

**PETERBOROUGH CITY COUNCIL (the  
“Council”)**

**REVIEW OF MEMBERS’ ALLOWANCES**

**REPORT OF THE INDEPENDENT  
REMUNERATION  
PANEL 2012**

## Reference to sources of information:

Reference	Content
IRP1	The Council's Members Allowance Scheme as set out in its Constitution (October 2012) – extract of Basic and Special Responsibility Allowances
IRP2	The Local Authorities (Member Allowances) (England) Regulations 2003- Extract showing Regulations 4 and 5
IRP3	Report of the previous Members' Allowances Panel dated 31 <sup>st</sup> October 2011-Schedule of Recommendations
IRP4	Summary of issues raised by Members in their evidence
IRP5	A document setting out the delegation and portfolios of individual Cabinet Members
IRP6	A matrix showing the allowances payable in a number of other Councils including those in Peterborough's CIPFA comparator group as well as ones selected by the Panel
IRP7	This report considers the issues which were referred to the Panel by the Council and matters raised by those who gave evidence to it. It also sets out a number of matters which it considers warrants more detailed consideration before the next review of the Allowances Scheme (attached at end of Report).

**(1) Introduction: The context of the Review**

- 1.1 The newly constituted panel comprised Richard Dix, Consultant solicitor and former local authority Chief Executive; Jim Winstone, retired secondary school Headmaster with local Government experience and Tony King retired Insurance and Finance Manager. Tony is also on the Council Core Group, organising the Great Eastern Run, but was unfortunately unable to join in the face to face meetings of the Panel, but was fully briefed on those meetings and having discussed the issues raised was in complete agreement with the recommendations made in this Report. All were present at the follow up meeting on 10<sup>th</sup> December 2012.
- 1.2 The panel was asked by the Council to carry out a review of the Member Allowances Scheme and consider the principle of allowances for members on the new Police Scrutiny Committee.
- 1.3 The Panel met for 2 consecutive days at the end of November charged with producing a report to go to Council on 30<sup>th</sup> January 2013. Working to a very compressed timescale meant that on a number of issues an interim position has been taken, mindful that the Panel's intention was to start work much earlier than had been possible this year, to enable the required research to be undertaken and evidence collected.
- 1.4 Methodology-evidence considered: The Panel received and considered the following information as background for its consideration of the Allowances Scheme
- a) Presentation on the background to the review from Gillian Beasley, Council Chief Executive, and advice and excellent support research from Diane Baker (Head of Governance). The Panel also received the comments of Adrian Chapman (Head of Neighbourhoods) whose input was most helpful
  - b) The Panel met all the Group Leaders and three other Councillors, all members having been given the opportunity to make representations. No representations were received in writing. The Panel wished to thank all the members they met for the helpful manner in which their issues were presented.
  - c) The following Documents were considered.
    - 1. The Council's Members Allowance Scheme as set out in its Constitution (October 2012) –extract of Basic and Special Responsibility Allowances attached Doc. IRP1.

2. The Local Authorities (Member Allowances) (England) Regulations 2003- Extract showing Regulations 4 and 5 attached Doc. IRP2.
3. Report of the previous Members' Allowances Panel dated 31<sup>st</sup> October 2011-Schedule of Recommendations attached as Doc. IPR3.
4. Summary of issues raised by Members in their evidence-attached as Doc. IPR4.
5. A document setting out the delegation and portfolios of individual Cabinet Members attached as Doc. IRP5.
6. A matrix showing the allowances payable in a number of other Councils including those in Peterborough's CIPFA comparator group as well as ones selected by the Panel –attached as Doc. IRP6.

1.5 This report considers the issues which were referred to the Panel by the Council and matters raised by those who gave evidence to it. It also sets out a number of matters which it considers warrants more detailed consideration before the next review of the Allowances Scheme (Doc. IPR7).

**(2) The Basic Allowance:**

- 2.1 The Council's constitution specifies that the basic allowance is the sum paid to all Councillors "to cover all expenses and time incurred by a City Councillor in carrying out his/her ordinary duties for the Council "
- 2.2 Members interviewed considered that the existing level of the basic allowance appeared relatively low in relation to comparable Councils. It was noted that the level of the allowance had not been increased for 2 years. Also when compared with other similar authorities within the CIPFA Grouping and a number of other comparable Councils, the basic allowance was considered to be low.
- 2.3 From the information provided it was clear that Councillors spent at least 20/22 hours per week on Council business. Time was spent particularly on Ward business and responding to constituents as well as attending meetings of the Council and other associated bodies. Those Councillors who provided evidence did not wish to see job descriptions for their role nor an hourly rate payable. They considered that the role of Councillor carried with it an element of public service which did not require financial recompense. However, the call upon a member's time was frequently excessive and often affected members' employment situations and family life but it was recognised that this went with the position. Most members considered

that the present situation had an affect on the number and type of people prepared to come forward to stand for election. Ultimately this had an affect on the profile of the Council's membership. Ideally the Council should be reflective of the profile of the Peterborough community which it represents.

- 2.4 The Panel agreed with the comments made to it as set out above. It was conscious of the ever increasing calls upon a Councillor's time. Balancing "the rate for the job" and the element of public service was, however, far from easy. However, in making its recommendations the Panel was mindful that being a Councillor should be open to the widest possible range of the community irrespective of personal economic circumstances. The role of the Panel was to make recommendations on the level of allowances not to decide upon them. However, it also has to be appreciated that the continual deferment of paying the "going rate" stored up a very real problem for the future when economic pressures eased.
- 2.5 The Panel reviewed the level of the basic allowance with that of similar authorities as set out in Doc. IRP6. It concerned itself with attempting to determine levels of allowances that were fair, both within the scheme and which withstood scrutiny alongside comparative figures from other Local Authorities with similar characteristics to Peterborough. However, the Panel were aware that Peterborough's dynamics made simple comparison with other unitary authorities very difficult and due account was taken of demographic and economic issues and the Council's pro-active response to these factors. The additional responsibilities and time commitment needed to meet these challenges were acknowledged by the Panel.
- 2.6 In the circumstances the **Panel recommends that the basic allowance should be increased from £7,165.95 to £9,300.00 p.a.**

### **(3) Special Responsibility Allowances .**

- 3.1. The extract from the Council Constitution (Doc IRP1) provides that a "special responsibility allowance" may be paid to some councillors who, in the Council's opinion, make a significant additional contribution to the work of the Council.
- 3.2 Regulation 5 of the Local Authorities (Member Allowances) (England) Regulations 2003 (Doc. IRP2) provides guidance on the categories of roles to which special responsibility allowances should be paid, e.g. the Leader, those presiding at meetings of the Council's committees, and those representing the Council on outside bodies. Regulation 5(f) provides additional guidance; it states that even though an activity may not fall into one of the categories described in the regulation, if any other activity is carried out by a Councillor which requires of the member an amount of time and effort equal to or greater than that required to carry out a

specified role (e.g. as Leader or Committee Chairman) then that member may also be paid a special responsibility allowance.

3.3 The Council has adopted a practice generally of paying special responsibility allowances on the basis of multipliers of its basic allowance i.e. the Leader at present receives 3x the basic allowance, and Chairman of Employment Committee receives a special responsibility allowance of 25% of the basic allowance in addition to the basic allowance. There are a number of exceptions e.g. the Deputy Leader receives 75% of the Leader's Allowance. The Council has set these usually as a multiplier of the basic allowance. Given the way in which special responsibility allowances are allocated by the Council at present, it should be noted that any increase in the basic allowance would be automatically multiplied in its effect on special responsibility allowances. In the circumstances the Panel has recommended that, with the exception of the Leader of the Council, other special responsibility allowances should be paid at a rate which is a percentage of the allowance paid to the Leader.

3.4 In reviewing the relative weighting given by the Council in respect of the special responsibility allowances the Panel took into consideration the documents listed at 1.4c). In some instances the Panel felt it required more information than the existing time constraints allowed for the current Review. As a consequence a number of issues were reserved for a future review.

These are shown at Doc. IRP7.

3.5 Leader of the Council: The Council has adopted the 'strong Leader with a cabinet' model for its local political management structure. The model is intended to provide a clear framework for decisive and accountable local leadership both internally for the Council and externally for the city's community. This includes partnership working and leadership with other community stakeholders. The Leader is able to appoint up to nine other Councillors as Cabinet members one of whom has to be designated as the Deputy Leader. Under this system the Leader has appointed the Cabinet and has given each Cabinet member a degree of individual executive decision making powers. Other executive decisions are taken jointly by the Cabinet (see Doc. IRP5)

3.6 Under the Council's delegation and portfolio holder structure it is clear that the Leader of the Council has retained functions which are of major importance to the Council and its community e.g. political leadership, strategic direction, strategic planning, city growth and the status of 'Environment Capital'. All those we interviewed (across parties) supported the level of special responsibility allowance currently paid to the Leader and indeed some would have supported a higher figure.

3.7 The Panel were impressed with the role, profile and energy which the Leader displayed in order to carry out the responsibilities of his position. It appeared to the Panel that this was a very personal and individual role which involved tremendous personal energy and pressure. The only issue which held back the Panel from recommending a higher level of special responsibility allowance for the Leader was some uncertainty about the role of Cabinet Advisers which is considered later in this Report. This situation should be reviewed in the Panel's next consideration of Members' Allowances.

3.8 Deputy Leader: The Deputy Leader is a member of the Cabinet, and is appointed by the Leader to both of these roles. The post holder's portfolio is for culture, recreation and strategic commissioning including waste management. The post holder is supported in this portfolio by a Cabinet Adviser. The post receives 75% of the leader's allowance equivalent to 2¼ times the basic allowance as a special responsibility allowance. The Cabinet adviser receives 1x the basic allowance as a special responsibility allowance and does not have a vote in Cabinet.

3.9 The Panel was concerned that the Deputy's Leader's special responsibility allowance at 75% of the Leader's allowance appeared to be a high percentage. This concern arose from the fact that the Leader's role appeared to be of such a personal and individual character. Comparator Councils appeared to pay an allowance more in the region of 65% of that of the Leader- although it appeared that Milton Keynes did not pay any Deputy Leader allowance. However, the post holder was a Cabinet member and the allowances for the Cabinet were 2x the basic allowance. In the circumstances the Panel recommends that **the special responsibility allowance for the Deputy Leader should be paid at the rate of 66.67% of the Leaders allowance to recognise the role of Deputy in addition to the post holder's Cabinet responsibility.**

3.10 Cabinet Members. Some Councillors expressed concern at the number of Members with roles on the Cabinet i.e. Cabinet Members and Advisers. Legislation restricts the number of Cabinet members to nine plus the Leader and concern was expressed about the role of the Cabinet Advisers. The position of the Cabinet members in relation to the Leader's role was considered in terms of weighting. As set out at paragraphs 3.5-3.7 above the Leader has a large strategic portfolio and has decided which powers to delegate to other portfolio holders. Having looked at the special responsibility allowances paid by similar councils (Doc. IRP6) most seem to be at or below 50% of the Leader's allowance. In the circumstances **the Panel recommends that the Cabinet members receive a special responsibility allowance which is 50% of that paid to the Leader of the Council.**

3.11 Cabinet Advisers. As set out above the Panel were concerned about the role of the Cabinet Advisers. They were not voting members of the Cabinet (which is restricted by law to no more than nine members plus the Leader of the Council.) Their role did not appear to be clearly defined and increased the member role at the Cabinet (even though not voting) to more than ten members. The Panel heard conflicting views on the role of the Advisers. One view was that they perform a very important role in the work of the Cabinet. However there was a view that they were unnecessary and simply added to the size of the Cabinet.

3.12 However, it might be seen that they dilute the individual accountability and clarity of the role of the “strong” Leader and Cabinet model of local political management. The issue was raised as to whether the Advisers were providing a professional role in relation to the matters they were providing advice upon i.e. was their role really that usually more associated with Council officers or external consultants? The Panel did not think that it had sufficient information within the existing time constraints to consider recommending change in respect of the Cabinet Advisers. However, it has agreed to carry out a deeper review of these posts and the special responsibility allowances payable in its next review. In the meantime in accordance with the percentage payment approach to special responsibility allowances **it recommended that the posts be paid at 25% of the Leader’s allowance**

3.13 Chairmen of Regulatory Committees. The Council paid special responsibility allowances to the four chairmen of its regulatory Committees. The level of the allowance was equivalent to a basic allowance in respect of the Planning and Environmental Protection Committee, the Licensing Committee and 25% of the basic allowance for the Audit Committee. The relative weighting of the payments made were discussed in depth by the Panel. There was a view from the Panel’s own experience that the Planning and Environmental Committee was busier and of a higher profile than the other committees and warranted a higher level of allowance. The Panel heard, however, that the Licensing Committee was expanding its remit and that there would be no automatic renewals of licenses for premises. This would result almost certainly with more activity, more hearings, more contentious issues and a consequent higher profile for the work of the Committee and the role of the Chairman.

3.14 In the circumstance it was agreed to recommend no change but to review the relative weighting of the special responsibility allowances paid to the Chairman of these Committees next year when the effect of the expanded activities of the Licensing Committee would be more clearly known. In the meantime in accordance with the percentage payment approach to special responsibility allowances **it**

**recommended that the posts be paid at 25% of the Leader's allowance and the chairman of Employment Committee receive 6.25 % of the Leader's allowance.**

- 3.15 Chairman of Scrutiny Commissions and Scrutiny Committees. The Panel acknowledged the importance of the work of Scrutiny Commissions/Committees in the review and policy development of the Council. With the particular model of political governance which the Council had adopted it was essential that there was an effective scrutiny mechanism to hold the executive to account. From the information received and available to the Panel e.g. paragraph 18 of the Report of the previous Panel (Doc.IRP3) it appeared that a new structure for Scrutiny had been put in place. No recommendations were made in respect of this matter but more information would be sought in time for the next Panel Review. In the meantime in accordance with the percentage payment approach to special responsibility allowances **it recommended that the posts be paid at 25% of the Leader's allowance.**
- 3.16 Chairman of Neighbourhood Committees. The Council had created seven Neighbourhood Committees each with an appointed Chairman. The seven Chairmen shared three basic allowances as special responsibility allowances at a figure of £3,071.12 each.
- 3.17 The Neighbourhood Committee structure covered the whole City Council area. Council Wards had been grouped together to form these Neighbourhood areas and were akin to groupings of "urban parishes". They formed a link between the activities of the Councillors and the community. The agenda for the meetings related to particular local issues and there were at the time of the review, no delegation to the Committees and no delegated budget as such. Committees met three or four times per annum. The Panel was told by some members that the time involved for the Chairman was in the order of five hours per meeting. One view was that the meetings were a "waste of time" and the special responsibility allowance paid was "grossly excessive".
- 3.18 The Leader of the Council had a clear vision for the work of the Neighbourhood Committees especially bearing in mind the provisions of the Localism Act 2011 which sought to devolve decision making to a more local level. Eventually the Committees would have delegated powers and budgets. However, he accepted that the structure was "not yet there".
- 3.19 The Panel considered the views expressed to it. Once the structure and delegation was clearly in place and operating effectively then perhaps a special responsibility allowance would be appropriate for its Chairmen. However the role, at present, does not appear in the opinion of the Panel to come within the definition of making "a

significant additional contribution to the Council's work "(see paragraph 3.1 above). In the circumstances the Panel **recommends that the special responsibility allowance paid to Chairmen of Neighbourhood Committees be discontinued.**

**(4) Other issues referred to the Panel**

**4.1 Telephone Allowance.** Members receive in addition to the basic allowance a telephone allowance of £568.68. This allowed Councillors to use their own telephone and be paid towards calls. The Council also had a system whereby all members were entitled to an iphone. This system was more secure from a Data Protection viewpoint as the issue of the Council holding information on third parties on a member's private telephone does not then arise. The issue was raised as to whether the telephone allowances should be adjusted to encourage members to take advantage of the system of iphones developed by the Council. After consideration the Panel decided that it wished to consider this issue in greater detail recommended that **no changes be made to the Telephone Allowance at this stage.**

**4.2 Travel and Subsistence Allowance.** Members received in addition to the basic allowance a travel and subsistence allowance of £227.45. This figure was intended to cover travel and subsistence within the City Council's area and further payments could be claimed outside of the area.

4.3 The Panel was asked to consider whether a central provision of refreshments for meetings would mean that the subsistence payment could be reduced. In addition one member asked the Panel to consider increasing the travel element of the payment because of the increasing cost of fuel. The problem was especially pronounced for Members in rural parts of the city area. The member travelled by car as public transport was not generally available; he did 100/150 miles per month and the allowance he received was used up in 2 months.

4.4 The Panel considered the points raised and had sympathy with regards to this matter. However, the Council's area is basically urban in nature and understood that it would be very difficult to identify and pay enhanced mileage allowances only to members who lived in rural areas. The increased level of basic allowance recommended by the Panel may help members experiencing difficulty in respect of this issue mitigate some of the effects of increased fuel cost. The Panel agreed to revisit this issue when it next considered members allowances. In the meantime the Council considered that the telephone and travel and subsistence payments should remain identifiable within the basic allowance.

(Note: the Panel was asked to consider member entitlement to car parking permits. However the Panel was informed that this issue was not a part of its remit.)

**(5) Allowance for attending the newly created Police Scrutiny Panel.** The Panel was asked to give a view on whether attendance at the newly formed Police Scrutiny Panels should qualify for the payment of an allowance. The Panels had been formed in connection with the election of the new Police Commissioner for Cambridgeshire. It was estimated that the appointment would take one day per month; there would be four meetings per year, taking place in the day time. The Council appointed three members to the Panel and acted as secretariat for the meetings which would take place in Huntingdon. The Remuneration Panel were informed that this was a new role created for members and the full extent of the time and responsibility had not been determined. In the circumstances **the Panel decided not to recommend any special responsibility payment in respect of this role.**

**Summary of Proposals**

	Present	Proposed
	£	£
Basic Allowance	7,165.95	9,300.00
Telephone Allowance	568.68	568.68
Subsistence Allowance	227.45	227.45
Leader of the Council	21,497.85	27,900.00
Deputy Leader of the Council (66.67 % of Leader)	16,123.00	18,600.00
Cabinet Members (50% of Leader)	14,331.90	13950.00
Cabinet Advisers (25% of Leader)	7,165.95	6975.00
Chairman Planning and Environmental Protection Committee (25% of Leader)	7,165.95	6975.00
Chairman of Licensing Committee (25% of Leader )	7,165.95	6975.00
Chairmen of Audit Committee (25% of Leader)	7,165.95	6975.00
Independent Member of Audit Committee	784.50	784.50
Chairman of Employment Committee (6 ¼ % of Leader)	1,791.48	1743.75
Chairmen of Scrutiny Commissions (2 Members) (25% of Leader)	7,165.95	6975.00
Chairmen of Scrutiny Committees (3 Members) (25% of Leader)	7,165.95	6975.00
Chairmen of Neighbourhood Committees	7,130.12	-nil-
Leader of Opposition Groups (25% of Leader) to be divided pro rata as at present and in accordance with existing conditions	7,130,12	6975.00

**Note: All members receive a basic allowance; in addition certain members may receive ONE special responsibility allowance.**

**Issues for future consideration by the Panel**

- 1 the role of Cabinet Advisers and payments to them.
- 2 the appropriate special responsibility for the Chairmen of the Council's regulatory committees.
- 3 The payment of travel and subsistence allowances and whether these should be integrated in to the basic allowance. Whether it was possible to devise a scheme to ensure that rural area of the City were not disadvantaged by e.g. devising a "rural rate" for some wards of the council
- 4 Whether the telephone allowance should be integrated into the basic allowance.

This page is intentionally left blank