



A REVIEW OF MEMBERS' ALLOWANCES FOR  
MAIDSTONE BOROUGH COUNCIL

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THE REPORT BY THE INDEPENDENT REMUNERATION PANEL

APRIL 2019

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## Foreword

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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 met on 24<sup>th</sup> and 25<sup>th</sup> April 2019 to carry out their four yearly full review.

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

The Panel last met in March 2018 following their full review carried out in 2015 when the Council changed their governance arrangements to a Committee system from an Executive arrangement. As part of the recommendations made in 2015 the Panel were keen 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. Hence the Panel met in March 2018.

The Panel would like to thank those Members of the Council who completed the questionnaire, some 13 in all, (compared to 22 in 2015) and those Members who were interviewed and contributed to our discussions.

Our thanks also to the Chief Executive, Director of Finance and Business Improvement and the Head of Policy, Communications and Governance for agreeing to be interviewed in order that their views on members allowances and the 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

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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 Officers of the Council, a review of oral and written submissions and a review of benchmark information from other relevant authorities in the region.

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 the updated formula be applied to the basic allowance as implemented in March 2018 following the revised local authority profile for Maidstone (NOMIS Official Labour Market Statistics) to make it more transparent for future years. This is as follows:-**

**12 (average hours) x £15.26 (nomis hourly rate by place of residence for Maidstone 2018) x 52 weeks (minus Public Service Discount of 45%).**

**This would equate to £5,237 p.a.**

- 2. That the Deputy Leader be provided with a Special Responsibility Allowance in recognition of the work undertaken by this position in carrying out work delegated by the Leader. This would be £4,000 (which is 20% of the Leader's Allowance).**
- 3. That the Chairman of the newly established Democracy and General Purposes Committee be provided with a Special Responsibility Allowance of £4,000 (which is 20% of the Leader's Allowance). This is subject to the Panel receiving a copy of the Committee Work Programme for the year and being satisfied that there is a sufficient workload to substantiate a Special Responsibility Allowance.**
- 4. That the Dependent carers allowance be paid at market rates for specialist carer providers and upon receipts. The Child-care providers be paid at least the minimum living wage (as set by the living wage foundation and on production of receipts).**
- 5. That travelling and subsistence should not be paid to Visiting Members who are not Committee Members or Substitute Members except where they have been specifically invited**

by the Chairman or Vice-Chairman to the Committee meeting.

6. That Members should not submit expenses claims that are more than two months old.
7. That role profiles are produced for a) the generic councillor role, and b) those that attract a Special Responsibility Allowance to give clarity.
8. That an indexation rise be continued which would be linked to staff salary increases but would not be applied to the basic allowance as the allowance is worked out on a specified formula but would rise every year based on the revised nomis rate by place of residence from the Office of National Statistics.
9. That there should not be a Special Responsibility Allowance for Vice-Chairmen.
10. That the Leaders allowance remains the same and the percentage ratio remains the same for the other Special Responsibility Allowances but would now include a 2% indexation rise and are set out below:-

<b>Allowance</b>	<b>Current Amount</b>	<b>Recommended Amount</b>	<b>Comments</b>
Basic Allowance	£5,065	£5,237 (with formula applied but an indexation rise would not apply)	55 Members
Leader of the Council/Chairman of Policy & Resources Committee	£19,610	£20,002 (*)	1 Member
Chairman of Strategic Planning and Infrastructure Committee	£7,843	£8,000 (40% of Leader's Allowance) (*)	Committee of 9 Members
Chairman of Communities, Housing & Environment Committee	£7,843	£8,000 (40% of Leader's Allowance) (*)	Committee of 9 Members
Chairman of Economic Regeneration & Leisure Committee	£7,843	£8,000 (40% of Leader's Allowance) (*)	Committee of 9 Members
Chairman of	£7,843	£8,000 (40% of	Committee of 13

Planning Committee		Leader's Allowance) (*)	Members
Chairman of Audit, Governance & Standards Committee	£3,921	£4,000 (20% of Leader's Allowance) (*)	Committee of 9 Members plus 2 Non-Voting Parish Councillors appointed by the Council for a three year term of office.
Chairman of Licensing Committee	£3,921	£4,000 (20% of Leader's Allowance) (*)	Committee of 13 Members
Chairman of Democracy and General Purposes Committee	N/A	£4,000 (20% of Leader's Allowance) (*)	Committee of 9 Members
Group Leaders Allowance	£394.74	£402.63 (*)	Based on Composition of Party x £402.63 (£14,092.05 ÷ 35, 35 being the current composition of Members excluding the Leader's party)
Co-opted Members of Audit, Governance and Standards Committee	£344	£350 (*)	Per Annum, 2 Parish Councillor Members
Independent Person for Code of Conduct Issues (Audit, Governance and Standards Committee)	£735	£749 (*)	1 Person
Chairman of Licensing Panel Hearing	£80 per session	£81.72 per session (*)	1 Member
Licensing Panel Hearing Members	£60 per session	£61.55 per session (*)	2 Members

(\*) – All rates include a 2% increase in line with the staff indexation rise of 2% (Apart from the basic allowance which is calculated on the specified formula).

**Mayor's Allowance** – the Panel recommended that the Mayor's Allowance should stay the same but with the indexation rise - £2,653.45 per annum.

**Deputy Mayor's Allowance** - the Panel recommended that the Deputy Mayor's Allowance should stay the same but with the indexation rise - £1,061.47 per annum.

- 11. That the Travel and Subsistence rates not be changed.**
- 12. That the Member Development and Training arrangements remain unchanged and that all Members be encouraged to take up any training offered by the Authority to meet the defined responsibilities and competencies of the roles undertaken.**

### **Date of Implementation**

The recommendations relating to the Basic Allowance should be implemented retrospectively with effect from the 1<sup>st</sup> April 2019 and all other recommendations should be implemented retrospectively with effect from the 21<sup>st</sup> May 2019.

## **Methodology**

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The Panel met at the Town Hall in Maidstone on 24<sup>th</sup> and 25<sup>th</sup> April 2019. 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 Officers that met with the Panel are provided in Appendix One.

The schedule for the two days was as follows:-

- 1)** To review background information, in particular, issues raised following the last review carried out in March 2018 and the full review carried out in March 2015.
- 2)** Interviews with Councillors and Officers of the Council (Appendix 1).
- 3)** Review of the consultation sent to Members.
- 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 consultation document that had been circulated to all Members prior to the Panel's meeting (Appendix two). This ensured no Councillor was denied a voice in the review process. Thirteen (23%) 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**

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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

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### 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, the formula applied previously to show how the basic allowance was assessed and arrived at should be continued. Albeit that the nomis hourly rate by place of residence for Maidstone 2018 had increased to £15.26. Therefore this should be applied to the formula as follows:-

**12 (average hours) x £15.26 (nomis hourly rate by place of residence for Maidstone 2018) x 52 weeks (minus Public Service Discount of 45%). This would provide a basic allowance of £5,237 per annum.**

The Panel noted that in response to the question "The present level of basic allowance payable to all councillors is £5,065, do you think this is appropriate?", 69% felt the level was too low. (The consultation exercise carried out in 2015 indicated that 45% who responded considered that the basic allowance was appropriate. In 2018 73% of those consulted felt that the rate was too low).

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 21 hours a week on Council business, compared with 2018 where the average rate was 15 hours a week and in 2015 the average rate was 26 hours a week.

The Councillors were split on this, two thirds of those who responded to the consultation felt that the basic allowance was not sufficient and that this was a barrier to attracting the right calibre of Councillor. However, the Councillors interviewed felt that if the recommendation of the Panel were to increase the basic allowance significantly then they doubted this would get voted through.

Members felt that the burden of responsibility had spread since the new Committee system. One of the aims of the Committee Review was to try to make Councillors aware of their responsibilities. Members who were interviewed felt that there were still a lot of Councillors who were not fully engaged, although active in their own Ward, they rarely participated on Committees.

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

### **Deputy Leader**

The Panel discussed with Members and Officers the level of workload that the Deputy Leader is expected to carry out through delegations from the Leader. It was a general view that the workload was extremely significant and that a Special Responsibility Allowance should be applied. The Panel, in assessing the level of responsibility, recommended that this should be set at 20% of the Leader's Allowance).

### **Democracy and General Purposes Committee**

Since the last full review in 2015 where Maidstone introduced new governance arrangements from an Executive to Committee system, a Member led review of the Committee System recently took place and a number of recommendations came out of that review, one of those related to the merging of two Committees, Democracy and Employment Committee, into one Committee to be called Democracy and General Purposes Committee. Taking into account the feedback from Members either directly or through the consultation document the Panel considered that as the new Committee had not met, the options were to either wait twelve months to see what the Committee undertook in terms of workload or approve the allocation of a Special Responsibility Allowance subject to being appraised with a copy of the Committee Work Programme for the new municipal year and being satisfied that the probable workload for the Committee was significant enough to

attract a Special Responsibility Allowance. The Panel considered that they would approve the Special Responsibility Allowance subject to seeing a copy of the intended Committee Work Programme for the forthcoming municipal year.

### **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.

### **Visiting Members**

The Panel considered whether Visiting Members should be able to claim travelling expenses. The Panel upheld the previous advice given that travelling expenses should not be paid to those Members who were not Committee Members or Substitute Members of a particular Committee except where they had been specifically invited by the Chairman or Vice-Chairman to attend.

### **Members Expenses**

The Panel felt that the submission of expenses should be made within 2 months of the activity carried out.

### **Role Profiles**

The Panel felt that clear role descriptions should be produced for the Leader, Chairmen and a generic role description for a Councillor in order that Members have a clear understanding of their roles and responsibilities.

## **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 if they receive a Special Responsibility Allowance. This is recommended to continue. The basic allowance should not attract an indexation rise as it was worked out from a specified formula but would be increased annually by the nomis hourly rate by place of residence from the Office of the National Statistics.

## **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.

## **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.

## Appendix One

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Members and Officers interviewed by the Panel

<b>Name</b>	<b>Designation</b>
Councillor Martin Cox	Leader (Liberal Democrat)
Councillor Fay Gooch	Deputy Leader and Group Leader (Independent)
Councillor Fran Wilson	Councillor (Liberal Democrat)
Councillor Malcolm McKay	Councillor and Group Leader (Labour)
Councillor Steve McLoughlin	Councillor (Conservative)
Councillor Clive English	Councillor (Liberal Democrat)
Alison Broom	Chief Executive
Mark Green	Director of Finance and Business Improvement
Angela Woodhouse	Head of Policy, Communications and Governance

## Appendix Two

### Questions Asked on the Member Consultation

1.	Approximately how many hours do you typically spend on council business each week?
2.	How many hours each week are typically spent on Ward work each week, i.e. work that does not fall into the above category of Council business?
3.	Do you incur any significant costs which you believe are not covered by the current allowance scheme?
4.	Councillors are expected to undertake a third of the hours they spend on Council business without financial remuneration, does this seem broadly right?
5.	The present level of basic allowance payable to all Councillors is £5,065. Do you think this is appropriate?
6.	Do you feel that the current Special Responsibility Allowances are appropriate?
7.	Visiting Members cannot claim for travelling expenses to attend meetings of the Committees or Sub-Committees where they are not a member or substitute member of the Committee, do you think this is right?
8.	The allowance is currently linked to the annual pay award given to staff. Should this continue?
9.	Are there any other meetings, other than Council or Committee meetings, or meetings where a Member has been formally appointed to by the Council to attend that you feel Members should be allowed to claim mileage/subsistence for?
10.	Please use the box below for any other comments about Member's Allowances
11.	If you would be prepared to be interviewed by the Independent Panel please provide your details below