

**A Review
of
Members' Allowances
For
Colchester Borough Council**

**The Eighth Report by the
Independent Remuneration Panel**

November 2016

Foreword

This is the eighth report produced by the Independent Remuneration Panel for the Colchester Borough Council. The Panel was established in the Spring of 2003 to make recommendations to the Authority on the range and levels of remuneration for the Authority's members. It was done as part of the wider modernisation agenda that has now been undertaken throughout the country.

The Panel had also reported in July 2003 on various matters including the principle of pensionable allowances, travel and subsistence and co-optees allowances; in January 2005 on childcare and dependant carers expenses; in June 2005 on the workload of the Licensing Committee; in April 2007 on the adjustment index and in October 2012 on the periodic review of the scheme and the adjustment index and had made recommendations to the Council accordingly. The Panel last reported in November 2015 and made recommendations regarding Group Leader Special Responsibility Allowances.

The Panel had been convened on this occasion in order to undertake the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2016 and, at the same time to give consideration to the travel and subsistence allowance and the dependent carers' allowance.

In addition the Panel had been requested to give consideration to the workload and remuneration of Councillors in the light of the reduction in their number following the recent Electoral Review from 60 down to 51 as well as ways to attract a greater number of candidates to stand for election. During the course of its deliberations, the Panel was also asked to consider the entitlement to the Special Responsibility Allowance payable to the members of the Licensing Committee.

This report contains the Panels' recommendations.

Richard Aldridge
Chairman of the Independent Remuneration Panel
November 2016

Summary of Recommendations

The Independent Remuneration Panel makes the following recommendations as a result of their review of the Colchester Borough Council Members' Allowances Scheme, such amendments to take effect from 1 January 2017:

- (a) The existing arrangement for increasing allowances be retained in line with the Council's Allowance Adjustment Index;
- (b) No changes be made to the Scheme in respect of the following matters, namely:
 - Basic Allowance and Adjustment Index;
 - Special Responsibility Allowances for the Leader, Deputy Leader and Cabinet Members;
 - Special Responsibility Allowances for the Chairmen of Committees/Panels;
 - Special Responsibility Allowances for the Group Leaders;
 - Special Responsibility Allowances for the members of the Planning Committee;
 - The facility to make the payment of a Special Responsibility Allowance for co-opted members;
 - Claim based Travel and Subsistence Allowances in respect of approved duties;
 - Child Care and Dependent Carers' Allowance;
- (c) The Basic Allowance rate be maintained for at least a year after the Electoral Review ward changes came into effect and, from May 2017 onwards, the Panel will welcome any representations from Councillors regarding the impact on their workload;
- (d) The Special Responsibility Allowance payable to members of the Licensing Committee be retained at the current level and in the event that the Council decides to constitute the Licensing Sub-Committee on a formal basis with a fixed membership, the Panel would consider the possibility of transferring the Special Responsibility Allowance from the Licensing Committee members to the Licensing Sub-Committee members;
- (e) The travel payment rates for approved duties continue to be in accordance with the approved HMRC rates and the subsistence payment rates for approved duties be:

Breakfast	£5.00
Lunch	£7.00
Tea	£3.00
Evening meal	£10.00
Overnight	£80.00
London / Conference	£100.00

- (f) More detailed information be made available to current and future councillors about the Members Allowance Scheme and the expense claim options;
- (g) The Council undertakes a review of its current promotional activity relating to the work of a councillor, the commitment required to be a councillor and the opportunities available to elected representatives with a view to more detailed information being made readily available.

Independent Remuneration Panel
For
Colchester Borough Council
Review of Members' Allowances Scheme

Terms of Reference and Background

The Regulatory Context

1. The following is a summary of the proceedings and recommendations made by the Independent Remuneration Panel appointed by the Colchester Borough Council under the 2003 consolidated regulations to consider the applicability and, if appropriate, implementation of certain allowances and advise the Authority on a revised scheme of such allowances for Members. This report forms part of the Panel's recommendations to Colchester Borough Council.
2. The Independent Remuneration Panel has been set up in the context of the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021 and 1022), which came into force on 1 May 2003.
3. The Independent Remuneration Panel has been convened to consider making recommendations on the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2016 and, at the same time to give consideration to the travel and subsistence allowance and the dependent carers' allowance.
4. In addition the Panel had been requested to give consideration to the workload and remuneration of Councillors in the light of the reduction in their number following the recent Electoral Review from 60 down to 51 and whether this would contribute to attracting a greater number of candidates to stand for election.
5. During the course of its deliberations, the Panel was also asked to consider the entitlement to the Special Responsibility Allowance payable to the members of the Licensing Committee.

As such, this forms the Panel's terms of reference.

Methodology and Evidence Considered

6. The Panel met in private on 8 August and 14 September 2016 at the Town Hall in Colchester. The Council's Monitoring Officer and Democratic Services Officer drafted the report and the Panel agreed its final form.
7. The Panel reviewed a wide range of information, including background information relating to Colchester Borough Council, the last Colchester Borough Council Independent Remuneration Panel report dated November 2015, Colchester Borough Council's Members' Allowances Scheme for the year 2016/17, the Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England, the Local Government Boundary Commission for England's (LGBCE) report dated March 2015 on the Colchester Electoral Review, benchmarking data on all Essex Authorities Allowances Schemes, details of Colchester Borough Council Members Allowances for each year 2003-4 to 2016-17 inclusive, an alphabetical list of candidates who had stood for election to the Borough Council in May 2016, details of the amounts and names of Councillors who had made claims for subsistence and / or travel during 2015-16 and age profiling information of current Colchester Borough.
8. The Panel also invited and considered individual representations from the Leader of the Council, the Chief Executive and the four Group Leaders of the Council (or their representative). Furthermore, the Panel took into account practice and allowance levels and populations elsewhere, particularly in district authorities. This exercise was done mainly for benchmarking purposes. It is from these processes and deliberations that the Panel has arrived at the recommendations set out in this report.

Principles of the Review

9. In accordance with the practice adopted in previous reviews, the Panel sought to arrive at a set of recommendations in relation to the terms of reference based on a framework that was transparent, simple and could be easily understood by both Members and the public. This objective, the Panel felt, had been achieved through its previous reviews and it decided that it would not make significant changes to the framework laid down previously unless there was a strong case to do so.
10. The Panel has laid out a summary of its deliberations in this report to assist Members and the public to understand its approach. While the Panel's recommendations are not mandatory, it is hoped that if the Council disagrees with the recommendations that they will accept the Panel's logic. The recommendations presented in this report represent the view of the Panel and not the official view of Colchester Borough Council.

The Panel

11. The Panel comprised the following members all of whom were present:

Richard Aldridge -	Panel Chairman, Solicitor and Chief Executive of Citizen's Advice Colchester, Director of Healthwatch Essex and Director and Trustee of Colchester Mind
David Priest -	Former Managing Director of Woods Air Movement Limited and former Chair of Colchester Institute Board
Amanda Westbrook -	Director of Balkerne Gardens Trust

12. Andrew Weavers, Monitoring Officer, and Amanda Chidgey, Democratic Services Officer, assisted throughout the review process.
13. The Panel wish to record its gratitude to the Leader of the Council, Leaders of the political groups (and their representatives) for making themselves available to talk to the Panel and to the Chief Executive for submitting his detailed views to the Panel and for ensuring the work of the Panel was supported and conducted in an efficient and effective manner.

Current level of Members' Allowances

14. The Panel was provided with details of the categories of SRA within the current Allowances scheme together with the allowances currently paid to Councillors, as follows:

Members' Allowance	£
Basic Allowance	
All Councillors	6,572.98
Special Responsibility Allowances	
Leader of the Council	19,718.94
Deputy Leader of the Council	12,422.94
Other Cabinet Members	11,831.37
Chairman Scrutiny Panel	6,901.62
Chairman Planning Committee	6,901.62
Chairman Licensing Committee	5,915.68
Chairman Other Panel / Committee / Board	3,943.79
Group Leader (Conservative)	6840.00*
Group Leader (Labour)	4420.00*
Group Leader Liberal Democrats	5300.00*
Group Leader (Highwoods Independent)	2660.00*
Member of Planning Committee	1,035.25
Member of Licensing Committee	443.69

* amount equates £2,000 plus £220 per member of each Group.

NB. Each Councillor will qualify for only one Special Responsibility Allowance (the highest) regardless of the number of positions of responsibility.

Current level of Allowance Index

15. The Panel were also advised that the allowances paid were increased annually by the same percentage as that applied to the Council's officers' salary scale and this mechanism was known as the Allowance Adjustment Index.

The Evidence Reviewed

Colchester Borough Council Background Information

16. The Panel was provided with background information regarding Colchester Borough Council, including details of the administrative arrangements in place since the Independent Remuneration Panel was first convened in 2003 to the present day. The contents of the report were considered by the Panel members and were noted.

Independent Remuneration Panel report 2015

17. Copies of the most recent report compiled by the Independent Remuneration Panel in November 2015 were provided to the Panel. At that time the Panel had been requested to review the Group Leaders Special Responsibility Allowance and level of Basic Allowance following the Electoral Review. The contents of the report were considered by the Panel members and were noted.

Colchester Borough Council Members' Allowances Scheme 2016/17

18. Full details of Colchester Borough Council's Members' Allowances Scheme for the year 2016/17 were provided to the Panel which the Panel members considered and reviewed in the context of all the associated information supplied to them.

Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England

19. The document entitled Guidance on Members' Allowances for Local Authorities in England, published by the Department for Communities and Local Government was supplied to the Panel members and its contents assisted them in their deliberations. Reference was made to the principle of a one third public service discount which had been established in the Council's first Allowance Scheme under the 2003 Regulations. This had acknowledged the statutory requirement to build into the Basic Allowance a recognition that a Councillor serves the public and should not be remunerated for all that they do.

The report by the Local Government Boundary Commission for England on the Electoral Review

20. Details of the outcome of the Electoral Review of Colchester Borough which had been undertaken by the Local Government Boundary Commission for England were provided to the Panel. The review (which came into effect in May 2016) had resulted in the number of Councillors serving the Borough being reduced from 60 to 51, representing 17 three member wards across the Borough. Some wards covered very large geographical areas, however, they had been drawn up to provide for an average electorate of 2,842 for each Councillor by 2020, taking into account future anticipated development in the Borough. The details of the review were considered by the Panel members and were noted.

Summary of Members' Allowances Schemes for all Essex Districts

21. The Panel received comparative information on the current allowances paid by the twelve District Councils in Essex, together with those allowances paid by Southend and Thurrock Councils. Statistics were also provided on the current population estimates for each Authority including population to councillor ratios. The details were considered by the Panel members, in particular the information illustrating that, excluding Southend and Thurrock, Colchester's population was second highest in the County whilst the Basic Allowance paid was not only the highest in the County but was also over £500 greater than the second highest.

Further Evidence Requested**Colchester Borough Council Members Allowances 2003 to 2016**

22. To assist with consideration of the annual indexation applied to the Allowances and the current level of Allowances payable in Colchester, the Panel members requested a breakdown of the Members Allowances for each year since 2003, including the annual percentage increase which had been applied. It was noted that the percentage increases applied to Council officers' salary scales was generally used as the annual adjustment increase by other Councils in Essex.

Borough Council election candidates May 2016

23. As part of its assessment of the factors effecting the number and range of candidates willing to stand for election the Panel asked for details of the number of candidates who had stood for election in May 2016. It was noted that there were 203 candidates for the 51 council seats.

Amounts and names of Councillors who had made claims for subsistence and / or travel during 2015-16

24. To assist in the consideration of factors influencing numbers of candidates willing to stand for election, the Panel requested details of the claims made by Borough Councillors in 2015-16 for subsistence and travel expenses incurred whilst undertaking approved duties.

Colchester Borough Councillors Age Profiling

25. In order to assess the diversity of councillors currently elected to the Council, the Panel members asked to be provided with a breakdown of the age ranges of Colchester Borough Councillors. This showed that 47% of councillors were over 60 years of age and 68% were over 50 years old. In addition 12% of councillors fell within both the 21 to 30 and 41 to 50 year ranges, however, only 8% fell within the 31 to 40 age range.

Consultation Undertaken

Representations from the Leader of the Council, Group Leaders and the Chief Executive

26. The Panel conferred with and received representations from the Leader of the Council, Group Leaders (or their representatives) and the Chief Executive regarding the assertion of difficulties in attracting potential candidates to stand for election, particularly from those who were in full time employment and whether the level of allowances may be a factor in this situation.
27. The Panel members asked for responses to questions relating to impediments to prospective candidates; the workload of councillors with concurrent roles compared to that of councillors in full-time employment; diversity monitoring of candidates currently undertaken; the Council's role in promoting the work and responsibilities of councillors; the age profile of current councillors and the anomaly relating to Licensing Committee members and attendance at Licensing Sub-Committee Hearings.
28. The responses indicated that remuneration was not considered to be an inhibitor to prospective candidates, whilst reference was made to the time commitment involved in undertaking casework and the need for a more detailed understanding of the role of a councillor. Generally, no formal monitoring of candidates was undertaken although there was acknowledgement that the 30 to 40 year age range was recognised nationally as the most poorly represented age group. The negative view of politicians by the public was mentioned, in particular in relation to making claims for expenses incurred on council duties.
29. Views were expressed regarding an increase in workload and the time commitment necessary to undertake the role of a councillor. This was variously attributed to increased expectation due to the 24/7 nature of social media interaction and the level of casework being generated by increased numbers of constituents and increased numbers seeking

assistance. Notwithstanding these assertions, no evidence was presented to the Panel to support this view.

30. Comment was also made on the work of the Licensing Sub-Committee which tended to occur during the daytime rather than in the evenings and, as such, tended to fall disproportionately on those councillors who did not have work commitments.
31. The panel noted that the Council's meetings currently all commenced at 6pm which may create issues for those who commuted to London for work but also those who had little control of their working day.
32. The Panel also acknowledged the need to encourage an equal and diverse range of people to act as Councillors whilst ensuring Councillors were not being required to use their own income in order to undertake duties as a Councillor.

Issues Arising

The Basic Allowance and Adjustment Index

33. The Panel noted that the current Basic Allowance (£6,572.98) was the highest of all District Councils in Essex. In addition the Panel acknowledged the Colchester's position as one of the largest District Councils in the country and its relative influence across the region generally.
34. The Panel considered the representations it had received regarding the level of the Basic Allowance following the reduction of the number of councillors to 51 in May 2016 and the potential increase in workloads. The Panel noted that the new arrangements had only been in place for 6 months and that it had not received any specific evidence around increased workloads and saw no reason to deviate from its recommendation contained in its report dated November 2015; i.e.

"On the basis of the evidence, the Panel recommends that the Basic Allowance rate be maintained for at least a year after the Electoral Review ward changes come into effect and, from May 2017 onwards, the Panel will welcome any representations from Councillors regarding the impact on their workload."

35. The Council currently linked the Basic Allowance and Special Responsibility Allowances to the annual percentage salary increase for staff and that, over time, it appeared that this mechanism had proved to be the most appropriate because it treats Officers and Members equally in terms of their annual 'cost of living' increase of salary/allowances.
36. **As a result of this evidence, the Panel recommends no change be made to the Adjustment Index arrangements.**

- 37. On the basis of the evidence, the Panel recommends that the Basic Allowance rate be maintained at the current level and, from May 2017 onwards, the Panel will welcome any representations from Councillors regarding the impact on their workload and whether the level of the Basic Allowance should be reviewed.**

Special Responsibility Allowances - The Leader, Deputy Leader and Cabinet Members

38. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Leader of the Council, the Deputy Leader and the Cabinet Members. In terms of the time required to undertake the role of a portfolio holder, the Panel did not consider this would have changed as a consequence of the Electoral Review.
- 39. As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Leader of the Council, the Deputy Leader and the Cabinet Members.**

Special Responsibility Allowances - Chairmen of Committees/Panels

40. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Chairman of the Scrutiny Panel, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.
- 41. As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Chairman of the Scrutiny Panel, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.**

Special Responsibility Allowances – Group Leaders

42. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Group Leaders.
- 43. As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Group Leaders.**

Special Responsibility Allowances - Members of the Planning Committee

44. The Panel noted that the Members of the Planning Committee currently received a Special Responsibility Allowance amounting to £994.93. The Panel had received information that indicated that the workload of the Planning Committee was significantly higher than for all other Committees and Panels and with regular fortnightly meetings.
45. **As a result of this evidence, the Panel recommends the Special Responsibility Allowance payable to members of the Planning Committee be retained at its existing level, to reflect the higher workload of this Committee.**

Special Responsibility Allowances - Members of the Licensing Committee

46. The Panel were informed that all members of the Licensing Committee currently received a Special Responsibility Allowance (£443.69). However the majority of the work was being undertaken by those members of the Committee who were sitting as a three member Panel on a Licensing Sub-Committee. These Sub-Committees, which met both during the day and in the evening, dealt with a variety of matters ranging from alcohol licensing to taxi and hackney carriage licensing. The Panel had received representations that it was felt unfair that all members of the Licensing Committee were receiving the Special Responsibility Allowance irrespective of whether they sat on a Sub-Committee. The Panel were advised that a solution to this would be for the Council to consider creating fixed membership Licensing Sub-Committees and give the Licensing Committee Special Responsibility Allowance to those members instead.
47. **The Panel recommends that the Special Responsibility Allowance payable to members of the Licensing Committee be retained at the current level. In the event that the Council decided to constitute the Licensing Sub-Committee on a formal basis with a fixed membership, the Panel would consider the possibility of transferring the Special Responsibility Allowance from the Licensing Committee members to the Licensing Sub-Committee members.**

Co-opted Members' Allowance

48. The Panel noted that a Special Responsibility Allowance payable to Co-opted Members was at a rate of £210.56 but that the use of such Members on Panels and Committees had declined considerably.
49. **The Panel recommends that the facility to make the payment of a Special Responsibility Allowance for Co-opted Members remain unchanged.**

Travel and Subsistence Allowances

50. The Panel noted that currently travel and subsistence allowances were made to Councillors on a claims basis in respect of certain approved duties and that the usage of this facility was required to be published on the Council's website under the transparency agenda. The Panel had noted that the use of this by Councillors was relatively modest.
51. **The Panel recommends that no change be made to the current arrangement for claim based travel and subsistence allowances payable in respect of approved duties.**
52. **The Panel further recommends that the travel payment rates for approved duties continue to be in accordance with the approved HMRC rates and the subsistence payment rates for approved duties be:**
- | | |
|---------------------|---------|
| Breakfast | £5.00 |
| Lunch | £7.00 |
| Tea | £3.00 |
| Evening meal | £10.00 |
| Overnight | £80.00 |
| London / Conference | £100.00 |

Child Care and Dependents' Carers Allowance

53. The Panel noted that the Council currently had in place a Child Care and Dependents' Carers Allowance scheme, as permitted by the 2003 Regulations, the Allowance being payable for the reimbursement of expenses at a maximum of £7.00 per hour.
54. **The Panel recommends that no change be made to the existing arrangements for the Child Care and Dependents' Carers Allowance.**
55. **The Panel further recommends that more detailed information be made available to current and future councillors about the Members Allowance Scheme and the expense claim options.**

Effective Date

56. **The Panel further recommends that the revision to the allowance scheme is to be effective from 1 January 2017.**

Advisory Note regarding attraction of person wishing to be Councillors

57. Whilst technically outside of the remit of the Panel, it was asked to consider whether the current level of allowances were a barrier to persons from all sectors of society becoming councillors. The Panel was not provided with any evidence of this and was made aware of the wider review being undertaken by the Councils Governance and Audit

Committee on the way the council conducts its meetings and decision making processes. The Panel were, however, of the view that there was a role for the Council itself in informing the public and explaining the political perspective of the Council and to increase the awareness of potential candidates to a commitment to attendance at meetings and to the resolution of ward casework as well as the existence of an allowance for these duties.

- 58. The Panel recommends that the Council undertakes a review of its current promotional activity relating to the work of a councillor, the commitment required to be a councillor and the opportunities available to elected representatives with a view to more detailed information being made readily available.**

APPENDIX

SUPPLEMENTARY INFORMATION RECEIVED BY THE PANEL

- Colchester Borough Council Background Information;
- Independent Remuneration Panel report 2015;
- Colchester Borough Council Members' Allowances Scheme 2016/17;
- Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England;
- The final report by the Local Government Boundary Commission for England on the Electoral Review of Colchester;
- Summary of Members' Allowances Schemes for all Essex Districts
- Colchester Borough Council Members Allowances 2003 to 2016
- Borough Council election candidates May 2016
- Amounts and names of Councillors who had made claims for subsistence and / or travel during 2015-16
- Colchester Borough Councillors Age Profiling