

A Review
of
Members' Allowances
For
Colchester Borough Council

The Ninth Report by the
Independent Remuneration Panel

January 2021

Foreword

This is the ninth report produced by the Independent Remuneration Panel for Colchester Borough Council. The Panel was established in Spring 2003 to make recommendations to the Authority on the range and levels of remuneration for the Authority's members. The review of remuneration 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 dependants' 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. In November 2015 the Panel made recommendations regarding Group Leader Special Responsibility Allowances. The Panel last reported in November 2016 on the periodic review of the scheme and the adjustment index and made recommendations to the Council accordingly.

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 2020 and, at the same time, to give consideration to the travel and subsistence allowance and the dependants' carers' allowance. The timing of the Panel's review has been affected by the impact of the Pandemic.

This report contains the Panels' recommendations.

Richard Aldridge
Chairman of the Independent Remuneration Panel
January 2021

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 2021:

- (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 and the Licensing Committee;
 - The facility to make the payment of a Special Responsibility Allowance for co-opted members;
 - Claim-based Travel and Subsistence expenses in respect of approved duties; and
 - Child Care and Dependants' Carers' Allowance.
- (c) 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 |
- (d) That the Leader and Deputy Leader of the Council, and Group Leaders, be encouraged to promote uptake of allowances available to councillors, in order to ensure that legitimate costs incurred by serving as a member of the Council are not an impediment or act to dissuade potential candidates for Council elections who may be on lower incomes.
- (e) The Council and party groups to look at ways to further support councillors, including mental wellbeing support.

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 2020 and, at the same time to give consideration to the travel and subsistence allowance and the dependants' carers' allowance.

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

Methodology and Evidence Considered

4. Due to the pandemic the Panel met in private virtually via Zoom on 2 December 2020 and 6 January 2021. The Council's Monitoring Officer and Corporate Governance Manager and Democratic Services Officer drafted the report, and the Panel agreed its final form.
5. 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 2016, Colchester Borough Council's Members' Allowances Scheme for the year 2020/21, the Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England, benchmarking data on all Essex Authorities

Allowances Schemes, details of Colchester Borough Council Members Allowances for each year 2003/4 to 2020/21 inclusive, results of a survey of all Members regarding the current Members' Allowances scheme and details of the amounts and names of Councillors who had made claims for subsistence and / or travel during 2020/21.

6. The Panel also invited and considered individual representations from the Leader of the Council, Deputy Leader, the Chief Executive and the four Group Leaders of the Council. 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

7. 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.
8. 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

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

Richard Aldridge -	Panel Chairman, Solicitor
David Priest -	Former Managing Director of Woods Air Movement Limited and former Chair of Colchester Institute Board Trustee of Winsley's Almshouses
Amanda Westbrook -	Director of Balcerne Gardens Trust and Trustee of Winsley's Almshouses

10. Andrew Weavers, Monitoring Officer, Hayley McGrath, Corporate Governance Manager and Owen Howell, Democratic Services Officer, assisted throughout the review process.

11. The Panel wish to record its gratitude to the Leader of the Council, Deputy leader, Leaders of the political groups 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 (2020/21)

12. 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' Allowances	£
Basic Allowance	
All Councillors	7,115.66
Special Responsibility Allowances	
Leader of the Council	21,346.79
Deputy Leader of the Council	13,448.60
Cabinet Members	12,808.22
Chairman, Scrutiny Panel	7,471.45
Chairman, Planning Committee	7,471.45
Chairman, Licensing Committee	6,404.21
Chairman, Other Panel / Committee / Board	4,269.40
Group Leader (Conservative)	7,528.94*
Group Leader (Labour)	4,713.74*
Group Leader Liberal Democrats	5,182.94*
Group Leader (Highwoods Independent)	2,836.94*
Member of Planning Committee	1,120.73
Member of Licensing Committee	480.31

* amount equates £2,133.14 plus £224.60 per member of each Group.

Co-opted Member Special Responsibility Allowance - £224.58

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

Current Allowance Index

13. 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

Independent Remuneration Panel report 2016

17. Copies of the most recent report compiled by the Independent Remuneration Panel in November 2016 were provided to the Panel. At that time the Panel had been convened in order to undertake the periodic review of the Indexation mechanism which was a legal requirement for completion by the end of 2020 and, at the same time to give consideration to the travel and subsistence allowance and the dependent carers' allowance.
18. 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. The Panel was also asked to consider the entitlement to the Special Responsibility Allowance payable to the members of the Licensing Committee. The contents of the 2016 report were considered by the Panel members and noted.

Colchester Borough Council Members' Allowances Scheme 2020/21

19. Full details of Colchester Borough Council's Members' Allowances Scheme for the year 2020/21 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

20. 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.

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 the Unitary Councils of 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, who noted that Colchester's population was the highest in the County (including Southend and Thurrock) and the Basic Allowance paid was the highest in the County being over £700 greater than the second highest.

Further Evidence Requested

Colchester Borough Council Members Allowances 2003 to 2020

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 considered a breakdown of 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.

Amounts and names of Members who had made claims for subsistence and / or travel and Dependants' Carers' Allowance during 2019/20

23. 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 Members in 2019/20 for subsistence and travel expenses incurred whilst undertaking approved duties. It was noted that there had been no recent claims for the dependants' carers' allowance.

Consultation Undertaken

Results of Survey of all Members

24. An online survey of all Members was undertaken by the Panel to assist with its deliberations of which 26 Members responded (51%). The Panel analysed the results of the survey and noted the following key findings:
 - 77% stated that the level of Basic Allowance was appropriate
 - 58% felt that the allowance adequately covered their costs as a councillor
 - Overall Members felt that the levels of the SRA's were appropriate

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

The Panel conferred with and received representations from the Leader of the Council, Deputy Leader, Group Leaders and the Chief Executive on the following issues.

25. No clear increase in councillor workload was raised by the councillors' survey returns as being an issue, following the 2016 change in ward areas and reduction of councillor numbers, although this was mentioned by some councillors. It was noted that the work profile of councillors had changed, with a great increase in online communications with the public.
26. The Basic Allowances were noted as being meant to cover stationery and IT costs, but also that the Council had offered additional support and loan of equipment to meet additional needs caused by the Covid-19 restrictions.
27. The reticence of councillors to make claims for allowances was discussed. This stemmed mostly from members not needing the reimbursement for costs incurred, and not wishing to take unjustified criticism of legitimate and rightful claims being made. The Panel emphasised the need for leading councillors and party groups to encourage members to claim back to cover legitimate costs, to avoid dissuading good candidates from standing for Council.
28. The Panel considered the expenses claims to cover attendance at LGA conferences, the benefits of attendance and how these should be accounted for, with the understanding that transparency requirements must be met.
29. Ways to provide more support to councillors were discussed, including potential inclusion in the employee assistance scheme, better signposting to allowances and continued advertising of options for ICT equipment loans.
30. The differences between the Cabinet and Committee systems and the effect on allowances were discussed and noted.

Issues Arising

The Basic Allowance and Adjustment Index

31. The Panel noted that the current Basic Allowance (£7,115.66) was the highest of all District Councils in Essex. In addition, the Panel acknowledged Colchester's position as one of the largest District Councils in the country and its relative influence across the region generally.
32. 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 which was mentioned in its November 2016 report. The Panel noted that it had not received any specific evidence around increased

workloads attributable to the reduction in numbers of Members during the current review.

33. 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.
34. **As a result of this evidence, the Panel recommends no change be made to the Adjustment Index arrangements.**
35. **On the basis of the evidence, the Panel recommends that the Basic Allowance rate be maintained at the current level.**

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

36. 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.
37. **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

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 Chairman of the Scrutiny Panel, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.
39. **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

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 Group Leaders.

- 41. 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 and Licensing Committee

42. The Panel noted that the members of the Planning Committee currently received a Special Responsibility Allowance amounting to £1120.73 and the members of the Licensing Committee received a Special Responsibility Allowance of £480.31. The Panel had received information that indicated that the workload and frequency of meetings of both Committees was significantly higher than for all other Committees and Panels.
- 43. As a result of this evidence, the Panel recommends the Special Responsibility Allowance payable to members of the Planning Committee and Licensing Committee be retained at their existing levels, to reflect the higher workload of this Committee.**

Co-opted Members' Allowance

44. The Panel noted that a Special Responsibility Allowance payable to Co-opted Members was at a rate of £224.58 but currently the Council had not utilised such Members. However, the Special Responsibility Allowance should be retained for use as and when appropriate.
- 45. 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

46. 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.
- 47. 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.**
- 48. 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 Dependants' Carers Allowance

49. The Panel noted that the Council currently had in place a Child Care and Dependants' Carers' Allowance scheme, as permitted by the 2003 Regulations, the Allowance being payable for the reimbursement of expenses at the current Living Wage rate.
50. **The Panel recommends that the Council's rates continue to follow Essex County Councils rates for Child Care and Dependants' Carers' Allowances, which are linked to the Living Wage rates as follows:**

Childcare	£8.21 per hour per child
Older People	£13.06 per hour
Physical or Sensory Impairment	£12.97 per hour
Learning Disability	£13.55 per hour

Councillor Assistance Programme

51. **The Panel recommends that the Council provides a wellbeing assistance programme for councillors, similar to the one it offers to its employees as a response to issues raised.**

Effective Date

52. **The Panel further recommends that the revision to the allowance scheme is to be effective from 1 January 2021.**

APPENDIX

SUPPLEMENTARY INFORMATION RECEIVED BY THE PANEL

- Colchester Borough Council Background Information;
- Independent Remuneration Panel report 2016;
- Colchester Borough Council Members' Allowances Scheme 2020/21;
- Department for Communities and Local Government - Guidance on Members' Allowances for Local Authorities in England;
- Results of survey of all Colchester Borough Council Members;
- Summary of Members' Allowances Schemes for all Essex Districts
- Colchester Borough Council Members Allowances 2003 to 2020
- Amounts and names of Councillors who had made claims for subsistence and / or travel during 2019/20