vice Chairman to be given the Chairman's allowance if the Chair is absent for a significant period of time. The recommended period is 6 months.**
 - 7. That the broadband allowance be cancelled as there is an expectation that when elected most Members would have that facility.**
-

Appendix One

Members and Officer interviewed by the Panel

Name	Designation
Councillor John Barned	Group Leader of the UKIP Group
Councillor Paul Harper	Group Leader of the Labour Group
Councillor Annabelle Blackmore	Deputy Leader of the Conservative Group
Councillor Shellina Prendergast	Member
Councillor Martin Round	Member
Councillor Mike Cuming	Member
Councillor Patrik Garten	Member
Councillor Clive English	Member
Councillor Matt Boughton	Member (via telephone)
Mark Green	Director of Finance and Business Improvement

Appendix Two

Questions Asked on the Member Consultation

1.	How much time is typically spent on Council business?
2.	How much time is spent on other activities, i.e. work that did not fall into the above?
3.	Do you incur any significant costs which you believe are not covered by your present allowance?
4.	The average time Councillors are expected to give without financial remuneration is one third – is this broadly right?
5.	The present level of basic allowance payable to all Councillors is £4,807. Do you think this is appropriate?
6.	Do you feel that the current Special Responsibility Allowances are appropriate?
7.	Are there any other roles that should receive a Special Responsibility Allowance?
8.	The Child Care Provider Allowance is currently set at £7.85 per hour (living wage). Do you think this rate should be increased?
9.	The allowance is currently linked to the annual pay award given to staff. Should this continue?
10.	Which of the following types of meetings do you think should be claimed for in relation to mileage/subsistence?
11.	Which of the following services should be provided by the Democratic Services Section to Members?
12.	Any additional comments?