

# **The Remuneration of Councillors in London: 2006 Review**

A report by the Independent Panel to  
London Councils

December 2006

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## Preface

This is a report from the Independent Panel appointed by the Association of London Government (ALG), now London Councils. The Panel was first appointed in 1998. The original Panel Chairman was Professor Malcolm Grant and its other members were Rodney Brooke and Bridget Rosewall. Its first report was published in February 1999. It recommended to the London councils (the 32 borough councils and the City of London) that the time had come for them to make fundamental changes in the way they compensated councillors for their time and work. Subsequent reports took into account changes in local government structure, the introduction of the possibility of pensions for councillors, new regulations and other matters.

The report of February 1999 recommended a wholly new approach to allowances. It proposed that councillors should no longer be paid primarily by the time they spent on committees. It recommended that the old attendance allowance should be scrapped. Councillors should instead be paid a reasonable annual allowance at a standard rate which properly reflected the levels of time and responsibility that their office entailed. That approach is now confirmed by law. The law also now requires councils to establish independent panels before reviewing levels of councillors' allowances in their areas. It makes special provision for London by allowing for the continuance of the ALG's single Independent Panel for all London boroughs.

In 2005 Professor Grant and Bridget Rosewall resigned as members of the Panel and were replaced by Baroness Jo Valentine, Chief Executive of London First and Professor Drew Stevenson, immediate past Chair of the London Voluntary Service Council. Rodney Brooke, who is Chair of the General Social Care Council, continued on the Panel and became its Chairman. The Panel reviewed the recommendations of the previous Panel in the light of changes in London government. A questionnaire was issued to all London boroughs and the Panel considered the scheme in the light of the responses. It also considered the extent to which London authorities had implemented previous Panel recommendations. It issued immediate recommendations in September 2006. They largely followed but updated previous Panel recommendations. The current report consolidates all current recommendations of the Panel, so that London authorities will have the advantage of referring only to one document when considering their allowances scheme.

The new Panel shares the conviction of its predecessor that realistic and reasonable allowances should form an integral part of modern local government. It is fortified in its conviction by the interim report on local government by Sir Michael Lyons, which echoes that view. The Government's 2006 White Paper on local government also confirms the importance of the role of councillors. Proper allowances can help enhance the status of councillors and encourage a new generation of citizens to stand for election as councillors and serve their communities in this way. The quality of Council services depends largely on the calibre of councillors. It is essential that the

allowances paid are sufficient to permit able people to serve. The 'ordinary' frontline councillors work more than half-time in the job. They are increasingly expected to assume community leadership and to be accountable. The average elected mayor or Council leader has a commitment going well beyond a full-time job. They are accountable for budgets of hundreds of millions of pounds. However, those spending all their time on Council business will be the exception. Councillors in general will continue to bring to their council responsibilities their continuing experience in other employment and other roles.

The schemes for allowances must therefore reflect three general principles: that being a councillor is for most people a part-time commitment, often undertaken by people who are already very busy in other roles; that councillors are not, and should not be, inspired to do this job by the attraction of financial reward, but primarily by a commitment to the principle of effective and voluntary public service; and that, subject to those principles, the community should ensure that those who do serve them in this way are properly compensated.

The Panel's previous recommendations have had a substantial effect on members' allowances in London. The majority of London authorities have implemented the Panel's recommendations on the basic allowance. Only a minority have fully implemented the Panel's other recommendations. We strongly believe that they should implement the recommendations in full – a belief shared by *London Councils*.

**Rodney Brooke     Drew Stevenson     Jo Valentine**

*London, December 2006*

# **The Independent Panel**

## **The Chair**

Rodney Brooke CBE was the Chief Executive of a metropolitan county council (West Yorkshire) and a London borough (Westminster) before becoming Secretary to the Association of Metropolitan Authorities. He is Chairman of the General Social Care Council and a Deputy Lieutenant of Greater London.

## **Members**

### **Professor Drew Stevenson OBE**

Drew's background is in local government in London, where he was involved at Chief Executive or Chief Officer level for over twenty years including serving as Chief Executive of the London Borough of Newham (1991-95). He has advised numerous bodies, including the Government Office for London, the London Development Agency, London First and the Association of London Government and for the past five years has been seconded to work as a special advisor to the Mayor of London on the policy content and implementation of the London Plan.

### **Baroness (Jo) Valentine, Chief Executive, London First**

Baroness Jo Valentine is Chief Executive of London First, the London business organisation; and a board member of the New West End Company and Central London Partnership. She received a non party political peerage in October 2005 and regularly sits as a Crossbench Peer in the House of Lords.

## Executive summary

This report is required by law to address the questions set out in italics below. Our recommendations are in bold type.

*(a) as to the responsibilities or duties in respect of which the following should be available -*

- (i) special responsibility allowance;*
- (ii) travelling and subsistence allowance; and*
- (iii) co-optees' allowance;*

**We recommend that:**

- (1) special responsibility allowances should be paid in respect of the responsibilities set out in Appendix Three this report;**
- (2) Not more than 50% of councillors should receive a special responsibility allowance in respect of duties with an authority and should not receive more than one special responsibility allowance for responsibilities within that authority;**
- (3) the basic allowance should be treated as covering all intra-borough travel costs and subsistence, but councils may consider that there are circumstances where it may be appropriate for a scheme to provide payment for the cost of transport, e.g. journeys home after late meetings and for people with disabilities;**
- (4) the annual allowance for co-optees should be calculated in each case with reference to the number of meetings per year, at a standard rate per meeting and such allowances should be confined to co-optees on the Standards Committee, to Education co-optees and to the independent chair of an Audit Committee;**

*(b) as to the amount of such allowances and as to the amount of basic allowance;*

- (5) special responsibility allowances should be paid on the basis of the bands and the ranges of allowance within each band, set out in Appendix Three to this report;**
- (6) Councils should make arrangements in their allowances schemes to allow the continuance of special responsibility allowances in the case of sickness, maternity and paternity leave in the same way that the Council's employees enjoy such benefits.**
- (7) where travel and subsistence allowances are payable, having regard to Recommendation (3) above, they should be in**

accordance with the current scheme for travel and subsistence applicable to the Borough's officers;

**(8) travel allowances should extend to travel by bicycle;**

**(9) the standard rate of allowance for statutory co-optees should be £117 per meeting with the exception of the independent chair of the Standards Committee, whose rate should be £240 per meeting; and these amounts should be translated into an annual allowance by multiplying by the anticipated number of meetings;**

**(10) co-optees should be reimbursed for all travel costs in accordance with recommendation (5) above, whether the travel is within or outside the Borough, but co-optees should not be paid subsistence;**

**(11) the amount of the basic allowance should be £9,964;**

*(c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;*

**(12) dependants' carers' allowances should be payable, and we recommend a flexible approach; in particular, boroughs should have regard, when setting appropriate levels, to the levels of reimbursement set by their authorities. The principles should be:**

- (a) a maximum rate should be set locally to reflect local costs, in accordance with social service departments levels;**
- (b) payment should be claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;**
- (c) only one weekly payment should be claimable in respect of the household of each member, except in special circumstances to be judged by the Council's Standards Committee;**
- (d) the allowance should be paid as a reimbursement of incurred expenditure against receipts;**
- (e) the allowance should not be payable to a member of the claimant's own household;**
- (f) any dispute as to entitlement and any allegation of abuse should be referred to the Council's Standards Committee for adjudication;**

*(d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);*

**(13) schemes should make appropriate provision to ensure that, where an amendment to the scheme results in an increase in any**

**allowance, payment of it may, if the resolution effecting the amendment so provides, be backdated for a specified period, not extending beyond the beginning of the year to which the scheme applies.**

*(e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;*

**(14) schemes should provide for all allowances to be automatically updated annually with reference to the annual Local Government Pay Settlement;**

**(15) the LGPS index should apply for the next four years unless reviewed earlier by the Panel;**

*(f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and*

**(16) all Members under the age of 75 should be entitled to apply for inclusion in a pensions scheme, without satisfying any period of qualification;**

*(g) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.*

**(17) both the basic allowance and any special responsibility allowance should be pensionable.**

*Other matters*

**(18) Quasi-judicial work: London boroughs which experience a sufficiently heavy workload of quasi-judicial hearings should set up a panel of non-executive councillors who are available and willing to serve in this capacity, and should make provision for payment of a special quasi-judicial allowance to all members of that panel based on the allowances recommended for co-optees;**

**(19) Accountability: the current system of Members' remuneration allowances, with its principle of annualised allowances rather than attendance allowances, places a high premium on trust. We therefore regard accountability for this use of public money as being of the highest importance. We welcome the provisions in the regulations which require boroughs to keep a record of all payments made under their schemes of allowances, and for these records to be available for inspection upon request. We further**

welcome the requirement for a full report to be made at the end of the year, of the total sum paid by a Borough in the year under the scheme to each recipient in respect of each of the following: (a) basic allowance; (b) special responsibility allowance; (c) dependants' carers' allowance; (d) travelling and subsistence allowance; and (e) co-optees' allowance. We recommend that members themselves should go further. We believe that all members should have a job description and we expect them to be used as the basis for reporting by members on their activities on behalf of their electors and their boroughs. We set out a proposed job description for frontline councillors as Appendix 4 to this report. Councillors should see making such reports as a way of broadcasting the extensive range of tasks and duties which they undertake on behalf of the electorate. We would like them to give an account of what services they have provided to their constituents; what their objectives have been; and their success in achieving them; as well as some record of their general industry. We provide examples of good practice in Appendix 5 of this report

- (20) **Withholding allowances:** We recommend that boroughs should include in their Allowances Scheme provision for their Standards Committee to withdraw allowances in whole or in part in the event of a member being suspended or partially suspended. All allowances should be withheld for the period of total suspension, and in the case of partial suspension the basic allowance should continue to be paid (though we would expect a member voluntarily to abate their claim according to the extent to which they were able to continue to perform the functions of a non-executive member), and to the extent that the partial suspension made it impossible or impracticable for a member to undertake activities in respect of which a special responsibility allowance was payable, that allowance should be withdrawn. It is likely that this would occur in any event, because of the need to appoint another member to undertake the functions concerned, who would then becomes entitled to the allowance.
- (21) **Electing to forgo allowances:** we recommend in accordance with reg. 13 of the regulations that allowances schemes should provide that a person may by notice in writing given to the proper officer of the authority, elect to forgo his/her entitlement or any part of his/her entitlement to allowances.
- (22) **Time limit for claims and payments:** we recommend, in accordance with reg. 14 of the regulations, that schemes of allowances should impose a time of limit of six months for the making of claims for payment of: (a) dependants' carers' allowance; (b) travelling and subsistence allowance; and (c) co-optees' allowance.

# 1. The Regulations for Allowances

## The legal provisions

The legal framework for councillors' allowances is established by the Local Government and Housing Act 1989, section 18. It establishes the general principles, and empowers the Secretary of State to make regulations governing the detail. This section was amended by the Local Government Act 2000, s.99. That section, and section 18 as amended, is set out in Appendix One.

The regulations are now the Local Authorities (Members' Allowances) (England) Regulations 2003 No 1021, which superseded the Local Authorities (Members' Allowances) England Regulations 1991 (SI 1991 No 351). The regulations are reproduced in Appendix Two.

## The function of the Panel

The regulations (reg. 21) spell out the duty of the Independent Panel, which is to produce a report for the London boroughs making recommendations:

(a) as to the responsibilities or duties in respect of which the following should be available -

- (i) special responsibility allowance;
- (ii) travelling and subsistence allowance; and
- (iii) co-optees' allowance;

(b) as to the amount of such allowances and as to the amount of basic allowance;

(c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;

(d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);

(e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;

(f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and

(g) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.

We are empowered to make different recommendations in relation to each of the authorities for which it exercises functions. We have not done so because we believe it to be important to set general principles and limits, and to leave to the Boroughs themselves the adaptation of them to their own circumstances.

The Regulations also require that there should not be more than one panel which makes recommendations in respect of an authority (reg. 21(1)).

## **2. Experience on members' allowances**

Our consultations with the London councils in the course of this review have established that the recommendations made in the Panel's earlier reports have helped to streamline and modernise local remuneration schemes and have proved influential in the movement towards a more rational system that recognises and pays councillors for the work they actually do and the responsibilities they bear on behalf of their communities.

Wide variations remain, however. Basic allowances for London borough councillors range from £5,225 to £10,490. However, the variations in basic allowance are less marked than they used to be. When the Panel was first appointed in 1999, basic allowances varied from £515 to £7,800.

The range for council leaders' allowances is substantial. They vary from £13,271 to £45,701. The three elected mayors receive broadly similar allowances, in all cases close to our recommendations.

Our research on the level of allowances paid to lead members and scrutiny members also threw up marked variations. In some authorities over 60% of members receive special responsibility allowances. These high levels strike us as wrong in principle. Special responsibility allowances should be reserved for those senior posts which call for a special and distinct level of responsibility and time commitment. They should not be used to supplement the basic allowance for the majority of councillors. The best way to raise allowances for non-executive councillors is to increase the basic allowance.

The setting up of new allowance schemes in London is matched by developments elsewhere in the country as councils adjust to the new forms of political organisation which are changing the roles and responsibilities of councillors.

Six years ago the Kerley Report recommended that basic allowances in Scotland should be at the level of £12,000. It also recommended that the leaders of the largest councils, Edinburgh and Glasgow, should receive the same allowance as a member of the Scottish Parliament, which was then £41,255. Other council leaders should be entitled to a similar remuneration on a proportional basis.

The Kerley Report also proposed a proportional scale for councillors with “significant additional responsibilities”, ranging from £25,000 in Edinburgh and Glasgow to £17,000 in the smaller councils.

Similarly, a review of councillor’s pay in Wales published in July 2001 recommended an average basis allowance of almost £10,000 for members, with council leaders receiving an additional special responsibility allowance that would take their total remuneration to an average of £35,437 a year. Leaders of the authorities equivalent in size to a major London council would be paid significantly more: for example, £50,391 in the case of Cardiff (£54,585 for a directly elected executive mayor), and £40,543 in the case of Swansea (£48,202 for an elected mayor). The recommendation for council leaders was to link their salaries to those paid to members of the Welsh Assembly which were then due to increase to £38,000.

Recent surveys of members’ allowances also demonstrate a countrywide trend to making proper allowances to those who govern local authorities, with basic allowances in major authorities usually ranging from £8,000 to £16,000. Panels recommending allowances for leaders in major authorities are increasingly likely to regard the salary of a backbench MP as a touchstone.

### **3. The Panel’s Approach**

Since the Local Government Act 2000, Councils have modernised their system of governance. The Government’s objective was to require all councils to move away from the traditional committee systems so as to improve their efficiency and to make their decisions more transparent and easily understood by the public. Councils have adopted new models of political management with an emphasis on the executive roles and responsibilities of senior councillors. The system relies on other councillors setting up overview or scrutiny committees, which are not part of the executive, but can examine decisions and improve public accountability. We regard these as of great importance in the new structures.

In Hackney, Lewisham and Newham there are directly elected mayors with Cabinets. The other 29 London boroughs use the Leader and Cabinet system.

### **The purpose of the basic allowance**

Every local authority is expected to have a basic, flat rate allowance which is payable to all members. The basic allowance recognises the time commitment of councillors, including meetings with council managers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of councillors' homes. It must be the same for each councillor and may be paid either as a lump sum or in instalments through the year.

### **The principle of public service**

An explicit premise of the Panel's first report was that the recruitment of councillors should be drawn from across the social spectrum, and not just restricted to those people who can afford to give an open-ended time commitment of their time in return for no more than honorary remuneration.

Altruism, a genuine concern for the welfare of the community and a commitment to public service has historically served local government very well and will continue to be one of the keystones of its effective operation. But it is not enough in itself. A realistic scheme of allowances is needed to enable councillors do their work more effectively.

The general principles that the Panel advocated in 1999 have proved influential in both London and elsewhere in the country, and there is now widespread acceptance that allowances can both help attract a wider spectrum of councillors from all sides of the community and reinforce the ethos of public service. There may always, of course, be some elected members who are happy to forego all or part of their remuneration, but local schemes of allowances should be available to support and assist all councillors in carrying out their duties.

Ideally councillors should reflect the characteristics of their constituents in terms of ethnicity, gender, age etc. This is far from always the case. There is a stereotype of the councillor as being white, middle-aged and male, retired, unemployed or self-employed. It is essential that the recruitment of London's future councillors is from as wide a base as possible, especially at a time when councils wish to be more representative and seek to broaden their appeal.

### **What should councillors be paid?**

Each council should have a clear and easily understood system of remuneration with a basic allowance available for the non-executive work of all councillors and special responsibility allowances paid to those members who have significant additional duties as executive members over and above the everyday role of councillors as community representatives.

Local schemes should reflect the different levels of councillors' responsibility and the hours that they can be expected to work on the council's behalf. There is also a reciprocal obligation on councillors to account for the proper use of public money.

There are three key elements which inform our approach to the setting of allowances:

1. The job profile: what duties councillors are to be expected to carry out, what time they are expected to devote to this and what is a reasonable level of remuneration for this work?
2. Responsibilities: all councillors should be paid a basic annual allowance that acknowledges their work as community representatives. They should also be paid for any additional work they carry out and for special responsibilities they have within the council on behalf of their communities.
3. Transparency and accountability: any scheme for the payment of councillors should be transparent and easily understood by members of the public. There should be a clear systems of accountability.

### **The commitment of councillors**

We continue to be impressed by the amount of time and work which councillors put into their role. This has been highlighted with remarkable consistency by surveys over several years, and shows a degree of public service which is rarely publicly recognised.

The Panel's 1999 report quoted figures published by the 1997 Camden Panel on the workload of councillors which showed that the average (mean) and median number of hours spent per month on each of six categories of activity were as follows:

	<b>Hours per month</b>	
	<b>Mean</b>	<b>Median</b>
(1) attending and preparing for meetings	35	30
(2) representing the council on outside bodies	10	7
(3) representing individual constituents	27	20
(4) representing local community interests	14	10
(5) representing party political interests	12	12
(6) any other activity	8	5
<b>TOTAL</b>	<b>106</b>	<b>82</b>

Other research has confirmed the Camden Panel's figures.

If London councils are to succeed in attracting new councillors from a wider variety of backgrounds, it remains essential that a ceiling be placed upon both the council's and the public's expectations of the time they devote to their work as councillors.

Properly managed the work of councillors on behalf of their communities can be immensely satisfying, but the demands that it places on people need to be contained and effectively organised. For most people with families and in employment, the prospect of working more than an extra 20 hours per week –

much of that necessarily during unsociable hours – is a distinctly unattractive proposition.

In Appendix 4 we have set out a job profile to outline the tasks and responsibilities that we believe are within the essential remit of a councillor. This profile may be helpful to people who are interested in becoming councillors and provide a checklist against which the electorate should be able to measure the performance of their local councillors.

It should also help all councillors identify the key features of their work on behalf of the community. The non-executive community role has been given a new emphasis in the 2000 Act and for councils adopting new political management structures it marks a significant break with the established committee system.

### **What do we expect from councillors?**

We start from the assumption that any scheme for councillors' remuneration should be based upon work of no more than a 60-hour month. This remains an arbitrary figure, but it reflects our concern that communities should have a fair and reasonable expectation of what they expect councillors to do on their behalf. We accept that the expectation of councillors' work in their communities is increasing and will continue to do so.

It is certainly generally expected that most councillors will spend less time in traditional committee meetings and more time undertaking executive, scrutiny, representational and community roles. We hope that it will be possible for councillors to devote more time to work away from the town hall and within their communities. For the moment, we are satisfied that the basic job profile for councillors reflects current patterns of demand, and is reasonable given our next assumption.

The basic level of allowances should be based on the assumption that councillors work some 60 hours each month and that the first 20 hours of this should be voluntary public service. This retains a fair comparison with the voluntary commitment of say an unpaid school governor or Saturday morning football coach.

It also follows from this, that the remuneration scheme should reflect no more than 40 hours effective work per month by local councillors. Many councillors may continue to work without remuneration beyond the total of 60 hours we have suggested as a reasonable ceiling, but our approach should provide all councillors (and prospective councillors and the public) with a rough yardstick of expectation.

### **Calculating the basic allowance**

Our 1999 report said that the most appropriate basis for calculating the work done by councillors was to use the mean white collar wage for male workers in London. We remain satisfied that this is still an appropriate measure and one which is fair to both councillors and council tax payers.

The Greater London hourly rate used in the 1999 report was £15.29, implying an annual basic allowance of £7,339 and allowing for a modest uplift to that figure, the panel proposed an annual basic allowance for all councillors of £7,500.

The New Earnings Survey 2000 data published on 20 July, 2001, showed that the hourly rate for white collar male workers in London was then £17.43. On that basis, while still retaining a substantial element of voluntary public service, the annual basic allowance would be some £8,366.40. In 2001 the Panel recommended an increase in the basic allowance to £8,500 to recognise the increase.

In 2006 the Panel did not re-base the basic allowance on the earnings survey but updated the allowance in accordance with its own recommendation in line with the local government pay awards which took place between 2001 and 2006.

### **Differences between the boroughs**

We see no basis for distinguishing between the level of responsibility exercised by councillors in different boroughs or between inner London and outer boroughs.

The ratio of councillors to residents does vary between boroughs, but not to such an extent that this should be reflected in allowances schemes. We recognise that there are significantly different social and economic pressures in different boroughs. But we believe that the bands recommended are sufficiently wide to enable these to be recognised.

## 4. Specific issues

The principal questions that we posed in the 2006 review were the following:

- (1) have the Panel's recommended bands satisfactorily accommodated the new structures for internal political management?
- (2) should there be any change in the level of basic allowance?
- (3) should there be any change in the structures and levels of special responsibility allowances?
- (4) Should an element of performance-related pay be introduced?
- (5) Whether there was a difference in practice between an elected mayor and a leader of a council?
- (6) Whether councillors should be eligible for maternity, paternity and sick leave?
- (7) Should councillors who lose their seat be eligible for a resettlement allowance?
- (8) Other issues.

A letter was sent to all the Boroughs with a series of questions along these lines, and a request for any further information or issues they wished the Panel to consider. We had 14 responses.

### (1) The Bands

Generally Bands were felt still to be appropriate, though some boroughs identified new roles which had emerged, e.g. community champions, Cabinet assistants and members with substantial (but not separately rewarded) responsibilities outside the borough. We have amended the description of Band One to take these into account. Some boroughs felt that Cabinet portfolios were unequal. We accept that in some authorities it may be sensible to remunerate all Cabinet members at the same level; and in others to recognise inequalities of portfolios by using the width of the bands we recommend. The bands and the remuneration which we recommend should be attached to them are set out in Appendix Three.

### (2) The basic allowance

Every local authority is expected to have a basic, flat rate allowance which is payable to all members. The basic allowance recognises the time commitment of councillors, including meetings with council managers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of councillors' homes. It must be the same for each councillor and may be paid either as a lump sum or in instalments through the year.

We asked the London boroughs if the assumption of community leadership required changes to the basic allowance. The general response was the basic allowance should cover the role of the councillor in the community.

Accordingly, we recommend no change to the presently recommended basic allowance, except for a cost of living uprating.

### **(3) Special responsibility allowances**

We received some comments about the structure we had recommended, including the number of bands and the overall proportion of members (50%) to whom we felt that SRAs should be limited. On this, we remain firmly of the view that there should be a clear limit. SRAs are, by definition, special. We believe that higher level bands should be restricted to those posts where there are clear additional responsibilities and time commitments such as a cabinet member, with the very top bands limited to a full-time council leader, chair of scrutiny or directly elected mayor. We adhere to the view that the number of councillors receiving a special responsibility allowance should not exceed 50%. We stress again the importance of the general principle of limiting tightly, as a matter of good practice, the proportion of councillors entitled to SRAs.

If a borough finds this too restrictive, it should ask whether the basic allowance is at an appropriate level, and whether the responsibility the Borough wishes to recognise is not already adequately catered for by the basic allowance, or could be properly reflected by making an increase in the basic allowance.

Another representation asked whether there might not be different levels of allowance for full and part-time Members. On this, our view is that the allowance should reflect the role rather than the mode in which it is performed. We expect that the role of Leader or elected Mayor will, in most boroughs, be full-time, and the allowance takes that into account. Executive members may or may not be full-time, but if their roles are of comparable responsibility, we recommend that they should be remunerated at the same rate, irrespective of whether they are actually undertaken in part-time or full-time mode. Otherwise there would be an incentive to Members to shift from part-time to full-time service for the sake of an enhanced allowance.

We propose no change to the approach in our last report to special responsibility allowances.

### **(4) Performance Related Pay**

Although performance related pay for councillors may be attractive in principle it is difficult to set criteria. As one borough commented, 'the practicalities of implementation could prove insurmountable. The Panel needs to remember that we are working in a political environment and this still involves adversarial positions. The results of the PRP of councillors would have to be published in the public domain for transparency as required by the legislation. Political parties would be very reluctant to publicly declare that some of their elected members were poor performers...It would be political suicide.' Moreover, it is

doubtful whether it can be achieved within present legislation. We have not pursued the idea. However, we commend the performance management framework for councillors introduced in authorities like Newham.

## **(5) Elected mayors and leaders**

Among the boroughs there was a difference of opinion. Generally speaking elected mayors felt that their personal responsibility exceeded that of leaders. Leaders felt that there was no difference in the responsibilities. We agree with the elected mayors, but record that implementation of the current Government White Paper, when leaders could be elected for four years, might change perspectives.

## **(6) Maternity and Paternity Pay**

In some cases, councillors clearly are highly dependent on their special responsibility allowances. If they fall sick or take paternity or maternity leave, it may be necessary for the Council to appoint a replacement during their absence. We believe that they should enjoy the same rights as employees in that situation. We believe that Councils should make arrangements in their schemes to allow the continuance of special responsibility allowances in the case of sickness, maternity and paternity leave in the same way that the Council's employees enjoy such benefits.

## **(7) Resettlement allowances**

We found considerable support for the proposition that councillors who lose their seat at an election and who suffer loss of a substantial special responsibility allowance should be entitled to a continuance of the special responsibility allowance for a further six months beyond the date of the election. This would give them a reasonable opportunity to seek alternative employment. Such a provision would correspond to the redundancy pay which would be available to an employee in such a situation. This recommendation cannot form part of the London scheme of allowances, since it is outside the statute. We have made representations to the Government accordingly.

## **(8) Uprating of allowances**

The Regulations, picking up an approach which we proposed in our First Report in 1999, include power for an allowances scheme to include provision for automatic uprating, allowing allowances to keep up with changes in the cost of living without requiring a report from an Independent Panel. The regulations allow this to be done by reference to an index specified by the scheme. The operation of the automatic uprating provision thereafter is deemed not to constitute an amendment to the scheme. However, a borough may only rely upon the index for four years before seeking a further recommendation from the Panel (reg 10(4) and (5)).

We continue to recommend that Schemes of Allowances should include an automatic uprating provision, and that this should be tied to the annual Local Government Pay Settlement as its index. Appendix Three sets out the current rates attached to each band, uprated as at April 2006.

## **(9) Pensions**

The Regulations require that a borough's Scheme of Allowances should set out:

“(a) which members of the authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and

(b) whether the basic allowance or the special responsibility allowance, or both, may be treated as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.”

The Scheme may only include someone who has first been recommended by the Independent Remuneration Panel. The Panel's previous recommendation took into account the then statutory situation and recommended that councillors under the age of 70 should be eligible to join the pension scheme. Under new regulations, this age has risen to 75. Accordingly we recommend that Allowances Schemes should provide for allowances to be pensionable through the Local Government Pensions Scheme, and that all Members under the age of 75 should in principle be eligible to join the scheme, in respect of all allowances paid to them, and without reference to any qualifying period of service as a Member.

## **(10) Dependants' carers' allowances**

The Regulations set out the circumstances for these allowances. They are discretionary. It can only be paid if provision is made for it in the borough's Scheme of Allowances. The regulations (reg. 7) specify that such an allowance is payable in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in:

(a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;

(b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local

Government Act 1972, or a sub-committee of such a joint committee, provided that:

- (i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
  - (ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) the attendance at a meeting of any association of authorities of which the authority is a member;
- (d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;
- (e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- (f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and
- (h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.

We believe it is right that such allowances should be paid. They may make it possible for people to serve as councillors who would not otherwise be able to contribute their time because of their other responsibilities. We also believe that London boroughs should take appropriate measures to safeguard against abuse of such a scheme, of which there has been evidence elsewhere. In particular, carers' allowances should not be payable in respect of care by a member of the claimant's own household, nor should an allowance be claimable separately in respect of more than one dependent, except in exceptional circumstances.

Our suggestion of a flexible approach reflecting local social services departments' different levels has found widespread acceptance.

We continue to recommend a flexible approach to childcare and dependent carer's allowances, but especially recommend that boroughs have regard, when setting appropriate levels, to their local social service departments' levels of reimbursement. We restate the principles already recommended, that:

- (a) a maximum rate should be set locally to reflect local costs, in accordance with social service departments levels;
- (b) payment should be claimable in respect of children aged 15 or under or in respect of other dependants where there is medical or social work evidence that care is required;
- (c) only one weekly payment should be claimable in respect of the household of each member, except in special circumstances to be judged by the Council's Standards Committee;
- (d) the allowance should be paid as a reimbursement of incurred expenditure against receipts;
- (e) the allowance should not be payable to a member of the claimant's own household;
- (f) any dispute as to entitlement and any allegation of abuse should be referred to the Council's Standards Committee for adjudication;

## **(11) Travel and subsistence**

The Panel's approach to travel and subsistence has been widely adopted, though with variations. We repeat that the basic allowance should be taken to include travel and subsistence within the borough. It is wasteful and time-consuming for councillors to make claims for small sums, and for councils to process them and pay them. If the regime seems too restrictive, the better approach may be to review the basic allowance. However, our attention has been drawn to special situations. We accept that there may be circumstances where it may be appropriate for a scheme to provide payment for the cost of transport within the borough, such as journeys home after late meeting and for people with disabilities.

We are required to provide advice on levels of travel and subsistence. We strongly recommend that the same rules and scales of claims should apply both to Members and to officers. This approach offers efficiency by providing a uniform model for the handling of claims, and it also conveys equal treatment of officers and members.

We recommend that the basic allowance should be treated as covering all intra-borough travel costs and subsistence, but with local variations to this rule to meet different local conditions. We also recommend that the rules and entitlements for reimbursement of travel expenses, and for travel by bicycle, should be the same for officers, members and co-opted members.

## **(12) Co-opted members**

Co-opted members are those who are not elected members of the authority but who are invited to become members of committees, such as statutory

education co-optees on scrutiny and independent members of the Standards Committee. We believe that payment to co-opted members should be confined to those for which statutory provision is made, viz. education members and members of the Standards Committee. We add the independent chair of the Audit Committee, given the encouragement to appoint such an independent chair. The regulations require that, should an allowance be paid, it must be paid on an annualised basis. This is a difficult objective. In our opinion, the role of a co-opted member is different from that of an elected member, and it would have been more appropriate to have allowed for an attendance allowance in such cases. Our approach to calculation of an appropriate allowance therefore follows that line. We propose that boroughs should first adopt a standard sum per meeting, for which we suggest £117 (the sum updated for inflation from the Panel's original recommendation), and then multiply it by the anticipated meeting load for the year. For independent chairs of the Standards Committee we propose that the base amount be £240. The allowance would then cover not only attendance at the meetings of the committee concerned but also any related and incidental activity.

An exception to this approach arises in the case of a co-opted member entrusted with the task of presiding at a meeting of the overview and scrutiny committee for education, who must be paid an allowance equal to that of an elected member undertaking the equivalent function. This is a reference to the special responsibility allowance payable to such a member, but not extending to the basic allowance. It also raises the question of the co-opted member who is invited to perform this function on an occasional basis, and only in the absence of the person who normally presides. The relevant regulation provides:

(4) The amount of co-optees' allowance payable to any member who presides at a meeting of an overview and scrutiny committee, where that committee's functions under section 21 of the Local Government Act 2000 relate wholly or partly to any education functions which are the responsibility of the authority's executive, shall not be less than the minimum amount of any special responsibility allowance payable under that authority's scheme to a person who presides at meetings of any other [of the] authority's committees or sub-committees.

The provision is poorly drafted. Although it refers to presiding "at a meeting", such an additional allowance should in our view be paid only to those co-opted members for whom provision is made in statute and have been formally appointed to preside, on the same basis as those elected members presiding at other committees, because the SRA is intended to reflect the workload and responsibility of the office, not just the function of presiding at meetings.

We recommend that schemes of allowance should provide for allowances to be paid to co-opted members. The normal approach should be to set an annual allowance for such members based upon a sum of £117 per meeting (£240 for the independent chair of the Standards Committee), multiplied by the total number of meetings expected each year. Where a co-opted member

has been appointed to preside as chair of an overview or scrutiny committee for education, that member must by law be paid a special responsibility allowance not less than the minimum SRA paid to an elected member undertaking the equivalent responsibility. Co-opted members should be entitled to reimbursement in full of their reasonable travel expenses.

### **(13) Quasi-Judicial work**

The Panel sees no reason to alter the recommendations it made in the 2001 report in relation to quasi-judicial work, such as adoption panels, licensing and development control committees. Councils should consider setting up a panel of non-executive members to sit on such bodies and make provision for payment of a special allowance to all members of that panel only when the workload justifies it.

### **(14) Accountability**

The current system of Members' remuneration allowances, with its principle of annualised allowances rather than attendance allowances, places a high premium on trust. We therefore regard accountability for this use of public money as being of the highest importance. The regulations require boroughs to keep a record of all payments made under their schemes of allowances, and for these records to be available for inspection upon request. They also require a full report to be made at the end of the year, of the total sum paid by a Borough in the year under the scheme to each recipient in respect of each of the following: (a) basic allowance; (b) special responsibility allowance; (c) dependants' carers' allowance; (d) travelling and subsistence allowance; and (e) co-optees' allowance. We believe strongly that Members themselves should go further. We have advised in our previous reports on the drafting of job descriptions, and we expect them to be used as the basis for reporting by members on their activities on behalf of their electors and their boroughs. Councillors should see making such reports as a way of broadcasting the extensive range of tasks and duties which they undertake on behalf of the electorate. We annexed a slightly revised job description for councillors at Appendix Four. We would like them to give an account of what services they have provided to their constituents; what their objectives have been; and their success in achieving them; as well as some record of their general industry. In Appendix Five we give examples of good practice in this area.

### **(15) Withholding allowances**

We believe that boroughs should include in their Allowances Scheme provision for their Standards Committee to withdraw allowances in whole or in part in the event of a member being suspended or partially suspended. All allowances should be withheld for the period of total suspension, and in the case of partial suspension the basic allowance should continue to be paid (though we would expect a member voluntarily to abate their claim according

to the extent to which they were able to continue to perform the functions of a non-executive member), and to the extent that the partial suspension made it impossible or impracticable for a member to undertake activities in respect of which an special responsibility allowance was payable, that allowance should be withdrawn. It is likely that this would occur in any event, because of the need to appoint another member to undertake the functions concerned, who then become entitled to the allowance.

### **(16) Electing to forgo allowances**

In accordance with reg. 13 of the regulations, we recommend that allowances schemes should provide that a person may by notice in writing given to the proper officer of the authority, elect to forgo his/her entitlement or any part of his/her entitlement to allowances.

### **(17) Time limit for claims and payments**

In accordance with Reg. 14 of the regulations, we recommend that schemes of allowances should impose a time of limit of six months for the making of claims for payment of: (a) dependants' carers' allowance; (b) travelling and subsistence allowance; and (c) co-optees' allowance.

# **Appendix 1: primary legislation governing members' allowances**

## **Local Government and Housing Act 1989, s.18, as amended by Local Government Act 2000, s.99**

### **Schemes for basic, attendance and special responsibility allowances for local authority members**

**18.** (1) [Subject to subsection (1A)] the Secretary of State may by regulations authorise or require any such relevant authority as may be specified or described in the regulations to make a scheme providing for the payment of:

- (a) a basic allowance for every member of the authority who is a councillor;
- (b) an attendance allowance in relation to the carrying out by any such member of such duties as may be specified in or determined under the regulations; and
- (c) a special responsibility allowance for any such member who has such special responsibilities in relation to the authority as may be so specified or determined.

[(1A) In relation to a district council, county council, county borough council or London borough council, subsection (1) above shall have effect with the omission of paragraph (b).]

(2) Regulations under this section may also authorise or require a scheme made by a relevant authority under the regulations to include provision for the payment to appointed members of allowances in respect of such losses of earnings and expenses as:

- (a) are necessarily sustained or incurred in the carrying out, in connection with their membership of the authority or any committee or sub-committee of the authority, of duties specified in or determined under the regulations; and
- (b) are not of a description in respect of which provision is made for an allowance under any of sections 174 to 176 of the Local Government Act 1972 or sections 46 to 48 of the Local Government (Scotland) Act 1973.

[(2A) Regulations under this section may authorise or require a scheme made by a district council, county council, county borough council or London borough council to include provision for the payment to members of the council of allowances in respect of such expenses of arranging for the care of children or dependants as are necessarily incurred in the carrying out of their duties as members.]

(3) Without prejudice to the generality of the powers conferred by subsections (1) [to (2A)] above, regulations under this section may contain such provision as the Secretary of State considers appropriate for requiring a scheme made by a relevant authority under the regulations—

- (a) to make it a condition of any payment by way of allowance that, in the financial year to which the payment would relate, the aggregate amount which the authority has paid out or is already liable to pay out under the scheme does not exceed such maximum amount as may be specified in or determined under the regulations;
- (b) to make provision for different maximum amounts to be applicable, for the purposes of any such condition, in relation to different allowances or in relation to different members or members of different groups;

- (c) to make provision in relation to claims which cannot be paid by virtue of any such condition and provision for the payment to members of the authority who are councillors of an amount by way of supplement to the basic allowance where, in any financial year, the aggregate paid out or owing under the scheme is less than an amount specified in or determined under the regulations;
  - (d) to provide that the amount authorised by virtue of subsection (2) above to be paid by way of allowance in any case shall not exceed such amount as may be so specified or determined;
  - (e) to contain such provision as may be so specified or determined with respect to the general administration of the scheme, with respect to the manner in which, time within which and forms on which claims for any allowance are to be made and with respect to the information to be provided in support of any such claim;
  - (f) to contain such provision as may be so specified or determined for avoiding the duplication of payments or of allowances, for determining the bodies by which payments of allowances are to be made and for the apportionment of payments between different bodies.
- [(3A) Regulations under this section may make provision for or in connection with:
- (a) enabling district councils, county councils, county borough councils or London borough councils to determine which members of the council are to be entitled to pensions, allowances or gratuities,
  - (b) treating the basic allowance or the special responsibility allowance as amounts in respect of which such pensions, allowances or gratuities are payable.
- [(3B) Regulations under this section may make provision for or in connection with requiring a district council, county council, county borough council or London borough council to establish and maintain a panel which is to have such functions as may be specified in the regulations in relation to allowances, or pensions, allowances or gratuities, payable to members of the council.]
- [(3C) Regulations under this section may make provision for or in connection with enabling a panel established by a body specified in the regulations to exercise such functions as may be specified in the regulations in relation to allowances, or pensions, allowances or gratuities, payable to members of such district councils, county councils or London borough councils in England as may be specified in the regulations.]
- [(3D) Regulations under this section may make provision for or in connection with the establishment by the National Assembly for Wales on a permanent or temporary basis of a panel which is to have such functions as may be specified in the regulations in relation to allowances, or pensions, allowances or gratuities, payable to members of county councils and county borough councils in Wales.]
- [(3E) Regulations under subsection (3B) above may include provision-
- (a) with respect to the number of persons who may or must be appointed to the panel of a council,
  - (b) with respect to the persons who may or must be appointed to the panel of a council,
  - (c) for or in connection with the appointment by councils of joint panels.]
- [(3F) Regulations under subsection (3C) may include provision-
- (a) with respect to the number of persons who may or must be appointed to a panel mentioned in that subsection,
  - (b) with respect to the persons who may or must be appointed to such a panel.]
- [(3G) Regulations under subsection (3B), (3C) or (3D) may include provision-

- (a) for or in connection with enabling a panel mentioned in that subsection to make recommendations to a council on the level of allowances payable to members of the council,
- (b) for or in connection with enabling such a panel to make recommendations to a council as to which members of the council are to be entitled to pensions, allowances or gratuities,
- (c) which permits different recommendations to be made in relation to different councils or descriptions of council.]
- (4) Regulations under this section may:
  - (a) prohibit the payment, otherwise than in accordance with sections 174 to 176 of the Local Government Act 1972 or sections 46 to 48 of the Local Government (Scotland) Act 1973 or in such other cases as may be specified in the regulations, of any allowance to a member of a relevant authority who is a councillor or to any appointed member of a relevant authority;
  - (b) impose requirements on a relevant authority with respect to the publication, in the minutes of that authority or otherwise, of the details of amounts paid in pursuance of a scheme made under the regulations;
  - [(ba) make provision with respect to the amendment, revocation or replacement of a scheme made by a relevant authority under the regulations; and]
  - (c) contain such incidental provision and such supplemental, consequential and transitional provision in connection with the other provisions of the regulations as the Secretary of State considers appropriate.
- (5) In this section “relevant authority” means-
  - (a) a local authority of any of the descriptions specified in any of the paragraphs of section 21(1) below, other than paragraphs (d) [(g)] and (i), or in section 21(2) below; or
  - (b) any body on which a body which is a relevant authority by virtue of paragraph (a) above is represented and which is designated as a relevant authority for the purposes of this section by regulations made by the Secretary of State; or
  - (c) any appeal committee so designated which is constituted in accordance with [paragraph 2 or 3 of Schedule 33 to the Education Act 1996];
- [(5A) In making or operating any scheme authorised or required by regulations under this section, a district council, county council, county borough council or London borough council shall have regard to any guidance for the time being issued by the Secretary of State.]
- (6) In this section any reference to a councillor includes a reference to a member of the authority concerned who, in accordance with regulations under this section, is to be treated as if he were a councillor.

## **Local Government Act 2000, s.100**

### **Power to make provision about allowances**

- 100.** (1) The Secretary of State may by regulations make provision with respect to-
- (a) allowances payable to members of a parish council,
  - (b) travelling and subsistence allowances payable to members of such relevant authorities as may be prescribed,
  - (c) allowances payable to members of such relevant authorities as may be prescribed for attending conferences or meetings,
  - (d) the reimbursement of expenses incurred by members of such relevant authorities as may be prescribed.
- (2) For the purposes of this section a member of a committee or sub-committee of a relevant authority is to be treated as a member of the authority.
- (3) The provision which may be made under subsection (1)(b) includes provision with respect to allowances in respect of travel by bicycle or by any other non-motorised form of transport.
- (4) The provision which may be made under this section includes provision which amends or repeals any provisions of sections 173 to 178 of the Local Government Act 1972.
- (5) Before making any regulations under this section, the Secretary of State must consult such representatives of local government and such other persons (if any) as he considers appropriate.
- (6) In this section:
- “prescribed” means prescribed by regulations made by the Secretary of State,
  - “relevant authority” means-
    - (a) a body specified in section 21(1) of the Local Government and Housing Act 1989,
    - (b) a body on which a body falling within paragraph (a) is represented,
    - (c) a parish council.
- (7) In its application to Wales this section has effect as if-
- (a) for any reference to the Secretary of State there were substituted a reference to the National Assembly for Wales,
  - (b) for any reference to a parish council there were substituted a reference to a community council.

# Appendix 2: the regulations governing members' allowances

## LOCAL GOVERNMENT, ENGLAND

Local Authorities (Members' Allowances) (England) Regulations 2003 No 1021

<i>Made</i>	<i>7th April 2003</i>
<i>Laid before Parliament</i>	<i>7th April 2003</i>
<i>Coming into force</i>	<i>1st May 2003</i>

### ARRANGEMENT OF REGULATIONS

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#### PART 2

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#### PART 4

##### *Independent remuneration panels*

- [18. Application of this Part](#)
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#### PART 5

*Parish councils*  
[not reproduced]

#### PART 6

##### *Transitional provisions, revocation and disapplications*

- [33. Revocation](#)
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The First Secretary of State in exercise of the powers conferred on him by sections 18 and 190(1) of the Local Government and Housing Act 1989 and sections 100 and 105(2), (3) and (4) of the Local Government Act 2000<sup>[2]</sup>, and of all other powers enabling him in that behalf, and having carried out such consultation as is required by section 100(5) of the Local Government Act 2000, hereby makes the following Regulations:

#### PART 1

##### GENERAL

##### **Citation, commencement and application**

**1.** (1) These Regulations may be cited as the Local Authorities (Members' Allowances) (England) Regulations 2003 and shall come into force on 1st May 2003.

(2) These Regulations apply in England only.

## Interpretation

### 2. In these Regulations -

“the Association of London Government” means the body known by that name and established on 1st April 2000 as a joint committee by the London borough councils and the Corporation of the City of London;

“basic allowance” has the same meaning as in regulation 4 of these Regulations;

“co-optees’ allowance” has the same meaning as in regulation 9 of these Regulations;

“dependants’ carers’ allowance” has the same meaning as in regulation 7 of these Regulations;

“independent remuneration panel” means a panel or joint panel established under regulation 20 of these Regulations;

“local government elector” means a person entitled to vote as an elector at a local government election in accordance with section 2 of the Representation of the People Act 1983;

“parish basic allowance” has the same meaning as in regulation 25 of these Regulations;

“parish remuneration panel” means a panel or joint panel established under regulation 27 of these Regulations;

“parish travelling and subsistence allowance” has the same meaning as in regulation 26 of these Regulations;

“political group” means a group constituted in accordance with regulation 8 of the Local Government (Committees and Political Groups) Regulations 1990;

“proper officer” shall be construed in accordance with section 270(3) of the Local Government Act 1972;

“recommendation” means a recommendation made by a panel in accordance with regulations 21 and 28;

“the scheme” means the scheme for the payment of allowances made in accordance with Parts 2 and 3 of these Regulations;

“special responsibility allowance” has the same meaning as in regulation 5 of these Regulations;

“travelling and subsistence allowance” has the same meaning as in regulation 8 of these Regulations;

“unitary county council” means a county council for an area for which there is no district council; and

“year” means -

(a) the period beginning on the date of the coming into force of these Regulations and ending on 31st March 2004; and

(b) any period of 12 months ending on 31st March in any year after 2004.

## **Application of these Regulations**

**3.** (1) Any reference in this Part and Parts 2 and 3 of these Regulations to an authority shall, unless otherwise specified be construed as a reference to a body of one of the following descriptions:

- (a) a district council;
- (b) a county council;
- (c) a London borough council;
- (d) the Council of the Isles of Scilly;
- (e) a fire authority constituted by a combination scheme under the Fire Services Act 1947;
- (f) a joint authority established by Part IV of the Local Government Act 1985;
- (g) the London Fire and Emergency Planning Authority;
- (h) the Broads Authority;
- (i) a National Park authority; and
- (j) a conservation board of an area of outstanding natural beauty;

(2) For the purposes of section 18 of the Local Government and Housing Act 1989 -

- (a) the bodies referred to at sub-paragraphs (h) and (j) of paragraph (1) are hereby designated as relevant authorities; and
- (b) any member of an authority listed in paragraph (1) shall be treated as if he were a councillor.

## **PART 2**

### **ALLOWANCES**

#### **Basic allowance**

**4.** (1) An authority shall -

- (a) make a scheme in accordance with these Regulations which shall provide for the payment of an allowance in respect of each year to each member of an authority, and the amount of such an allowance shall be the same for each such member (“basic allowance”); and
- (b) pay basic allowance and any other allowance permitted by these Regulations only in accordance with such a scheme.

- (2) In relation to basic allowance, the scheme shall -
- (a) specify the amount of entitlement by way of basic allowance in respect of any year to which it relates; and
  - (b) provide that where the term of office of a member begins or ends otherwise than at the beginning or end of a year, his entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office as member subsists bears to the number of days in that year.
- (3) The scheme may specify that where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of basic allowance payable to him in respect of the period for which he is suspended or partially suspended may be withheld by the authority.

### **Special responsibility allowance**

5. (1) A scheme made under this Part may provide, in accordance with paragraph (2), for the payment for each year for which that scheme relates of an allowance (“special responsibility allowance”) to such members of the authority as have such special responsibilities in relation to the authority as are specified in the scheme and are within one or more of the following categories -
- (a) acting as leader or deputy leader of a political group within the authority;
  - (b) acting as a member of an executive where the authority are operating executive arrangements within the meaning of Part II of the Local Government Act 2000;
  - (c) presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee;
  - (d) representing the authority at meetings of, or arranged by, any other body;
  - (e) acting as a member of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods;
  - (f) acting as the spokesman of a political group on a committee or sub-committee of the authority;
  - (g) acting as a member of an adoption panel within the meaning of the Adoption Agencies Regulations 1983;
  - (h) acting as a member of any committee or sub-committee that deals with any function arising under any enactment authorising the authority to license or control the carrying on of any activity;

(i) carrying out such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned in sub-paragraphs (a) to (h) (whether or not that activity is specified in the scheme).

(2) Any scheme making such provision as is mentioned in paragraph (1) shall -

(a) specify the amount of each special responsibility allowance, which need not be the same;

(b) provide that, where -

(i) members of an authority are divided into at least two political groups; and

(ii) a majority of members of the authority belong to the same political group ("the controlling group"),

a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group and has special responsibilities described in paragraph (1)(a) or (f); and

(c) provide that where a member does not have throughout the whole of a year any such special responsibilities as entitle him to a special responsibility allowance, his entitlement shall be to payment of such part of the special responsibility allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.

(3) The scheme may specify that where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of special responsibility allowance payable to him in respect of the responsibility or duties from which he is suspended or partially suspended may be withheld by the authority.

### **Special responsibility allowance for members of the Association of London Government**

6. (1) For the purposes of regulation 5 –

(a) references to an authority shall include the Association of London Government, which is hereby designated for the purposes of section 18 of the Local Government and Housing Act 1989;

(b) references to members shall, in relation to that body, be references to its members who are also members of London borough councils; and

(c) references in regulation 5 to a scheme made under this Part shall, in relation to the Association of London Government, be construed as references to a scheme established by the Association of London Government for the payment of special responsibility allowance only, in accordance with regulation 5 and the Association of London Government is hereby authorised to make such a scheme in accordance with these Regulations.

(2) Where the Association of London Government pays special responsibility allowance to such members:

(a) Part 3 of these Regulations shall apply to that body in respect of its payments of special responsibility allowance as it applies to an authority; and

(b) Part 4 of these Regulations shall apply to that body as it applies to an authority as regards an independent remuneration panel established by regulation 20(1)(c).

### **Dependants' carers' allowance**

7. (1) A scheme may provide for the payment to members of an authority of an allowance ("dependants' carers' allowance") in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in:

(a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;

(b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that -

(i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or

(ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;

(c) the attendance at a meeting of any association of authorities of which the authority is a member;

(d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;

(e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;

(f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;

(g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and

(h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.

(2) For the purposes of this regulation, “authority” means an authority of any description specified in sub-paragraphs (a) to (c) of regulation 3(1).

### **Travelling and subsistence allowance**

8. (1) A scheme may provide for the payment to members of an authority of an allowance in respect of travelling and subsistence (“travelling and subsistence allowance”), including an allowance in respect of travel by bicycle or by any other non-motorised form of transport, undertaken in connection with or relating to such duties as are specified in the scheme and are within one or more of the following categories -

(a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;

(b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and one or more local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provided that -

(i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or

(ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;

(c) the attendance at a meeting of any association of authorities of which the authority is a member;

(d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;

(e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;

(f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;

(g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996, and

(h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

(2) A scheme may specify that where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, any travelling and subsistence allowance payable to him in respect of the responsibilities or duties from which he is suspended or partially suspended may be withheld by the authority.

(3) For the purposes of this regulation -

(a) a member of a committee or sub-committee of an authority is to be treated as a member of an authority; and

(b) an authority includes, in addition to those bodies referred to in regulation 3(1), the following bodies -

(i) an authority established under section 10 of the Local Government Act 1985 (waste disposal authorities); and

(ii) a joint board upon which a body referred to in regulation 3(1)(a) to (h) is represented.

### **Co-optees' allowance**

**9.** (1) The scheme may provide for the payment of an allowance for each year to a member in respect of attendance at conferences and meetings ("co-optees' allowance").

(2) In relation to co-optees' allowance, the scheme shall -

(a) specify the amount of entitlement by way of co-optees' allowance in respect of any year to which it relates; and

- (b) provide that where the appointment of a member begins or ends otherwise than at the beginning or end of a year, his entitlement shall be to payment of such part of the co-optees' allowance as bears to the whole the same proportion as the number of days during which his term of office as member subsists bears to the number of days in that year.
- (3) The scheme may specify that where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, any co-optees' allowance payable to him in respect of the responsibilities or duties from which he is suspended or partially suspended may be withheld by the authority.
- (4) The amount of co-optees' allowance payable to any member who presides at a meeting of an overview and scrutiny committee, where that committee's functions under section 21 of the Local Government Act 2000 relate wholly or partly to any education functions which are the responsibility of the authority's executive, shall not be less than the minimum amount of any special responsibility allowance payable under that authority's scheme to a person who presides at meetings of any other other authority's committees or sub-committees.
- (5) For the purposes of paragraphs (1) to (4) of this Regulation, "member" means a person who is not a member of the authority but who is a member of a committee or sub-committee of an authority.

## PART 3

### SCHEMES

#### **Requirements for schemes**

- 10.** (1) Before the beginning of each year, an authority shall make the scheme required by regulation 4(1)(a) for the payment of basic allowance for that year.
- (2) The scheme shall also make provision for the following allowances if an authority intends to make such payments in respect of the year -
- (a) special responsibility allowance;
  - (b) dependants' carers' allowance;
  - (c) travelling and subsistence allowance; and
  - (d) co-optees' allowance.

- (3) Subject to regulation 12 the scheme may be amended at any time but may only be revoked with effect from the beginning of a year.
- (4) A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended.
- (5) Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.
- (6) Where an amendment is to be made which affects an allowance payable for the year in which the amendment is made, the scheme may provide for the entitlement to such allowance as amended to apply with effect from the beginning of the year in which the amendment is made.
- (7) A scheme may provide that where payment of any allowance has already been made in respect of any period during which the member concerned is
  - (a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;
  - (b) ceases to be a member of the authority; or
  - (c) is in any other way not entitled to receive the allowance in respect of that period, the authority may require that such part of the allowance as relates to any such period be repaid to the authority.
- (8) Where the scheme is revoked in accordance with this regulation or regulation 12, an authority shall before the revocation takes effect make a further scheme for the period beginning with the date on which the revocation takes effect and ending at the end of the year in question.
- (9) A scheme must make provision to ensure that where a member of an authority is also a member of another authority, that member may not receive allowances from more than one authority in respect of the same duties.

## **Pensions**

- 11.** (1) A scheme made by a district council, county council or a London borough council shall set out -
  - (a) which members of the authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and

(b) whether the basic allowance or the special responsibility allowance, or both, may be treated as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.

(2) In making such provision an authority may only include someone who has first been recommended by the independent remuneration panel established in respect of that authority for such entitlement under regulation 21.

### **Transitional provisions for revocation of allowance schemes**

**12.** Where an independent remuneration panel has produced a report in accordance with regulation 21, a district, county or London borough council may, notwithstanding regulation 10(3), revoke an allowance scheme at any time once that council has begun to operate -

(a) executive arrangements, where they are being operated in place of existing alternative arrangements;

(b) alternative arrangements, where they are being operated in place of existing executive arrangements; or

(c) different executive arrangements which involve an executive which takes a different form.

### **Elections to forgo allowances**

**13.** The scheme shall provide that a person may, by notice in writing given to the proper officer of the authority, elect to forgo his entitlement or any part of his entitlement to allowances.

### **Claims and payments**

**14.** (1) The scheme shall specify a time limit from the date on which an entitlement to each of the following allowances arises during which a claim for such allowances must be made by the person to whom they are payable -

(a) dependants' carers' allowance;

(b) travelling and subsistence allowance; and

(c) co-optees' allowance.

(2) Nothing in paragraph (1) shall prevent an authority from making a payment where the allowance is not claimed within the period specified in the scheme.

(3) The scheme may provide for payments of allowances to be made at such times as may be specified in it, and different times may be specified for different allowances.

## **Records of allowances**

- 15.** (1) An authority shall keep a record of the payments made by it in accordance with a scheme.
- (2) Such a record shall -
- (a) specify the name of the recipient of the payment and the amount and nature of each payment;
- (b) be available, at all reasonable times, for inspection and at no charge -
- (i) where it is kept by an authority specified in regulation 3(1)(a) to 3(1)(d), by any local government elector for the area of that authority; and
- (ii) where it is kept by any other authority, by any local government elector of any authority specified in regulation 3(1)(a) to 3(1)(d) in whose area that other authority exercises functions; and
- (c) be supplied in copy to any person who requests such a copy and who pays to the authority such reasonable fee as it may determine.
- (3) As soon as reasonably practicable after the end of a year to which the scheme relates, an authority shall make arrangements for the publication within the authority's area of the total sum paid by it in the year under the scheme to each recipient in respect of each of the following -
- (a) basic allowance;
- (b) special responsibility allowance;
- (c) dependants' carers' allowance;
- (d) travelling and subsistence allowance; and
- (e) co-optees' allowance.

## **Publicity**

- 16.** (1) An authority shall, as soon as reasonably practicable after the making or amendment of a scheme, make arrangements for its publication by -
- (a) ensuring that copies of the scheme are available for inspection by members of the public at the principal office of the authority, at all reasonable hours; and
- (b) publishing in one or more newspapers circulating in its area, a notice which:
- (i) states that the authority has made or amended a scheme and specifies the period of time for which the scheme has effect;

- (ii) describes the main features of the scheme and specifies the amounts payable in respect of each allowance mentioned in the scheme;
  - (iii) describes any responsibilities or duties specified in the scheme in accordance with regulations 5(1) and 8(1) in relation to special responsibility allowance and travelling and subsistence allowance;
  - (iv) confirms that in making or amending the scheme, the authority complied with any duty arising under regulation 19 to have regard to the recommendations of an independent remuneration panel;
  - (v) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in its report for that authority;
  - (vi) states that copies of the scheme and copies of a record kept in accordance with regulation 15(1) and (2) are available at the principal office of the authority for inspection by members of the public at such times as may be specified by the authority in the notice; and
  - (vii) specifies the address of the principal office of the authority at which such copies are made available.
- (2) An authority shall ensure that a notice in the form required under subparagraph (b) is published in one or more newspapers circulating in its area as soon as possible after the expiration of twelve months after the previous publication of such a notice, irrespective of whether the scheme has been amended during that twelve month period.
- (3) An authority shall supply a copy of the scheme to any person who requests a copy and who pays to the authority such reasonable fee as the authority may determine.

### **Transitional provisions**

- 17.** (1) Notwithstanding regulation 33, any scheme made by an authority in accordance with the Local Authorities (Members' Allowances) regulations 1991 as amended shall continue in force up to and including 29th September 2003 or until a new scheme in accordance with these Regulations is made by the authority, if sooner.
- (2) An authority shall make a scheme in accordance with these Regulations on or prior to 30th September 2003.
- (3) Where an authority first makes a scheme in accordance with these Regulations it shall revoke any previous scheme for the payment of allowances and ensure that the scheme made in accordance with these Regulations takes effect on the date that the revocation of the previous scheme takes effect.
- (4) Subject to paragraph (5), any scheme made by an authority in accordance with these Regulations between the coming into force of these Regulations

and 30th September 2003 may make provision for any allowance payable in accordance with such a scheme to be payable as if the scheme had been in force with effect from 1st May 2003.

- (5) Any provision made in accordance with paragraph (4) shall not permit a member to receive a greater amount in total under the provisions of that scheme and any previous scheme, in respect of any duty carried out between the coming into force of these Regulations and the making of a scheme in accordance with these Regulations, than he would have received had the scheme been in effect from the 1st May 2003.

## PART 4

### INDEPENDENT REMUNERATION PANELS

#### **Application of this Part**

- 18.** Any reference in this Part to an authority, unless otherwise specified, shall be construed as a reference to a body of one of the following descriptions -

- (a) a district council;
- (b) a county council; and
- (c) a London borough council.

#### **Duty to have regard to recommendations**

19. (1) Before an authority referred to in regulation 3(1)(a), (b), or (c) makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel.
- (2) Before an authority referred to in regulation 3(1)(e), (f), (g), (h), (i) or (j) makes or amends a scheme that authority shall have regard to the recommendations made by any independent remuneration panels in relation to any authority of a description referred to in regulations 3(1)(a), (b) or (c) by which any of its members are nominated.

#### **Independent remuneration panels**

- 20.** (1) An independent remuneration panel shall be established in respect of each authority by one of the following means:
- (a) by an authority in which case that panel shall exercise the functions specified in regulation 21 in respect of that authority;
  - (b) jointly by any authorities in which case that panel shall exercise the functions specified in regulation 21 in respect of the authorities which established it; or

- (c) by the Association of London Government in which case that panel shall exercise the functions specified in regulation 21 in respect of any London borough councils, but there shall not be more than one panel which makes recommendations in respect of an authority.
- (2) An independent remuneration panel shall consist of at least three members none of whom -
- (a) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or
- (b) is disqualified from being or becoming a member of an authority.
- (3) An authority may pay the expenses incurred by an independent remuneration panel established under paragraph (1)(a) or (1)(b) in carrying out its functions and may pay the members of the panel such allowances or expenses as the authority or authorities for which it makes recommendations may determine.
- (4) The Association of London Government may pay the expenses incurred by an independent remuneration panel established under paragraph (1)(c) in carrying out its functions and may pay the members of the panel such allowances or expenses as it may determine.

### **Recommendations of panels**

- 21.** (1) An independent remuneration panel shall produce a report in relation to the authority or authorities in respect of which it was established, making recommendations -
- (a) as to the responsibilities or duties in respect of which the following should be available -
- (i) special responsibility allowance;
- (ii) travelling and subsistence allowance; and
- (iii) co-optees' allowance;
- (b) as to the amount of such allowances and as to the amount of basic allowance;
- (c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;
- (d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);

- (e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;
- (f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972; and
- (g) as to treating basic allowance or special responsibility allowance, or both, as amounts in respect of which such pensions are payable in accordance with a scheme made under section 7 of the Superannuation Act 1972.

(2) A copy of a report made under paragraph (1) shall be sent to each authority in respect of which recommendations have been made.

(3) An independent remuneration panel may make different recommendations in relation to each of the authorities for which it exercises functions.

### **Publicity for recommendations of panels**

**22.** (1) Once an authority receives a copy of a report made to it by an independent remuneration panel in accordance with regulation 21, it shall, as soon as reasonably practicable -

(a) ensure that copies of that report are available for inspection by members of the public at the principal office of the authority, at all reasonable hours; and

(b) publish in one or more newspapers circulating in its area, a notice which:

(i) states that it has received recommendations from an independent remuneration panel in respect of its scheme;

(ii) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of that authority;

(iii) states that copies of the panel's report are available at the principal office of the authority for inspection by members of the public at such times as may be specified by the authority in the notice; and

(iv) specifies the address of the principal office of the authority at which such copies are made available.

- (2) An authority shall supply a copy of a report made by an independent remuneration panel in accordance with regulation 21 to any person who requests a copy and who pays to the authority such reasonable fee as the authority may determine.

### **Transitional provisions for independent remuneration panels**

- 23.** Notwithstanding regulation 33(1)(f), any independent remuneration panel established under the Local Authorities (Members' Allowances) (England) Regulations 2001 shall continue in being and shall constitute an independent remuneration panel for the purposes of these Regulations as if it had been established under regulation 20, although where the composition of such a panel does not comply with these Regulations, the authority or authorities or other body by which it is established must ensure that the panel does so comply within four months of the date on which these Regulations come into force.

## PART 5

### PARISH COUNCILS

[not reproduced]

## PART 6

### TRANSITIONAL PROVISIONS, REVOCATION AND DISAPPLICATIONS

#### **Revocation**

- 33.** (1) The following Regulations shall be revoked to the extent not already revoked:
- (a) the Local Authorities (Members' Allowances) Regulations 1991;
  - (b) the Local Authorities (Members' Allowances) (Amendment) Regulations 1995;
  - (c) the Local Authorities (Members' Allowances) (Amendment) Regulations 1996;
  - (d) the Local Authorities (Members' Allowances) (Amendment) (England) Regulations 2000;
  - (e) the Local Authorities (Members' Allowances) (Amendment) (England) (No. 2) Regulations 2000; and
  - (f) the Local Authorities (Members' Allowances) (England) Regulations 2001.

- (2) Paragraph 4 of the Schedule to the Greater London Authority Act 1999 (Consequential Amendments of Subordinate Legislation) (Fire etc. Authority) Order 2000 shall be revoked.

### **Disapplication**

- 34.** (1) Subject to paragraphs (2) and (3), the following shall be disapplied as respects authorities -
- (a) sections 173 to 175 of the Local Government Act 1972;
  - (b) section 176(1)(a) and (2) of that Act; and
  - (c) section 18(2)(b) of the Local Government and Housing Act 1989, for all purposes other than -
    - (i) the payment of any allowance payable to members of an admissions appeal panel constituted in accordance with regulations made by the Secretary of State under the provisions of the School Standards and Framework Act 1998; and
    - (ii) the payment of any allowance payable to members of an exclusions appeal panel constituted in accordance with regulations made by the Secretary of State under the provisions of the Education Act 2002.
- (2) As respects parish councils the provisions referred to in paragraph (1) shall be disapplied with effect from 30th September 2003.
- (3) As respects any other authority the provisions referred to in paragraph (1) shall be disapplied with effect from the date upon which such authority makes a scheme in accordance with Parts 2 and 3 of these Regulations.
- (4) In this regulation, the reference to “authorities” is a reference to the following bodies -
- (a) a district council;
  - (b) a county council;
  - (c) a London borough council;
  - (d) the Council of the Isles of Scilly;
  - (e) a fire authority constituted by a combination scheme under the Fire Services Act 1947;
  - (f) a joint authority established by Part IV of the Local Government Act 1985;
  - (g) the London Fire and Emergency Planning Authority;

- (h) the Broads Authority;
- (i) a National Park authority;
- (j) a conservation board of an area of outstanding natural beauty; and
- (k) a parish council.

## **Appendix Three**

### **Special Responsibility Bands and amounts**

#### **The case for special allowances**

The reasons for payment of additional special responsibility allowances should be clearly set out in local allowances schemes. Special allowances should come into play only in positions where there are significant differences in the time requirements and levels of responsibility from those generally expected of a councillor.

#### **Categories of special allowances**

The regulations specify the following categories of responsibility for which special responsibility allowances may be paid:

- Members of the executive where the authority is operating executive arrangements
- Acting as leader or deputy leader of a political group within the authority
- Presiding at meetings of a committee or sub-committee of the authority, or a joint committee of the authority and one or more other authorities, or a sub-committee of such a joint committee
- Representing the authority at meetings of, or arranged by, any other body
- Membership of a committee or sub-committee of the authority which meets with exceptional frequency or for exceptionally long periods
- Acting as spokesperson of a political group on a committee or sub-committee of the authority
- Membership of an adoption panel
- Membership of a licensing or regulatory committee
- Such other activities in relation to the discharge of the authority's functions as require of the member an amount of time and effort equal to or greater than would be required of him by any one of the activities mentioned above whether or not that activity is specified in the scheme.

#### **Local discretion**

It is for the councils locally to decide how to allocate their councillors between the different bands having regard to our recommendations. They must have regard to our recommendations. We believe these have the merits of being easy to apply, easy to adapt, easy to explain and understand, and easy to administer.

### **Band One**

#### **1. Role**

The 60 hours a month that is reflected in our calculation of the flat rate Basic Allowance should allow an effective councillor to assume a reasonable level of additional responsibility without triggering any requirement for a special allowance.

Judgement needs to be applied in the cross-over point between this and the next band up. That band is intended primarily for councillors who chair the main service

committees of the council, and whose responsibility is substantial. But we acknowledge that the weight of responsibility can vary significantly between chairs of committees or panels. Some posts, such as planning, tend to involve a lot of work outside the committee or sub-committee involved, because planning decisions can have a significant impact on local communities and excite local interest. For this reason, the position tends to be assigned to a relatively senior councillor.

We have included in Band One the Leadership of the Second or Smaller Opposition Group, but only if such a group has a minimum membership of four councillors. We have also included both the Chairs and the Deputy Chairs of area-based committees and forums. This is justified because of the significant variations in the functions and level of responsibility of area committees, and on the basis that the range of allowance we are proposing for this category allows councils to differentiate between Chairs and Deputy Chairs.

The posts we envisage falling within Band One include:

- Vice-Chair of a Service, Regulatory or Scrutiny Committee
- Chair of Sub-Committee
- Leader of Second or Smaller Opposition Group
- Service Spokesperson for First Opposition Group
- Group Secretary (or equivalent) of Majority Group
- First Opposition Group Whip
- Vice Chair of council business
- Chairs and Vice Chairs of Area Committees or Area Forums
- Cabinet Assistant
- Leadership of a major strategic topic

## **2. Purpose**

To meet the basic responsibilities of a councillor as a community representative, together with any one or more of the following additional functions:-

- a. To lead the work of a sub-committee of the authority, whether geared to the delivery or review of a service, or the discharge or review of a function of the authority
- b. To lead a second or smaller Opposition Group on the Council
- c. To lead the larger/largest Opposition Group on the main Service Committees
- d. To act as Group Secretary for the Majority Group on the Council
- e. To act as the largest Opposition Group's Whip
- f. To scrutinise and monitor the work of the council executive and the delivery of local services
- g. To assist a member of the Cabinet with his/her portfolio
- h. To take charge of a major issue, such as championing a particular community or a very major project within the borough

### **3. Key tasks**

To undertake the functions of a Councillor, and any one or more of the following:

- a. To lead the work of a sub-committee of the authority, whether geared to the delivery or review of a service, or the discharge or review of a function of the authority. To chair that sub-committee, including (a) working with officers to determine a programme of work, of performance reviews and/or of reporting to the parent committee; and (b) representing the service or function within and outside the authority as necessary to enable it to delivery its objectives within budget and in a cost-effective way
- b. To lead the second or smaller minority group's scrutiny of the majority group's administration of the authority, and act as spokesperson for the minority group of which he/she is leader
- c. To lead a minority group's scrutiny of the majority group's administration on a Service Committee, and act as spokesperson for his/her group on that Committee
- d. To undertake such duties for the Majority Group on the Council as are required in the administration of the Group's business
- e. To co-ordinate the participation of a Minority Group in the business of the Council's committees by organising that Group's members, liaising with officers and other political groups as appropriate.
- f. Where a member of the Cabinet has a particularly extensive portfolio, to function as assistant to that Cabinet member
- g. Where a borough faces a particularly major project or has a need to establish a champion for a particular community within the borough, to take charge of that issue or champion that community

### **4. Remuneration**

**We propose that Band One special responsibility allowances should be on a sliding scale of between 20%-30% of the remuneration package for a council leader**

**This would be made up as follows:**

<b>Basic Allowance:</b>	<b>£9,964</b>
<b>Band 1 Allowance:</b>	<b><u>£2,227 to £8,323</u></b>
<b>Total:</b>	<b>£12,191 to £18,267</b>

## **Band Two**

### **1. Role**

We see this as a principal band for senior office holders. The precise division between this and the next Band will depend upon the number of key posts in cabinet and scrutiny, and the weight of responsibility attached to them. Councils will wish to exercise broad judgement in applying our general criteria to the specific circumstances of new models of governance.

The types of office we contemplate being within Band Two are:

Lead member in scrutiny arrangements, perhaps a Chair of a Scrutiny Committee  
Representative on key outside body  
Chair of major regulatory committee e.g. planning  
Chair of council business (Civic Mayor)  
Leader of principal opposition group.

## **2. Purpose**

To carry out the functions of a Councillor and any one or more of the following:

- a. To lead the work of a strategy/resource/service committee of the authority;
- b. To assist the Leader of the Council, as the designated Deputy Leader;
- c. To lead the principal Opposition Group on the Council;
- d. To represent the authority on a key outside body, such as a regeneration partnership, not otherwise remunerated;
- e. To lead the work of a major executive sub-committee of the authority, whether geared to the delivery of review or a service, or the discharge or review of a function of the authority
- f. To have responsibility for a major aspect of the scrutiny function of the authority, probably including the programming and direction of individual reviews, recommending the employment of professional experts, where appropriate, and assisting the assembly and presentation of reports
- g. To act as the Chief Whip assisting the business of the authority through the work of the Majority Group

## **3. Key Tasks**

To undertake the tasks of a Councillor and any one or more of the following:

- a. To act as Chair of a strategy/resource/service committee of the authority, with specific responsibility for the development of overall or service-related strategies and plans, the proposal of the annual (service) budget and, in the case of a service committee, the delivery of the overall service, including responsibilities for policy, budget, compliance and achievement of strategic objectives by that service, and to represent the service or function within and outside the authority as necessary to enable it to deliver its objectives consistently with corporate standards
- b. To chair a major executive sub-committee of the authority, including (a) working with officers to determine a programme of work, of performance reviews and of reporting to the parent committee; and (b) representing the service or function within and outside the authority as necessary to enable it to deliver its objectives within budget and in a cost-effective way
- c. To lead an aspect of the scrutiny function, to propose to the appropriate committee a programme of work devised in consultation with senior management, to achieve a balance of service interests, to propose arrangements for the involvement of community or other non-councillor representatives, and to own and present the resulting reports
- d. To assist the Leader of the Council in the formal processes and matters of leadership of the authority, including (a) developing and proposing overall

strategy, budget, policy arrangements and service reviews, and (b) representing the authority in the community and in discussions and negotiations with regional, national and international organisations and others in relation to the pursuit of matters of interest to the authority and its community.

- e. To lead the Council's formal Opposition, including scrutiny of the majority group's administration of the authority, and act as spokesperson for the Opposition group of which he/she is leader
- f. To participate in the activities of a key outside body to which the Councillor is appointed, to liaise between that body and the relevant officers and committee of the authority's policies and practices in relation to that body and of the community's needs and aspirations in relation to that body's role and functions.
- g. To facilitate the business of the authority on behalf of the majority Group by coordinating the timing of decision making, resolving scheduling problems, liaising with officers and other political groups as appropriate.

#### **4. Remuneration**

**We propose that Band Two allowances should be on a sliding scale between 40%- 60% pro rata of the remuneration package for a council leader.**

**This is made up as follows:**

<b>Basic Allowance</b>	<b>£9,964</b>
<b>Band 2 Allowances:</b>	<b><u>£14,418 to £26,609</u></b>
<b>Total:</b>	<b>£24,382 to £36,573</b>

**NB The Panel is very conscious that in some London boroughs planning proposals are of national importance and great complexity must be considered by the Planning Committee. In these cases we believe that the remuneration of the Chair of the Planning Committee should be towards the top of the Band.**

### **Band Three**

#### **1. Role**

We see this band as appropriate to the following posts:

- Cabinet Member
- Chair of the main overview or scrutiny committee
- Deputy Leader of the Council

There remains a need for judgement when applying our criteria to the specific circumstances of new models of governance. In some cases, cabinet members and chairs of scrutiny committees could fall more obviously within Band Two rather than this Band.

Where there is no overall control, and no councillor is formally designated as Leader of the Council, then, provided there is a formal partnership or coalition between the parties, the Leaders of the two largest controlling party groups should both be

remunerated in this Band, so as to reflect the peculiarly onerous responsibilities of participating in the leadership of a hung council. In cases where a third party group is also significantly involved in the joint leadership, the same principle should apply. We have specifically included Deputy Leaders of the Council in this Band, although their membership of the Cabinet would qualify them anyway. The range of remuneration that we are proposing will provide councils with the opportunity, should they wish, to differentiate between the Deputy Leader and other cabinet members.

## **2. Purpose**

To fulfil the purposes of a Councillor and any one or more of the following:

- a. To take responsibility within the cabinet, on the basis of individual or possibly collective or joint responsibility, for a service or function of the authority.
- b. To fulfil the role of Leader of the authority where it is organised into party political groups, as reflecting the party allegiance by which councillors were elected, and where no political group has an overall majority
- c. To lead one of the two largest political groups on the authority where it is organised into party political groups, as reflecting the party allegiance by which councillors were elected, where no political group has an overall majority, and where no Leader of the Council has been formally designated.
- d. To lead the Scrutiny function of the authority, probably with specific responsibility for the programming and direction of individual reviews, the employment of professional experts, where appropriate, and the assembly and presentation (to the Council or another Committee) of reports (including minority opinions, where necessary).

## **3. Key Tasks**

To undertake the functions of a Councillor and any one or more of the following:

- a. To lead one of the two largest parties on the Council, where there is no formally designated Leader and no overall majority, and to assist in the formal processes of the authority, including (a) developing and proposing overall strategy, budget, policy arrangements and service reviews, and (b) representing the authority in the community and in discussions and negotiations with regional, national and international organisations and others in relation to the pursuit of matters of interest to the authority and its community.
- b. To participate in the cabinet or strategy committee and to implement agreed policies by taking responsibility, individually or collectively, for any portfolio allocated by the authority, including providing a lead on and proposing new policy, strategy, programming, budget and service standards, and leading performance review, as well as acting as spokesperson within and outside the authority for the service/function.
- c. As the Leader of a “hung” authority, to liaise with the smaller political groups and provide leadership of the authority overall in the formal processes of the authority, including (a) developing and proposing overall strategy, budget, policy arrangements and service reviews, and (b) representing the authority in the community and in discussions and negotiations with regional, national and international organisations and others in relation to the pursuit of matters of interests to the authority and its community
- d. To lead the scrutiny function, to propose to the appropriate committee a programme of work devised in consultation with senior management, to

achieve a balance of service interests, to achieve broad coverage across all services over time, to propose arrangements for the involvement of community or other non-councillor representatives, and to own and present the resulting reports (to the Council or another Committee, including any minority views which might be reported separately).

#### **4. Remuneration**

Members of a Cabinet with portfolio responsibilities under a new model of governance are in a different position from the chairs of service committees under the traditional model. Under the traditional model, responsibility is shared; in this version of a new model, it is direct. Cabinet members will individually exercise delegated powers, and this carries with it an assumption of risk and responsibility which requires proper remuneration.

**We propose that Band Three allowances should be between 70%-80% pro rata of the remuneration package for a council leader.**

**This is made up as follows:-**

<b>Basic Allowance:</b>	<b>£9,964</b>
<b>Band 3 Allowance:</b>	<b><u>£32,705 to £38,801</u></b>
<b>Total:</b>	<b>£42,669 to £48,765</b>

### **Band Four**

#### **1. Role**

Leader of Cabinet

#### **2. Purpose**

To provide political leadership, to propose a policy framework and budget, and to have overall responsibility for key functions within the agreed policy framework.

#### **3. Role**

To undertake the functions of a Councillor, and also:

- To provide leadership within the Council;
- To undertake executive responsibility for developing and proposing overall strategy, budget, policy arrangements and service reviews;
- To represent the Council in the community and in discussions and negotiations with regional, national and international organisations and others in relation to the pursuit of matters of interest to the authority and its community;
- To chair the cabinet committee and to take responsibility, individually or collectively, for any specific portfolio allocated by the authority, including providing a political lead on and proposing new policy, strategy, programming, budget and service standards, as well as acting as spokesperson for the authority.

#### **4. Remuneration**

This is a full-time job, involving a high level of responsibility. It is right that it should be remunerated on a basis which compares with similar positions elsewhere in the public sector, whilst still retaining a reflection of the voluntary character of public service. There are various comparable models, such as the scale for chairmanship of a national non-departmental public body, or a regional development agency, where the level of remuneration for a full-time equivalent is now more than £120,000.

The most appropriate measure is, in our view, that of a backbench MP. The functions and responsibilities of a full-time Leader of a London borough must be at least as onerous as those of an MP, and it would be quite wrong to expect that they could be remunerated at a lower rate, even excluding (as we do) the generous expenses package to which a backbench MP is entitled.

**We therefore propose that the remuneration package for a council leader under Band Four of our scheme should be £61,155.**

**This is made up as follows:**

<b>Basic Allowance:</b>	<b>£9,964</b>
<b>Band 4 Allowance:</b>	<b><u>£51,191</u></b>
<b>Total:</b>	<b>£61,155</b>

### **Band Five**

#### **1. Role**

Directly elected mayor

#### **2. Purpose**

To provide political leadership, to propose a policy framework and budget, and to have overall responsibility for key functions within the agreed policy framework.

#### **3. Key Tasks**

- To provide political and executive leadership within the Council;
- To have executive responsibility for overall policy, strategy and budget arrangements for the delivery of local services;
- To represent the Council in the community and in discussions and negotiations with regional, national and international organisations and others in relation to the pursuit of matters of interest to the authority and its community;
- To be accountable to the council's overview or scrutiny committee

#### **4. Remuneration**

A directly elected mayor is a major innovation in the political management of local government elected with the office holder taking on a new role and exercising executive responsibilities over a fixed electoral cycle.

We believe this post is significantly different to that of the council leader with cabinet model and that it is a full time job with an importance which should be reflected in the salary level.

**We propose that a Band Five Directly Elected Mayor should receive a remuneration package of 25% higher than that recommended for a Council Leader and that it should be a salary set at £76,194.**

## **Appendix Four**

### **On behalf of the community – a job profile for councillors**

#### **Purposes:**

1. To participate constructively in the good governance 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 with constituents' enquiries and representations.
4. To champion the causes which best relate to the interests and sustainability of the community and campaign for the improvement of the quality of life of the community in terms of equity, economy and environment.
5. To represent the council on an outside body, such as a charitable trust or neighbourhood association.

#### **Key Tasks:**

1. To fulfil the statutory and local 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 (e.g. Setting budget, overall priorities, strategy).
2. To participate effectively as a member of any Committee or Panel to which the councillor is appointed, including related responsibilities for the services falling within the Committee's (or Panel's) terms of reference, human resource 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. Also, for the purpose, 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 in the scrutiny or performance review of the services of the authority including where the authority so decides, the scrutiny of policies and budget, and their effectiveness in achieving the strategic objectives of the authority.
5. To participate, as appointed, in the area – and service-based consultative processes with the community and with other organisations.

6. To represent the authority to the community, and the community to the authority, through the various forums 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 undertake necessary training and development programmes as agreed by the authority.
12. To be accountable for his/her actions and to report regularly on them in accessible and transparent ways.

## **Appendix Five**

### **Examples of good practice in reporting**

Publication of attendance records for formal council and committee meetings.

Reports to Area Committee meetings by members on local activity.

Reports to Council by Cabinet Members.

Cabinet Members report on a regular basis to the Overview & Scrutiny Committee or relevant thematic panel.

Cabinet Members' performance is open to question through written and oral questions at full council meetings.

The Leader presents a state of the borough address to full council.

Members have time to speak at council meetings about what they have been doing.

The council website hosts a monthly schedule of councillors' activities.

Each councillor has their own web-page on which to record their activities.

Members report back on what they have achieved in relation to their work programmes for Cabinet and Scrutiny.

Cabinet and Ward Members report back to meetings of local residents.

Cabinet Members provide monthly reports of their activities to the Mayor.