A Review

Of

Members' Allowances

For

Warwick District Council

A Report by the

Independent Remuneration Panel

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March 2017

Executive Summary – Recommendations

The Table below sets out the Panel's recommendations for the Basic Allowance and Special Responsibility Allowances (SRAs (2017/18), including methodologies, total number of SRAs and maximum amounts payable. In reality the total paid out in SRAs is likely to be less due to the 1-SRA only rule.

Warwick District Council February 2017 Review	**Recommended Maximum Payable 2017/18**				
POSITION	**No's Paid**	**Basic Allowance Annual**	**Method to arrive at BA & SRA**	**Total P/Mbr (BA+SRA)**	**Sub Total Per Category**
BASIC ALLOWANCE	46	*£5,268*	78 days - 40% PSD X £112.56 p/day		£242,328
SPECIAL RESPONSBILITY ALLOWANCES		**SRA annual**			
EXECUTIVE					
Leader & Strategic PH	1	£11,853	2.25 X BA	£17,121	£11,853
Deputy Leader & Culture PH	1	£5,927	50% X Leader	£11,195	£5,927
Other Executive/ Portfolio Holders	6	£5,334	45% X Leader	£10,602	£32,003
Other Executive/Non-Portfolio Holders	0	Discontinued			
OVERVIEW AND SCRUTINY (O&S)					
Chairs O&S Committees	2	£2,963	25% X Leader	£8,231	£5,927
REGULATORY					
Chair Planning Committee	1	£4,149	35% X Leader	£9,417	£4,149
Vice Chair Planning Committee	1	£1,037	25% X Chair	£6,305	£1,037
Other Members Planning Committee	9	£250	Set Sum	£5,518	£2,250
Chair Licensing & Regulatory Committee	1	£3,556	30% X Leader	£8,824	£3,556
Chair Employment Committee	1	£1,185	10% X Leader	£6,453	£1,185
Chair Standards Committee	1	£1,185	10% X Leader	£6,453	£1,185
OPPOSITION POSTS					
Leader Main Opposition Group	1	£2,963	25% X Leader	£8,231	£2,963
Leader Other Opposition Groups *(Where Group has reached threshold of 4 Members)*	0	£1,185	10% X Leader	NA	NA
OTHER					
Chair Conservation Advisory Forum	1	£1,185	10% X Leader	£6,453	£1,185
Members Appeals	0	Discontinued			
Sub Total - Basic Allowance	**46**				**£242,328**
Sub Total - Main SRAs	**17**				**£70,970**
Sub Total - Planning SRAs	**9**				**£2,250**
Total (BA+SRAs)					**£315,548**

The Panel also recommends:

Main Opposition Groups of equal size

That if there are two Main Opposition Groups of equal size then the Main Opposition Group Leader's SRA of £2,963 is divided equally between each Main Opposition Group Leader, which equates to £1,482. The same principle should be extended in the highly unlikely event that there are more than two Main Opposition Groups of equal size.

Maintaining the 1-SRA Only Rule

That the rule that Members can received no more than 1SRA should be maintained.

The Co-optees' Allowance

That provision for a Co-optees Allowance at £281 is maintained and to be paid to any standing Co-optees' the Council appoints.

The Dependants' Carers' Allowance (DCA)

That the Dependants' Carers' Allowances is set out more clearly in the allowances scheme and is reset at a maximum claimable rate based on the Government's National Living Wage, currently £7.20 per hour payable upon the production of receipts. The allowances scheme should also be clarified to point out that the DCA is a contribution rather than full reimbursement of carers' expenses.

Travel & Subsistence Allowance - discontinue for within the District

That right of Members to claim travel and subsistence allowances for attending any duties within the district should be discontinued and the list of approved duties in Schedule 2 of the Members' Allowances scheme are amended to reflect this change.

Travel and Subsistence Allowances - Outwith the District

That the current Travel and Subsistence rates should be maintained for Members undertaking approved duties outwith the district and that the HMRC Passenger Supplement rate of 5p per passenger per mile should also be included in the published rates in Schedule 3 of the Members' Allowances scheme.

The Panel notes that staff terms & conditions for employees are subject to review and will take into account the recommendations of this Panel. If after taking into account the recommendations of this Report the Council decide that staff subsistence allowances should be set at rates that are not currently being recommended for Members (outwith only) then the Panel recommends that the Members subsistence allowances be reset the same rates that are applicable for Officers (outwith only).

Other Support - Broadband, paper and toner

That the Broadband Allowance and direct provision of paper and toner to Members is withdrawn from the annual meeting on 18th May 2017.

Other Support - iPads and Sim cards

The Panel notes the view of the Council on this issue and is not making recommendations in this regard.

The Civic Allowance

The Panel is not recommending any change to the current payment of the Civic Allowance to the Chairman and Vice Chairman of the Council.

Suspension of Allowances - Provision since superseded

That section 13, Suspension of Allowance, is removed from the updated Members' Allowances scheme.

Indexation

That the following indices are applied to the allowances paid to Members of Warwick District Council:

Basic Allowance, SRAs and Co-optees' Allowances:

- Indexed to the annual percentage salary increase for local government staff (at spinal column 49) as agreed each year by the National Joint Council for Local Government Services and applicable to the same year it applies to Officers but with an implementation date from the start of the municipal rather than financial year.

Mileage Allowance (Outwith only):

- Members' mileage allowances rates should be indexed to HMRC Approved Mileage Allowance Payment rates.

Subsistence Allowances (Outwith only):

- Subsistence allowances should be indexed to the same rates that are applicable to Officers.

The Dependants' Carers' Allowance:

- Maximum hourly rate claimable indexed to the National Living Wage.

The Panel also recommends that indexation should run for four years (2017-2021), which is the maximum length of time permitted by the 2003 Regulations.

Implementation

That the new scheme of allowances based on the recommendations contained in this Report is adopted from the date of the Council's Annual Meeting 18th May 2017.

A Review of Members' Allowances

For

Warwick District Council

Independent Remuneration Panel

March 2017

Regulatory context

1. This Report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the Panel) for Warwick District Council to advise the Council on its Members' Allowances scheme.

2. The Panel was convened under The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021) ("the 2003 Regulations"). These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an advisory Independent Remuneration Panel to review and provide advice on Members' allowances on a periodic basis.

3. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their Members' Allowances Scheme. They must 'pay regard' to their Panel's recommendations before setting a new or amended Members' Allowances Scheme. On this particular occasion, the Panel has been reconvened under the 2003 Regulations as it has not reviewed the allowances scheme since 2012 and there have been no changes to the allowances since 2009.

Terms of Reference

4. The Panel's Terms of Reference[1] are to make recommendations to the Council that will be applicable from the date of the Annual Meeting in May 2017 on:

    I. The amount of basic allowance that should be payable to its elected members and the expenses that it is deemed to include

[1] Terms of reference based on those laid out in 2006 Statutory Guidance paragraph 61

II. The responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance
III. The duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance
IV. The co-optees to be paid a co-optees' allowance and the amount
V. Whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined
VI. Whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended
VII. Whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run
VIII. Additional expenses and support received by Members
IX. The payment of a Civic Allowance and the amount of such an Allowance
X. Any matters that are brought to the attention of the Panel by Members in their consultation with Members and briefings from Officers

In arriving at their recommendations the Panel shall also take into account:

A. The issues raised in Report to Executive 27 July 2016 "Review of Warwick District Members' Allowances Scheme" Appendix 2, Terms of Reference[2]
B. The views of Members both written and oral
C. Allowances paid in comparable councils, namely the other Warwickshire district councils and Warwick District Council's 8 Nearest Neighbours (CIPFA 2014 model)

Membership of the Independent Remuneration Panel

5. The appointees to the Warwick District Council Independent Remuneration Panel are as follows:

- Dr Declan Hall: an independent consultant specialising in members' allowances and support and a former academic at the Institute of Local Government, The University of Birmingham.

- Maxine Howe: Chair of the Leamington Chamber of Trade and a local business owner

[2] See Appendix 1 for the specific set of issues set out by the Council for the Panel to consider

- Christopher Purser: Former Chairman of Warwick District Council Standards Committee and former Governor of Warwickshire College. Previously the Group Treasurer of a multinational corporation. A Chartered Accountant and Chartered Secretary

- Alan Wilkinson: Former Councillor, Warwick District Council and former Leamington Town Councillor and Town Mayor. Previously a Sales Manager in a local electronic business

6. The Panel was supported by Graham Leach, Democratic Services Manager and Deputy Monitoring Officer who was the organisational lead in facilitating and supporting the work of the Panel.

The Review Process and Methodology

7. The Panel met at the Council Offices, Riverside House, Royal Leamington Spa on 24th-25th January 2017. The Panel meetings were in closed session to enable the Panel to meet with Members and Officers and conduct its deliberations in confidence.

8. All Members were given the opportunity to meet with the Panel if they so wished. They were also sent a questionnaire that addressed the issues the Panel was required to consider. The questionnaire also had the methodological advantage of ensuring all Members were being asked a common set of questions, the main point being that all Members had at least one opportunity to exercise their voice during the review.

9. In addition, the Panel met with a number of Officers for factual briefings on political structures and constitutional changes since the last review and to obtain an overview on the challenges facing the Council.

10. The Panel also took cognizance of the range and levels of allowances paid in comparable local authorities, namely the four other Warwickshire district councils and Warwick District Council's eight Nearest Neighbours as defined by the Chartered Institute of Public Finance and Accountancy or CIPFA (2014 model), which are used by councils for benchmarking purposes.

11. The full range of written information received and considered by the Panel is listed in the appendices as follows:

- **Appendix 2**: List of information and evidence that was included in the Information Pack for Panel Members
- **Appendix 3**: Members who met with the Panel
- **Appendix 4**: Members who made written submissions to the Panel
- **Appendix 5**: Officers who briefed Panel
- **Appendix 6:** Summary of benchmarking of Warwick District Council Allowances against other Warwickshire Districts and CIPFA 8 Nearest Neighbours

Key Messages - Basic Allowance and SRAs: Low compared to Peers

12. A key theme emerging from the representations received was that the Warwick Basic Allowance in particular senior SRAs are low. There was however, a significant minority who felt the current allowances should not be raised or even decreased on the following grounds:

    - While accepting the case that they are low it is not an appropriate time politically to raise allowances
    - They generally, and in particularly the Basic Allowance, fulfil their function
    - They are too high or in one particular case should not be paid at all

13. The Panel has taken cognisance of these views but in the main has not accepted them as their guiding principles on the grounds that:

    - It is not the role of the Panel to consider the political consequences, that is a matter quite rightly reserved to the Council
    - The evidence shows that the Basic Allowance and in particular senior SRAs are low
    - The Panel is required to make recommendations that set a flat rate standard Basic Allowance and where appropriate SRAs

14. Compared to peers the Basic Allowance and SRAs are low and do not reflect a fair rate. This in itself is not a watertight case to increase allowances but when applying the recommended methodology to arrive at the recommended Basic Allowance and SRAs, they are indeed low in both relative and real terms.

15. Aside from the issue of parity there is one of equity, the Basic Allowance undervalues the work of Members. While the Basic Allowance and SRAs were never intended to reflect the 'market value' of the workload and responsibilities undertaken by Members, they are intended to go a large way to recognising that there is a substantial time commitment and complexity to being an elected Member that is not recognised in their current remuneration.

16. This is highlighted by the original policy underpinning the work of remuneration panels when considering the principles for establishing a Members Allowances Scheme[3]:

> The financial support for Councillors must also reinforce the culture of the modern council and address, as far as possible, any disincentives to serving in local politics. People do not enter public service to make their fortune. But neither should they pay a price for serving the public.

17. In effect there was a view and backed up by the evidence that the Basic Allowance in particular was not fulfilling its function; namely to enable most people to stand for Council and be an elected Member regardless of personal financial circumstances.

The Warwick Model of Remuneration

18. Typically where a council pays a low Basic Allowance it is often compensated by paying a high number of SRAs and allowing a Member to be paid more than 1 SRA. Thus enabling most Members to receive a real higher remuneration than is suggested by the low Basic Allowance. Conversely, where a higher Basic Allowance is paid fewer and lower SRAs are paid. The Warwick model of remuneration pays a low Basic Allowance and low SRAs that are limited in number. This is largely a function of the allowances scheme not being fundamentally altered for 16 years with the current framework set in 2001, when the operation of executive and scrutiny roles were still new. Moreover, unlike most other councils, there has a only the occasional indexation of allowances that takes into account annual cost of living increases, with the last increase of 1.7% being in 2009/10.

19. Consequently, the current Warwick Members' Allowances scheme is now in need of a systematic review. The Panel has undertaken a fundamental review of the whole Members' Allowances scheme based on the fundamental principle that addresses "as far as possible, any disincentives to serving in local politics."

20. The model of remuneration that is being proposed here has placed greater emphasis on the Basic Allowance. The Panel has recommended a Basic Allowance that is apposite and while increasing most SRAs has still kept them comparatively low.

Recognising the Business Case for Allowances

[3] Modern Local Government – In touch with the People: Cm 4014 July 1998, 3.54

21. The Panel has been cognisant of the economic restraints within which the Council has operated in the past and the continuing challenging financial prospects for the next couple of years. The Panel has sought to alleviate the glaring anomalies in the current Members' Allowances scheme with recommendations based on a logical construct, are transparent, defendable and more in line with peers. While this has led the Panel to recommend increases in the Basic Allowance and senior SRAs in particular the Panel has also recommended the discontinuation of allowances in other areas.

Relating Members' Allowances to performance

22. A subsidiary but important theme emerging from both the written and oral representations was that there should be a link between the Basic Allowance and the differential in what Members put in. In particular it was felt by some Members that the payment of a flat rate Basic Allowance was inequitable when they felt that some Members were working harder than others in return for that Basic Allowance, with some suggesting that an attendance element to remuneration should be introduced.

23. The simple fact is that the Panel is unable to vary the Basic Allowance to differentiate between the work loads of Members. Under the 2003 Regulations a Member by virtue of being elected is entitled to the full Basic Allowance. Apart from resigning the only way not to pay the Basic Allowance is for a Member to be in breach of the 'six month' rule. If a Member does not attend an approved duty within a six month period then they cease to be a Councillor and therefore no longer paid as such. This light touch had more logic 40 years ago when Members' work was more meetings centred. As the principal remuneration was through an attendance allowance it meant if a Member did not attend their scheduled meetings they did not get paid.

24. The Panel explored this issue in depth and decided that it was not avenue it could go down[4] on the following grounds:

- The attendance records showed that in the main Members do attend most of the scheduled meetings of their committees and panels, i.e., is not a major issue
- While indeed there are Members who are appointed to fewer committees than others and thus have fewer meetings to attend this is a function of the political process and not the remit of the Panel
- Putting an emphasis on attendance does not take into account the work Members do outside the formal structures of the council

[4] The exception being the recommended SRAs for ordinary members of the Planning Committee - see below.

- The 2003 Regulations do not permit the payment of an 'attendance allowance'
- The legal advice received from the Council was that the particular approach the Panel discussed would be contrary to the 2003 Regulations, namely designating an increase across the board for all Members as a 'performance SRA' payable in arrears only when a Member has attended a defined percentage of meetings

Forgoing Allowances

25. Where an individual Member does not accept the decision of the Council, whether it be to accept all or part of the Panel's recommendations, then that Member, upon notifying Members' Services, is able to forgo or renounce all or part of their allowances. It is a right that has to be provided for in the published allowances scheme. In particular, paragraph 13 of the 2003 Regulations states:

> 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.

The Panel's Recommendations - Recalibrating the Basic Allowance

- Warwick current Basic Allowance: £4,631
- Benchmarking (BM) Group Mean Basic Allowance: £5,178
- Recommended Basic Allowance 2017/18: £5,268

26. In arriving at the recommended Basic Allowance the Panel has to pay regard to the 2006 Statutory Guidance which states:

> Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which councillors ought to be remunerated.[5]

27. This guidance highlights three considerations when arriving at the recommended Basic Allowance, namely:

- The 'hours' or time required to be an effective ordinary Member
- The amount of this time that should be remunerated, often known as the Public Service Discount (PSD)
- The rate of remuneration

Time required being a Member

[5] 2006 Statutory Guidance on Members' Allowances paragraph 67.

28. It was also clear in the representations from Members that there was little awareness of how the Basic Allowance should be arrived at or the basis of its calculation. By explicitly following the methodology laid out in the Statutory Guidance the Panel is not only fulfilling its statutory responsibility but also makes it transparent for Members.

29. As the Basic Allowance is primarily a time-based allowance that must be paid equally to all Members, it should take into account the full range of duties and activities that Members are expected to undertake including:

- Attending meetings of the Council, Executive, Committees and related panels, forums and task and finish groups, including training events
- Ward casework and constituent meetings
- Attendance at meetings of external organisations (Outside Bodies) including local community groups, parish councils
- Emails, reading reports, agendas and research, preparation and travel time where relevant

30. The most up to date source of what time is required to be an effective Member is from the Local Government Association (LGA) Census of Councillors 2013 which shows that on average an elected Member of a district council who does not hold any position of significant responsibility puts in 14 hours per week on 'Council business'.[6] In effect, it is the equivalent of just under two days per week spread over a whole week and in a context whereby there is an increasing need for some Members to meet informally during the day.

31. The Panel has not opted to utilize 14 hours per week as the time element to calculate the recommended Basic Allowance as the Panel is recognising the extra time put in by Planning Members (which is included in the Councillor Census 14 hours per week) separately - see below. In addition, where the issue was explored in interview, the weight of views felt that 14 hours per week was marginally high. Consequently the Panel has used an average of 12 hours per week as the time required from a 'backbench' Member to fulfil all their duties. This equates to 78 days per year on an 8 hour working day.

Recognising the Public Service Principle

32. In arriving at the recommended Basic Allowance the Panel has to recognise that not all the time put in by Members should be remunerated as there is an element of public service (or *pro bono publico*) in being a Member.

[6] This does not include on average an additional 5.8 hours per week on group/party business. The data on mean hours worked by Councillors by type of council and by positions held supplied to Chair of Panel in email from S. Richards, LGA 30 September 2014

33. While, the normal range is between 30% and 40% the standard amount of time that is discounted by Panels for public service is typically around one third on the basis that of the average time spent on Council business by all English Councillors almost 30% is the proportion that is spent "engaging with constituents, surgeries and enquiries."[7] The Panel has opted for a public service discount at the higher end of the normal range, which is 40%, as Members of district councils have more direct contact with constituents than would be the case for County Councillors who are responsible for strategic services.

34. Thus, out of an assessment of an average of 78 days per year required to be an effective 'back bench' Member, 40% of that time (31.2 days) should not be remunerated. This leaves a remunerated time of 46.8 days per year.

Rate for Remuneration

35. In the past Panels were issued advisory guidance from the Local Government Association (LGA) setting out a 'day session' rate that Panels could (and did) adopt in setting a Basic Allowance. In 2010 this day session rate was £152.77[8]. The LGA discontinued the publication of the day session rate the following year by which time it was almost £160 per day, partly because many Panels found such a rate hard to defend or justify methodologically (it was weighted to reflect male non-manual average earnings) and partly because there has been a change in how average earnings are published in that they are now set out on a local authority area basis.

36. Panels now typically base the rate for remuneration on the average earnings for all full time employees resident in their particular council district. A locally based rate of remuneration relates the Basic Allowance to the average earnings of those whom Members represent and thus has a greater robustness. The most recent data available (2016) from the Office of National Statistics (ONS) as published in its Annual Survey of Hours and Earnings (ASHE) shows the median gross weekly earnings for all full time employees resident in the District of Warwick as £562.80, which equates to £112.56 per day[9].

37. Consequently, in consideration of the three variables utilized to arrive at a Basic Allowance the Panel has adopted the values as set out in Table 1 below:

[7] See Councillors Census 2013, LGA, Table 7 page 42. This is for all English Councillors regardless of type of council and position held - the only data available.
[8] See LGalert 62/10, Members' Allowances, 23 June 2010
[9] See ASHE, Table 7.1a, Weekly pay - Gross - all full time jobs - work geography, ONS provisional results 2016. The Panel has used median rather than mean (£672.10 per week) as ONS advises median is a more accurate reflection of 'average' earnings as it better reflects the higher number of earners on or close to living wage and evens out the distortion in the mean by a relatively few very high earners.

Table 1: Variables and their sources in arriving at the Basic Allowance

Variable	Amount	Evidence provided
Time (per year)	78 days	Based the LGA Councillor Census 2013 figure of 14 hours per week minus a 2 hour per week discount for Planning Members & Member feedback multiplied by 52 weeks and divided by an eight hour working day
Public Service Discount	40% (31.2 days)	Based on LGA Councillors Census 2013 Table 7 & taking into account nature of district councils
Rate for Remuneration	£112.56 per day	Based on ONS ASHE Table 7.1: median gross weekly earnings of all full time employees resident in Warwick District 2016 (£562.80)

38. By following the approach set out in the 2006 Statutory Guidance the Panel arrived at a recalibrated Basic Allowance based on the following calculation:

- 78 days minus 40% = 46.8 remunerated days X £112.56 per day = £5,268

Benchmarking

39. Another strong theme from Members' representations was that the Warwick District Council Basic Allowance should be in line with that paid in comparable councils. Indeed, benchmarking shows that the current Warwick DC Basic Allowance is low when compared to the mean Basic Allowance (£5,178) paid in the comparator group of councils. It is not the lowest, which is Taunton Deane (£4,344) but Taunton Deane pays higher SRAs than in Warwick and will remain higher than those being recommended for Warwick. Also many Members in Taunton Deane are eligible for a £250 Task and Finish SRA (see Appendix 5). While the recalibrated Basic Allowance of £5,268 is marginally above the benchmarked mean the Panel is satisfied that it is appropriate on the basis that:

- It is arrived at by following the methodology mandated in the 2006 Statutory Guidance and therefore robust and transparent
- As it is recommended for 2017/18 the mean Basic Allowance in the benchmarked councils will be higher once they have applied their indexation
- Unlike many of the councils in the benchmarking group the Panel is recommending £5,268 on the basis that other peripheral allowances are discontinued, i.e., it is the rate for the job - see below.
- The Basic Allowance has not been increased since 2009/10.
- Members are no longer, since April 2014, able to join the Local Government Pension Scheme, which is in effect an pay decrease for those who were eligible to join it

40. Nonetheless, as a further check the Panel benchmarked the recalibrated Basic Allowance against remuneration for non-executive directors (NEDs) of NHS Trusts. Although the roles of a NHS NED and an elected Member are not strictly analogous the Panel felt that it helped put the Warwick recalibrated Basic Allowance in context, especially as NEDs are given an explicit time commitment.

Table 2: Remuneration of NEDs of NHS Trusts[10]

NHS Trusts	Stated time commitment	Annual Remuneration
Foundation Trusts	3-4 days per month	Between £10,000 & £14,000
Non Foundation Trusts	2.5 days per month	£6,157

41. Although it is recognised that this time expectation for NHS NEDs is often an understatement, the same often applies to Councillors. The Panel is simply contrasting the difference in expected time requirements and relative remuneration. The Panel is content that the benchmarking shows the recalibrated Basic Allowance to be a fair and reasonable remuneration.

42. **The Panel recommends that the Basic Allowance should be £5,268 from the date of the Council annual meeting on 18th May 2017**[11].

Special Responsibility Allowances

43. In recommending SRAs and posts that merit an SRA the Panel was mindful of the 2006 Statutory Guidance (paragraph 72) which states that:

> If the majority of Members of a Council receive a Special Responsibility Allowance the electorate may rightly question whether this was justified. Local Authorities will wish to consider very carefully the additional roles of Members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a Special Responsibility Allowance.

44. The Panel considered each of the Special Responsibility Allowances currently paid by the Council and also those roles that currently do not attract a Special Responsibility Allowance regarding their 'significance' in terms of responsibility and real time commitment with an aim, in the context of an enhanced Basic Allowance, to keep the number of principal SRAs payable under 50% of the number of Members (known as the 50% rule).

[10] http://www.ntda.nhs.uk/blog/2014/11/03/terms-and-conditions-of-appointment/

[11] All recommendations are to be implemented from the date of the annual meeting of the Council, 18th May 2017 - see below.

The Leader's SRA

- Leader's current SRA: £8,371
- BM Group Leaders Mean SRA: £14,776
- Recommended Leader's SRA: £11,853

45. Although the Leader's SRA (£8,271) has not been substantially revised since the second review in December 2003 the role has undergone significant change over the years as the executive model has evolved. It has become a more significant role than when it was last fundamentally reviewed in 2003 when executive roles were relatively new. While being Leader of Warwick District Council does not require a full time commitment it demands a time commitment that makes it difficult to sustain full time paid employment in the normal sense. The Leader attends Council offices 2-3 times per week and even when not at the Council Offices the Leader has to be available to talk to or email Officers and other Members every day.

46. Then there are all the external demands on the Leader's time which have increased, particularly at the regional and sub regional level with the West Midlands Combined Authority and devolution rolling out which is only set to grow larger over the next few years. Regardless of whether there was a WMCA, the Leader of Warwick District Council would have a sub regional and regional, and indeed national, dimension to it. This is evidenced by the Leader now sitting on and attending the Board of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) as the council's representative. Similarly the Leader is appointed to the West Midlands Leaders Board, Coventry and Warwickshire Local Enterprise Partnership (LEP) and LLP Board and West Midlands Employers (formerly West Midlands Councils). Moreover, central government now places greater emphasis on leadership in local government and expect Leaders' to rise to that challenge, making the Leader more visible and involved across the board.

47. The Leader's role has also grown in responsibility since the last review. The Localism Act 2011 enhanced the powers of all Leaders by requiring all Councils operating the executive model of governance to adopt the strong Leader model by 2012. Consequently the Leader now has all executive powers vested in the post and is responsible for the discharge of all executive functions. In particular, the Leader is now appointed for 4 years and in turn appoints the Deputy Leader and Executive Portfolio Holders, determines the remit of the executive members and any delegation of executive powers to committees; all these were previously Council functions. In effect the Leader now has the same level of

responsibility as an elected Mayor - it is their method of appointment and tenure that differs. In Warwick District the Leader now has responsibility for:

- Appointing the Executive and delegations of executive arrangements,
- Chairing the Executive;
- Chairing other Boards and Working Groups as appropriate;
- As Lead Member, or Portfolio Holder, for Strategic Leadership the Leader is also responsible for strategic projects, maintaining a corporate oversight of issues and addressing issues which crossover areas of portfolio responsibility;
- External relations, within Warwickshire, West Midlands and at a national level.

48. The Leader's current SRA (£8,371) is set at a multiple of two times the Basic Allowance in accordance with a methodology set out in the 2006 Statutory Guidance (paragraph 76), known as the factor approach. A multiple of three times the Basic Allowance is the most common factor used in arriving at a Leader's SRA. Benchmarking shows a mean SRA of £14,776 across the comparator group of councils, which is 2.9 times the mean Basic Allowance. Not only is the Leader's SRA lower than any other in the benchmarking group (the lowest being Stafford and Stratford-on-Avon at £10,500) but when the Basic Allowance is included, giving a total of £13,002, it is also the lowest in the benchmarking group, where the benchmarked mean total remuneration for Leaders is £19,953.

49. Consequently, benchmarking and the enhanced role of the Leader has convinced the Panel that the Leader's SRA should continue to be arrived at by the factor approach but marginally increasing the factor from 2 to 2.25 times the (recommended) Basic Allowance, which equates to £11,853.

50. As with the Basic Allowance the Panel extended benchmarking to a non-councillor role, in this case comparing remuneration of the Leader to that of the non-executive Chairs of NHS Trusts. The remuneration for Chairs NHS Trusts is banded according on their turnover as follows:

- Band 1 Chairs: £23,600
- Band 2 Chairs: £21,105
- Band 3 Chairs: £18,621

51. Remuneration for Chairs of NHS Foundation Trusts varies; however the Chair of the South Warwickshire NHS Foundation Trust which covers Warwick and

Stratford-on-Avon council district areas receives between £35,000 and £40,000 (2014/15)[12].

52. Again the role of Leader of Warwick District Council and Chair of an NHS Trust are not strictly analogous but the expressed time commitment for non-executive Chairs of Foundation NHS Trusts is a minimum of 3 days per week and for a Chair of an ordinary NHS Trust it is 2-3 days per week, which is not dissimilar the time commitment required from the Leader. In this context an SRA of £11,853 for the Leader is by no means excessive and in fact remains somewhat on the low side particularly when compared to benchmarked peers.

53. **The Panel recommends that the SRA for the Leader of the Council should be set a multiple of 2.25 times the recommended Basic Allowance (£5,268), which equates to £11,853 per annum**.

The Deputy Leader of the Council

54. In recommending other SRAs the Panel has in the main followed the approach laid out in the 2006 Statutory Guidance (paragraph 76) which states:

> A good starting point in determining special responsibility allowances may be to agree the allowance which should be attached to the most time consuming post on the Council (this maybe the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance.

55. This is known as the 'pro rata' approach in that the other remunerated posts are assessed as a ratio or percentage of the Leader's role. By definition the size of the Leader's roles is 100%. The Panel has chosen to maintain this approach and adjusted the ratio for SRAs where there is a demonstrable case to do so.

- Deputy Leader's current SRA: £3,961
- BM Group Deputy Leaders' Mean SRA: £9,027
- Deputy Leader's recommended SRA: £5,927

56. The Deputy Leader also has a portfolio (Culture) but their SRA is the same as the other Portfolio Holders; £3,961, which is the equivalent of 47% of the Leader's current SRA. Typically Deputy Leaders with a portfolio are paid slightly more than other executive members. The Panel in its March 2010Report made such as recommendation to increase the Deputy Leader's SRA to £5,033 but it was not accepted by the Council. Benchmarking also shows that the Deputy Leader's SRA is not only substantially below the mean SRA (£9,027) but is the lowest.

[12] https://www.swft.nhs.uk/application/files/9914/5984/6505/Annual_Report_and_Accounts_Merged.pdf

57. The Deputy Leader undertakes the traditional role of attending briefings with the Leader, acting as a sounding board and stepping in for the Leader in the Leader's absence, which occurs more frequently as the Leader has had to undertake a larger regional role. Indeed it means that the Deputy Leader (as do most other executive members but to a lesser extent) has acquired a larger regional role simply because the demands upon the Leader have grown so much that specific tasks are delegated to the Deputy Leader such as leading on negotiations on matters relating to the Local Plan with Coventry and other special projects as assigned.

58. The Panel remains of the view that the SRA for Deputy Leader as a Portfolio Holder should be slightly higher than the other Portfolio Holders and the current ratio is broadly appropriate and has reset the SRA at 50% of the Leader's recommended SRA.

59. **The Deputy Leader/Portfolio Holder recommended SRA is £5,927, which has been reset at 50% of the Leader's recommended SRA of £11,853**.

Other Executive/Portfolio Holders (x6)

- Other Executive Members current SRA: £3,961
- BM Group Other Executive Members Mean SRA: £7,369
- Other Executive Members recommended SRA: £5,334

60. Legislation puts a cap on the number of Executive Members at a maximum of 10, including the Leader and Deputy Leader. Currently there are 6 other Executive Members, a reduction of one since the last review so they have each acquired a slightly larger remit. Again the Portfolio Holders SRA is significantly below the benchmarked mean and it is lower than any of the benchmarked councils.

61. Not only have the other Executive Members acquired larger remits since the last review their SRA has not been fundamentally reviewed since 2003, when all executive posts were new and had yet to be bedded in. As with the Leader and Deputy Leader all executive roles have evolved with more partnership working arrangements and working with a greater range of stakeholders. This development in the Portfolio Holders roles was recognised in the 2012 Report when the Panel recommended an increased SRA of £4,630, equal to the Basic Allowance. These posts merit a higher SRA but to differentiate them from the Deputy Leader and broadly maintain current differential with the Leader the Panel has reset them at 45% of the Leader's recommended SRA.

62. As such the Executive/Portfolio Holders merit an increase in their SRA and **the Panel recommends SRA of £5,334 for the 6 other Members of the Executive/Portfolio Holders, which has been set at 45% of the Leader's recommended SRA**.

Non-Portfolio Holders (x0)

63. There is provision in the allowances scheme for an SRA of £3,181 for Non-Portfolio Holders on the Executive. There are no such appointments made by the Leader and have not been any for a number of years. This SRA is now redundant. **The Panel recommends that the SRA (£3,181) for Non-Portfolio Holders on the Executive is discontinued and removed from the schedule of SRAs**.

Chairman of Planning Committee

- Planning Chairman current SRA: £3,865
- BM Group Planning Chairmen Mean SRAs: £5,230
- Recommended Planning Chairman SRA: £4,149

64. There was strong representation received that argued the Chairman of Planning should be paid an SRA on a par with Portfolio Holders and indeed that is the case in one of the comparator councils (Taunton Deane) and in Harrogate the Planning Chairman receives more than the executive members. Stratford-on-Avon pays 2 Area Planning Chairmen an SRA of £3,150 apiece.

65. Planning is a statutory function and where planning applications are not delegated to Officers then that function must be discharged by a committee. Decisions of the Planning Committee are quasi-judicial in that they have the force of law. Since this post was last reviewed in depth there has been an increase in delegation to Officers, with 90% of planning applications now decided by Officers. However, due to development pressures in the district planning is a high profile committee that meets more often than any other committee, on a four week cycle as opposed to the normal six week cycle. In addition there are 6 site visits per year on a Saturday morning that are organised by the Council. The Chairman has to chair what are often raucous and contentious meetings and is subject to a great deal of lobbying, as are all Members of the Planning Committee.

66. The Panel has not accepted the parity with Portfolio Holders argument largely on constitutional grounds. Portfolio Holders exercise executive functions that also have a statutory basis and exercise a greater responsibility through having greater discretion. Secondly, benchmarking shows that the mean SRA (£5,230)

for chairmen of Planning is not on a par with the mean SRA (£7,369) for Portfolio Holders. Thirdly, Planning is the only committee where the Vice Chairmen also receives an SRA. Finally, the Panel is recommending further recognition and support for the Planning function via its recommendation for other members of the Planning Committee - see below.

67. Nonetheless, the Panel accepts that the Chairman of Planning has a larger workload and responsibility than other committee chairs, with the Planning Committee being the most active and high profile committee of the Council and the SRA for the Chairman should reflect that reality in that their SRA should be the highest of the remunerated committee chairmen while differentiating sufficiently from other Executive Members to recognise the distinction in their constitutional responsibilities Consequently, the Panel has reset the SRA for the Chairman of Planning at 35% of the Leader's recommended SRA (£11,853), which equates to £4,149.

68. **The recommended SRA for the Chairman of the Planning Committee is £4,149, which is 35% of the Leader's recommended SRA**.

Vice Chairman Planning Committee

- Planning Vice Chairman current SRA: £1,115
- BM Group Planning Vice Chairmen Mean SRA: £2,111
- Recommended Planning Vice Chairman SRA: £1,037

69. The Vice Chairman of the Planning Committee is the only Committee Vice Chairman that is paid an SRA, currently £1,115. There was representation received that queried the validity of this SRA largely on the grounds that it appeared to be an anomaly due to its uniqueness. This is partly backed up by benchmarking; only four out of the 12 comparator councils remunerate such a post. The mean benchmarked SRA is £2,111 but with a sample size of four the mean is distorted by a single high payer (Stafford at £3,600). In this case the median SRA (£1,692) is a more accurate reflection of the going rate.

70. The Panel has decided to continue this SRA on the grounds that the Vice Chairman of Planning is required to stand in for the Chairman when the latter has an interest regarding a particular application. Moreover, the Planning Vice Chairman is required to chair the advisory Planning Forum twice a year, the only Vice Chairman who has such a discrete assigned responsibility.

71. The current SRA is on a par with that paid to the Chairmen of the other committees that have similar levels of responsibilities. This does not feel fitting - a committee vice chairman while having a distinct workload and chairing an advisory forum in the case of planning cannot by definition, logic would

suggest, have the same level of responsibility as for instance the Chairmen of the Employment or Standards Committees, which are full standing committees. Consequently the Panel has reset the SRA as a ratio, in this case 25%, of the recommended SRA for the Chairman of the Planning Committee as the most apt comparator role.

72. **The recommended SRA for the Vice Chairman of the Planning Committee is £1,037, which has been reset at 25% of the Planning Chairman's recommended SRA**.

Other Members of the Planning Committee (x9)

73. Conversely there was strong representation to pay other Planning Committee Members an SRA mainly for reasons outlined above. The Panel was reluctant to accept this view. Planning Members do meet on a 4 week cycle rather than the normal 6 week cycle, they are subject to lobbying and committee meetings are the most attended of any across the Council and they are making quasi-judicial decisions. Yet, this role is one that can reasonably be expected from all Members, and there may be times when for instance Members on Licensing Sub Panels are meeting more often than usual in a quasi-judicial capacity to exercise powers under the Licensing Act 2003, Gambling Act 2005 or taxi licensing matters. Benchmarking shows that only one council out of the 12 comparator councils remunerate Planning Members ((Harrogate £928).

74. Yet, the distinctive additional workload carried out by all Planning Members is the requirement to undertake council organised site visits 6 times per year on Saturday mornings which is not typically the case in other councils. To recognise the additional workload that membership of the planning committee demands the Panel has decided that it merits a small SRA of £250 per year.

75. **The Panel recommends that the other 9 Members of the Planning Committee are paid an annual SRA of £250**. The Chairman and Vice Chairman are not eligible for this SRA as they are already being recommended an SRA that takes into the account their wider workload and responsibilities on the Planning Committee. In addition where an ordinary Member of the Planning Committee is in receipt of another SRA then they are still bound by the 1-SRA only rule - see below.

Chairman of Licensing & Regulatory Committee

- Licensing & Regulatory Chairman current SRA: £3,181
- BM Group Licensing Chairman Mean SRA: £3,166
- Recommended Licensing & Regulatory Chairman SRA: £3,556

76. The Licensing & Regulatory Committee and its sub Panels discharge the statutory functions in accordance with the Licensing Act 2003 and Gambling Act 2005 which mainly relates to working on the Council's licensing policy and hold hearings where there are objections to licensing applications. The current SRA is alone in being on an apparent par with peers. However, unlike most other councils where Licensing Committees (and their panels) mainly relate to licensed premises, gambling and taxi licensing, the Warwick Licensing & Regulatory Committee has additional functions such as elections and electoral registration, boundary reviews, anti-social behaviour and public footpaths.

77. However, the largest part of this work relates to liquor and gambling applications that are the subject of objections and requests made for the review of licenses. In turn these are now considered by one of 5 Licensing sub Panels, consisting of 3 Members drawn from the full committee. All Licensing and Regulatory Committee Members are assigned a Sub Panel with each Sub Panel scheduled to meet in rotation so the workload is spread across the full membership. In 2016 there was 30 L&R Panel meetings which represented a doubling on each of the previous three years which averaged 13-14 per year. It is difficult to ascertain whether this spike in workload will continue going forward but in the post-Rotherham context taxi licensing hearings have become a larger feature than in the past and it is an increasing area of the Chairman's workload and responsibility, not least in keeping up to date with Child Sexual Exploitation issues and proposed legislation in this area.

78. Benchmarking shows that the mean SRA for Chairmen of Licensing Committees is £3,166 but most of these committees are single function (licensing) only. Consequently the Panel feels that based on the multiple functions of the Licensing & Regulatory Committee and the post Rotherham context that the SRA for the Chairman should be reset at 30% of the Leader's recommended SRA. The Panel will revisit the workloads of the committee membership in its next review to monitor their workload on the Sub Panels.

79. **The recommended SRA for the Chairman of the Licensing and Regulatory Committee is £3,556, which 30% of the Leader's recommended SRA**.

Chairmen of Overview and Scrutiny Committees (x2)

- Overview & Scrutiny Chairman's current SRA: £2,511
- BM Group Overview & Scrutiny Chairmen's Mean SRA: £4,256
- Recommended Overview & Scrutiny Chairman's SRA: £2,963

80. Overview and Scrutiny is the process whereby executive decision-makers are held to account and is a statutory function which has to be discharged by at least one Overview and Scrutiny Committee. They are also tasked with reviewing specific issues within their relevant service areas. The two committees are

- Overview and Scrutiny Committee - prime purpose is to review items to be considered by the Executive, review past decisions, policy development, health and well being issues and any specific issues and problems with within any service area
- Finance & Audit Scrutiny Committee - prime purpose is to provide independent assurance of the adequacy of the risk management framework and the associated control environment and scrutiny of the council's financial and non-financial performance vis-a-vis exposure to risk and audit issues

81. The Scrutiny Committees now make greater use of Task and Finish Working Groups and the Panel was informed that they add value by addressing particular issues of concern, with the Task and Finish Group on HMO's and Off Street Parking being a particularly relevant issue for Warwick District Council. The Panel considered whether there was merit in remunerating work and responsibility on Task and Finish Groups but as they can draw their membership and chairman from across the council it is an aspect recognised by the Basic Allowance. Consequently, the Panel decided that the Chairmen of the Scrutiny Committees merit an increase in their SRA; a view supported by benchmarking, and has reset it at 25% of the Leader's recommended SRA, which equates to £2,963.

82. **The recommended SRA for the Chairmen of the Overview and Scrutiny Committees (x2) is £2,963, which is 25% of the Leader's recommended SRA**.

Chairman of the Employment Committee

- Employment Committee Chairman's current SRA: £1,115
- BM Group Employment Chairman's Mean SRA: NA
- Recommended Employment Committee Chairman's SRA: £1,185

83. The Employment Committee is responsible for approving any policies affecting staff employment, including terms and conditions and oversees arrangements for determining staff appeals. The Panel considered whether the Chairman of the Employment Committee still merited an SRA on the basis that it meets less than most other committees, four times per year and it is not a post that is

typically paid elsewhere. However, the Panel has decided to maintain this SRA as it is a full committee of the Council and reset the SRA at 10% of the Leader's recommended SRA.

84. **The recommended SRA for the Chairman of the Employment Committee is £1,185, set at 10% of the Leader's recommended SRA**.

Chairman of the Standards Committee

- Standards Committee Chairman's current SRA: £1,115
- BM Group Standards Chairman's Mean SRA: £1,339
- Recommended Standards Committee Chairman's SRA: £1,185

85. Since the implementation of the Localism Act 2011 there is no longer a requirement to maintain a Standards Committee although the Council still retains residual statutory standards functions. However the Council has decided to maintain a Standards Committee to discharge most of the residual functions. The Chairman is remunerated on a par with the Chairman of the Employment Committee.

86. The Standards Committee has four scheduled meetings per year but it typically cancels 2 of them due to lack of business while adding an extra meeting in response to issues arising. Moreover, post Localism Act 2011 the Standards Committee has a reduced remit, in particular complaints now being dealt with by the Monitoring Officer and the new statutory post of Independent Person in the first and typically last instance. There has not been a Standards Hearing since 2014.

87. Consequently, the Panel considered whether an SRA was still merited for this post. It is not typically a remunerated post elsewhere, with only 4 out of the 12 comparator councils still maintaining and remunerating a Standards Committee Chairman. However, the Panel has decided to maintain this SRA on the basis that it is a full committee of the Council and in arriving at the recommended SRA it has maintained it on a par with the Chairman of the Employment Committee.

88. **The recommended SRA for the Chairman of the Standards Committee is £1,185, set at 10% of the Leader's recommended SRA**.

Chairman of the Warwick District Conservation Advisory Forum

89. The Warwick District Conservation Advisory Forum (or CAF) is a Warwick District Council specific body that reflects the District's special historic and

architectural nature. CAF's purpose is to assist in protecting and enhancing the Districts historic and architectural character. It consists of stakeholder representatives and two elected Members of the Council who have an interest in the historic environment and planning matters and are appointed as Chairman and Vice Chairman. The Chairman also acts as the Council's Heritage Champion. CAF normally meets every 4 weeks to reflect the planning cycle so that it can make recommendations to the Planning Committee where applications have an impact on historical buildings or where they are of special nature. It is an informal consultative body organised at the Council's discretion.

90. Again the Panel considered whether the Chairman of CAF merited an SRA particularly as it is not a full committee and is advisory in nature. However, the Council is required to periodically review the effectiveness of CAF and the last review in summer 2016 found that the Council should continue to support the work of CAF as:

> Warwick District Council benefits from the free expert advice provided by CAF, and CAF enables the Council to work collaboratively with a range of community and professional organisations with specialist conservation knowledge.[13]

91. As CAF is subject to periodic review and has been deemed to be continuing to contribute to the work of the Council the Panel has decided that the Chairman should continue to receive an SRA on a par with the SRA paid to the Chairmen of the other standing committees with a similar level of responsibility.

92. **The recommended SRA for the Chairman of the Warwick District Conservation Advisory Forum is £1,185, set at 10% of the Leader's recommended SRA**.

Members of Appeals Panels

93. Appeals Panels now have a more focused remit dealing solely with Housing Appeals. They consist of 3 Members taken from an approved list retained by the Monitoring Officer and meet as and when required, typically no more than a couple of times per year. When Members sit on Appeals Panels they are eligible for a SRA of £67.50 per half day or £135 if the Panel sits for more than half a day.

94. This SRA is now outmoded, not only do Appeals Panel meet less frequently than when the was originally established but the reorganisation of Licensing now means that many Members can expect to sit on Licensing Panels that fulfil

[13] Report to Planning Committee, *Review of the Warwick District Council Conservation Advisory Forum*, 16 August 2016

a similar type of function. It is the type of duty for which the Basic Allowance is payable.

95. **The Panel recommends that the SRA for Members sitting on the Appeals Panels is discontinued from the annual meeting of the Council on 18th May 2017**.

Opposition SRAs - Leader of the Main Opposition Group

- Main Opposition Group Leader current SRA: £1,749
- BM Group Main Opposition Group Leaders Mean SRA: £3,646
- Recommended Main Opposition Group Leader SRA: £2,963

96. The 2003 Regulations require that where the Council is controlled by one or more political groups (defined as having a minimum of 2 Members) then at least one SRA must be paid to an Opposition Member. The current Warwick District Council allowances scheme fulfils this requirement and more by not only making provision for Opposition SRAs but through appointing Opposition Members to Chair the Scrutiny Committees.

97. Currently all Opposition Group Leaders who have at least 4 Group Members are eligible for an Opposition Group Leaders' SRA based on two elements:

- Standard element: £822
- Variable element: £103 per Group Member

98. The only Opposition Group Leader to qualify for this SRA is the Leader of the Labour Opposition Group, with 9 Members with an SRA of £1,749. The mean SRA for Leaders of Main Opposition Groups (where it is paid as a set figure) in the comparator councils is £3,646.

99. Representation was received that argued that Opposition Group Leaders should get an SRA as long as they meet the legal minimum of 2 Members. The Panel has not accepted this argument and remains of the view that leading an Opposition Group of 2 Members does not entail a significant responsibility and a criterion of 4 Members has logic in that it is 10% of the Council membership. It is also a common condition found in other allowances schemes e.g., 4 Opposition Group Members are required for an Opposition Group Leaders' SRA to be paid in Stratford-on-Avon District Council whereas the qualifying threshold in Harrogate Council is 6 Opposition Members.

100. The Panel has decided to change the approach in arriving at the recommended SRAs for Opposition Group Leaders by setting it at a standard rate. It has

accepted the argument that the Leader of the Main Opposition Group has the principal duty to provide a challenge to the controlling administration regardless of group size. Setting the SRA for the Leader of the Main Opposition at a standard rate is also common practice in other councils.

101. In arriving at the recommended SRA for the Leader of the Main Opposition the Panel has assessed the role as being the equivalent of being a Chairman of an Overview and Scrutiny Committee with a recommended SRA of £2,963.

102. **The recommended SRA for the Leader of the Main Opposition Group is £2,963, set at 25% of the Leaders' SRA**.

103. **The Panel further recommends that if there are two Main Opposition Groups of equal size then the Main Opposition Group Leader's SRA of £2,963 is divided equally between each Main Opposition Group Leader, which equates to £1,482**. **The same principle should be extended in the highly unlikely event that there are more than two Main Opposition Groups of equal size**.

Leaders of Other Opposition Groups with at least 4 Members

104. Currently there is no other Opposition Group that meets the Council's criteria of having 4 group members for their SRAs to be paid. Regardless, the Panel has made a recommendation to future proof the scheme and has decided that a standard SRA should be paid rather than utilising the current formula, which results in a disproportionate SRA in relation to group size.

105. In arriving at the appropriate SRA the Panel has decided that it should be on a par with the recommended SRA for the Chairmen of the Standards and Employment Committees, which is £1,185.

106. **The Panel recommends that where an Other Opposition Group reaches the qualifying criteria of having a minimum of 4 Group Members then they should receive an SRA of £1,185**.

Other SRAs considered

107. The Panel considered whether there was a case to remunerate other posts not currently in receipt of an SRA, particularly Members appointed to Licensing Sub Panels, but the evidence to support any additional SRAs was limited so the Panel is not making any recommendations in this regard.

Maintaining the 1-SRA Only Rule

108. In common with most Councils Warwick District Council has adopted what is known as the 1-SRA only rule; in that regardless of the number of remunerated posts held by an elected Member they can be paid 'one SRA only. Out of the 12 councils in the benchmarking group only Harrogate puts no limit on the number of SRAs a Member can be paid, with Charnwood paying 50% of a second SRA a Member may be eligible for. No evidence was received to change the 1-SRA only rule for Warwick District Council.

109. **The Panel recommends that the 1-SRA only rule is maintained**.

The Co-optees' Allowance

110. The scheme contains provision for a Co-optees' Allowance (£281 per year) for non-elected Co-optees appointed to the Council's committees and panels in accordance with Part III the Local Government Act 2000. At the present time there are no standing Co-optees on any Council committee but this may not be the case in the future. To future proof the scheme **the Panel recommends that provision for a Co-optees Allowance at £281 is maintained and to be paid to any standing Co-optees' the Council appoints.**

The Dependants' Carers' Allowance (DCA)

111. While no issues were raised with the Panel by Members regarding the DCA it is noted that it has not been claimed for a few years despite a number of Members being eligible to claim it. The Panel understands that there may be reluctance on the part of eligible Members to claim the DCA as it appears as a published expense against a Members' name in the annual statutory publication of remuneration and reimbursements received by each Member.

112. The Panel takes this opportunity to point out that this allowance was given recognition in statute and is specifically designed to reduce a potential barrier to being an elected Member for those with caring responsibilities. The Panel suggests that if it is known that a Member has caring responsibilities then the DCA is specifically brought to their attention. It should also be noted that approved duties for which the DCA may be claimed are determined by statute.

113. However, the DCA does require some clarification and updating particularly regarding the maximum rate for which it may be claimed. It is now good practice to set the maximum rate claimable at the National Living Wage and note that this is a contribution to the cost of caring for dependants while on

approved duties. Moreover the Panel feels that a small amendment to the DCA may help its take up by those that are eligible namely to delete the condition that a childminder or other professional carer must provide relevant receipts and to simply ask any Member claiming the DCA to produce relevant receipts.

114. **The Panel recommends that the Dependants' Carers' Allowances is set out more clearly in the allowances scheme and is reset at a maximum claimable rate based on the Government's National Living Wage, currently £7.20 per hour payable upon the production of receipts. The allowances scheme should also be clarified to point out that the DCA is a contribution rather than full reimbursement of carers' expenses**.

Travel & Subsistence Allowance - discontinue for within the District

115. A good deal of representation was received that argued Members who attend Parish and Town Council meetings within their electoral division should be able to claim a travel allowance and the approved duties for which a travel allowance may be claimed as set out in Schedule 2 of the allowances scheme should be amended to permit such claims.

116. The Panel understands that one reason for this view is that Members of Warwickshire County Council attending Parish and Town Council meetings within their electoral division are able to claim a travel allowance and a sense of inequity has developed on the part of Warwick District Council Members. This is understandable but the approved duties for which Warwickshire County Councillors may claim travel allowances are outwith the preview of this Panel.

117. Moreover, the Panel sees problems by going down this route; it could lead to pleas for travel allowances for other similar types of meetings such as with community groups, constituents and resident associations. Furthermore, a number of Warwick District Council Members are also Parish and Town Councillors and in effect Warwick District Council could be subsidizing attendance at Parish and Town Council meetings. Besides Parish and Town Councils have the ability to pay their own travel and subsistence allowances to their Members who are also Warwick District Council Members. There are also the extra administration costs in processing these types of claims.

118. In any case the Panel has addressed the issue through the recommended Basic Allowance that is deemed inclusive of all such expenses. The Panel has recommended a BA of £5,268 as the rate for job and as such feels that the right to claim any in-authority travel or subsistence allowance should be discontinued. One way of conceptualising this is to view the costs incurred in attending Parish and Town Council and similar types of meetings as part of the

wider voluntary contribution that Councillors are expected to give as part of their workloads.

119. **The Panel recommends that right of Members to claim travel and subsistence allowances for attending any duties within the district should be discontinued and the list of approved duties in Schedule 2 of the Members' Allowances scheme should be amended to reflect this change**.

120. The Panel points out that Members retain the ability as individuals to seek tax relief for any costs incurred in carrying out their council related duties for which they cannot otherwise claim reimbursement as long as they can show such "travelling expenses were "necessarily incurred in the performance of the duties of their office."[14]

Travel and Subsistence Allowances - Outwith the District

121. It is a different context when a Member has to travel outwith the District to represent the Council at regional and national meetings or attend conferences. In these cases Members are incurring expenses that are beyond 'incidental' and are not typically incurred through a Member's routine work. The Panel received no evidence to change the current approved duties and conditions for which the Travel and Subsistence Allowances may be claimed outwith the district with one minor amendment. The applicable mileage rates are the HMRC mileage rates but the Passenger Supplement rate is not included.

122. **The Panel recommends that the current Travel and Subsistence rates should be maintained for Members undertaking approved duties outwith the district and that the HMRC Passenger Supplement rate of 5p per passenger per mile should also be included in the published rates in Schedule 3 of the Members' Allowances scheme**.

123. The Panel notes that staff terms & conditions for employees are subject to review and will take into account the recommendations of this Panel. If after taking into account the recommendations of this Report the Council decide that staff subsistence allowances should be set at rates that are not currently being recommended for Members (outwith only) then the Panel recommends that the Members subsistence allowances be reset that the same rates that are applicable for Officers (outwith only).

Other Support - Broadband, paper and toner

[14] See 2006 Statutory Guidance paragraph 108.

124. Currently Members are able to claim a Broadband Allowance of £25.69 per month and printer paper and toner. In 2012 the Panel recommended that the Broadband Allowance be discontinued. The logic behind this recommendation has, if anything, become stronger. Times have changed and it is now common place for most homes have broadband. Indeed, the Office of National Statistics Statistical Bulletin "Internet Access - Households and Individuals 2015" Table 24 (5 August 2015) shows that 86% of households in Great Britain had internet access in 2015 up from 9% (UK) in 1998. Moreover, it is also being proposed in their review of terms and conditions that broadband provision is discontinued for staff. It is also Council policy to go 'paperless'. Items such as broadband, paper and toner the Panel has deemed to be expenses that can reasonably be included within the Basic Allowance.

125. **The Panel recommends that the Broadband Allowance and direct provision of paper and toner to Members is withdrawn from the annual meeting on 18th May 2017**.

Other Support - iPads and Sim cards

126. As part of its move to a 'paperless council' all Members who wish to have them are provided with iPads. Currently, 32 iPads have been issued to Councillors with some Councillors choosing to use their own personal device instead. Of these 15 Councillors have Sim cards included in the iPad access wifi when required. The Panel has asked to provide a view on this provision to Members. However, it is Council's view that it is an Executive decision on whether to issue the equipment and determine which Councillors should be entitled to have SIM cards. Accordingly, the Councillors IT Working Party are drafting protocols for which Councillors are entitled to have a iPad with a sim card based on their role and need. The Panel notes the view of the Council on this issue and is not making recommendations in this regard.

The Civic Allowance

127. No evidence was received to suggest that on the current payment of the Civic Allowance to the Chairman (£10,000) and Vice Chairman (£3,000) of the Council merited revision. **The Panel is not recommending any change to the current payment of the Civic Allowance to the Chairman and Vice Chairman of the Council**.

Suspension of Allowances - Provision since superseded

128. Currently the allowances scheme (section 13) contains reference to the suspension of Allowances if a Member is suspended due to a breach of the

Code of Conduct. This is a technical issue and relates to the previous code of conduct legislation and cannot be acted on under the Localism Act. **The Panel recommends that section 13, Suspension of Allowance, is removed from the updated Members' Allowances scheme**.

Indexation

129. **The Panel recommends that the following indices are applied to the allowances paid to Members of Warwick District Council:**

Basic Allowance, SRAs and Co-optees' Allowances:

- Indexed to the annual percentage salary increase for local government staff (at spinal column 49) as agreed each year by the National Joint Council for Local Government Services and applicable to the same year it applies to Officers but with an implementation date from the start of the municipal rather than financial year.

Mileage Allowance (Outwith only):

- Members' mileage allowances rates should be indexed to HMRC Approved Mileage Allowance Payment rates.

Subsistence Allowances (Outwith only):

- Subsistence allowances should be indexed to the same rates that are applicable to Officers.

The Dependants' Carers' Allowance:

- Maximum hourly rate claimable indexed to the National Living Wage.

130. **The Panel also recommends that indexation should run for four years (2017-2021), which is the maximum length of time permitted by the 2003 Regulations**.

Implementation

131. **The Panel recommends that the new scheme of allowances based on the recommendations contained in this Report is adopted from the date of the Council's Annual Meeting in May 2017**.

APPENDIX 1 - Specific Issues for Panel to consider

Report to Executive 27 July 2016 "Review of Warwick District Members' Allowances Scheme" Appendix 2, Terms of Reference

Terms of Reference for the 2016 review of
Warwick District Council Members Allowances Scheme

1. Review basic allowance to ensure that it is appropriate for the Council.

2. Review of the Special Responsibility Allowances for the Council to ensure they are set at an appropriate level.

3. To consider if Councillors should re-opt back into receiving a percentage increase in the basic or special responsibility allowances in line with any agreed national pay award for local government officers on scale point 28.

4. To consider if it is appropriate that Councillors are entitled to claim mileage for attending parish Council meetings? They believe they have an obligation to attend these meetings and update them on District Council business and represent the District Council.

5. Consider if District Councillors be entitled to claim mileage when attending events and duties as Portfolio Holder. This is based on increasing involvement of Portfolio Holders in representing the Council at events, while recognising that they already receive a Special Responsibility Allowance.

6. To remove the broadband allowance for Councillors in recognition that broadband is now a common standard for homes, reflects the decision to remove the home working allowance and broadband allowance for officers who work from home. In addition HMRC now identify this as a taxable benefit and being mindful that only 12 councillors currently claim for this.

7. To consider if it is appropriate for Councillors to claim mileage to attend Council, Executive and Committee meetings that would be considered as their place of work.

8. To consider if mileage should be paid for Councillors attending meetings when being consulted by officers prior to officers taking a decision. For example "Following consultation with a solicitor acting for the Council and the Chair or Deputy Chair of the Licensing & Regulatory Committee to exercise the power under Section 61 of the Local Government (Miscellaneous Provisions) Act 1976 (as inserted by the Road Safety Act 2006), to suspend or revoke a private hire or hackney carriage driver's licence where it appears that the interests of public safety require such suspension or revocation to have immediate effect."

9. Consideration is given to the allowance to the Chair & Vice-Chair of the Council as to if they should receive an Special Responsibility Allowance for the responsibility then a separate allowance outside the Members Allowances Scheme to attend and hosts events

10. To bring forward a revised Subsistence scheme for members in line with the proposals being considered for officers.

11. The Council currently provides some iPads to all Councillors who wish to have them. At present we have 32 iPads issued to Councillors with some Councillors choosing to use their own personal device instead. Of these 15 Councillors have Sim cards included in the iPad so they can work when not connected to the internet by wifi access. The Council believes it is an Executive decision to issue the equipment and determine which Councillors should be entitled to have SIM card. For that reason the Councillors IT Working Party are drafting protocol for which Councillors are entitled to have a Sim based on their role and need.

12. At present Councillors can receive paper and toner for printers. However, the intention is for the Council to move towards a paperless environment and not printers, unless there is a specific medical need. Therefore would it be acceptable to update the Members' Allowances Scheme to reflect this.

13. The scheme should be updated to remove the section regarding suspension of Allowances because this related to the previous code of conduct legislation and cannot be acted on under the Localism Act.

APPENDIX 2 - Information reviewed by the Panel

1. Terms of Reference

2. Warwick Council Members' Allowances Scheme 2016/17 including full schedule of SRAs payable and methodologies for determining allowances

3. The Councils annual statutory publication of Members' allowances and expenses received by each Member including category sub totals, 2015/16, including other support/items provided to Members.

4. Members' Allowances Review, IRP Report January 2012, including Council Minutes recording decision as set out in Report to Executive, 15 February 2015

5. Members' Allowances Review, IRP Report for Deputy Leader, March 2010, including Council Minutes recording decision not to accept recommendation

6. Members' Allowances Review, IRP Report March 2008, including Council Minutes recording decision

7. Calendar of Council Meetings 2016/17, including the number of:

    - Those meetings that were cancelled in 2016/17
    - Licensing and/or Regulatory Panel meetings for last 4 years and who chaired them
    - Standards hearings for past 4 years and who chaired them

8. Calendar of Council Meetings 2017/18 and 2018/19

9. Terms of Reference for Committees, Panels, etc, including the membership of the Executive and Committees and who chairs them

10. Members attendance records, including training events

11. Member role profiles

12. Copy of replies to aide memoir sent to all Councillors

13. Members Allowances Statutory Guidance 2006

14. Summary of hours worked (mean per week) by Councillors (Census of Councillors 2013)

15. Update on proposed changes to Staff Terms & Conditions based on Consultation document 4 December 2015

16. Pay increase: National Joint Council for Local Government Services LGS Pay 2014-16 @ 2.2% and Pay Offer: National Joint Council for Local Government Services LGS Pay 2017-19 @ 1% per year

17. Paper showing what BA and main SRAs would be if index had been applied since 2012 review

18. Annual Survey of Hours and Earnings (ASHE), Table 7.1a, average weekly earnings (gross) for all full time employee jobs in the District of Warwick, provisional results, 26 October 2016

19. Benchmarking - summary of allowances paid in the comparator councils 2016/17 or the latest data available

20. The Local Authorities (Members' Allowances) (England) Regulations 2003, SI 2003/1021

21. Copy of power point Presentation to Panel by IRP Chair

APPENDIX 3 - Member Interviewees (24-25 January 2017)

1. Cllr M. Ashford: Vice Chairman Planning Committee (Conservative)
2. Cllr J. Barrott: Leader Labour (Main) Opposition Group
3. Cllr A. Boad: Leader Liberal Democrat Opposition Group, Council Vice Chairman and Chairman Overview & Scrutiny Committee
4. Cllr Mrs F. Bunker: Chairman Employment Committee (Conservative)
5. Cllr Mrs P. Cain: Chairman Warwick District Conservation Advisory Forum (Conservative)
6. Cllr J. Cooke: Chairman Planning Committee (Conservative)
7. Cllr R. Davies: Chairman Standards Committee (Conservative)
8. Cllr I. Davison: Green Councillor/'Backbench' Member
9. Cllr G. Illingworth TD: Chairman Licensing & Regulatory Committee (Conservative)
10. Cllr A. Mobbs: Leader of the Council with Strategic Leadership Portfolio and Leader of the Conservative Group
11. Cllr C. Quinney: Chairman Finance & Audit Scrutiny Committee, (Labour)
12. Cllr P. Whiting: Finance Portfolio Holder (Conservative)

APPENDIX 4 - Written Submissions from Members[15]

1. Cllr J. Barrott:	Leader Labour (Main) Opposition Group
2. Cllr A. Boad:	Leader Liberal Democrat Opposition Group, Council Vice Chairman and Chairman Overview & Scrutiny Committee
3. Cllr N. Butler:	Business Portfolio Holder (Conservative)
4. Cllr M. Coker:	Deputy Leader of Council and Portfolio Holder Culture & Sport Portfolio Holder (Conservative)
5. Cllr J. Cooke:	Chairman Planning Committee (Conservative)
6. Cllr I. Davison:	Green Councillor/'Backbench' Member
7. Cllr A. Day:	Conservative Councillor/'Backbench' Member
8. Cllr R. Edgington:	Conservative Councillor/'Backbench' Member
9. Cllr Mrs J. Falp:	Leader Whitnash Residents Association (Independent) Opposition Group and Vice Chairman Licensing & Regulatory Committee
10. Cllr S. Gallagher JP:	Conservative Councillor/'Backbench' Member
11. Cllr A-M. Grainger:	Health & Community Protection Portfolio Holder (Conservative)
12. Cllr G. Illingworth TP:	Chairman Licensing & Regulatory Committee (Conservative)
13. Cllr Mrs J. Knight:	Council Chairman (Conservative)
14. Cllr T. Morris:	Conservative Councillor/'Backbench' Member
15. Cllr K. Naimo:	Labour Councillor/'Backbench' Member
16. Cllr C. Quinney:	Chairman Finance & Audit Scrutiny Committee (Labour)
17. Cllr Mrs P. Redford:	Conservative Councillor/'Backbench' Member
18. Cllr A. Thompson:	Conservative Councillor/'Backbench' Member
19. Cllr B. Weed:	Labour Councillor/'Backbench' Member
20. Cllr P. Whiting:	Finance Portfolio Holder (Conservative)

[15] One written submission was anonymous

APPENDIX 5 - Officer Briefings

Chris Elliot	Chief Executive
Graham Leach:	Democratic Services Manager and Deputy Monitoring Officer

APPENDIX 6 - Benchmarking

BM1 Warwick DC Benchmarking Group - Warwickshire DCs + 8 CIPFA NN: BA + Exec + Scrutiny SRAs (2016/17)								
Comparator Council	**BA**	**Leader**	**Leader Total**	**Deputy Leader**	**Other Executive**	**Deputies to Executive**	**Chairs Scrutiny**	**Vice Chairs Scrutiny**
Charnwood	£4,926	£12,170	£17,096	£8,519	£4,868	£2,087	£3,408	£1,461
Chelmsford	£5,703	£22,371	£28,074	£14,766	£11,187		£5,592	£2,745
Cheltenham	£5,268	£16,592	£21,860	£13,059	£13,059		£2,749	£1,375
Colchester	£6,573	£19,719	£26,292	£12,422	£11,831		£6,902	
Harrogate*	£4,637	£13,912	£18,549	£6,956	£4,637		£4,637	£928
Maidstone	£4,713	£18,848	£23,561	committee system			NA	
N. Warwickshire	£4,942	£10,987	£15,929	committee system			£4,983	
Nuneaton & Bedworth	£4,935	£12,336	£17,271	£8,020	£7,051		£3,883	NA
Rugby	£6,492	£17,153	£23,645	NA	£5,356		£3,214	
Stafford	£4,500	£10,500	£15,000	£7,500	£5,700		£3,200	
Stratford-on-Avon	£5,100	£10,500	£15,600	£5,250	£5,250		£5,250	
Taunton Deane	£4,344	£12,219	£16,563	£4,752	£4,752		£3,000	
Warwick	***£4,631***	***£8,371***	***£13,002***	***£3,961***	***£3,961***		***£2,511***	
Mean	£5,178	£14,776	£19,953	£9,027	£7,369		£4,256	£1,627
Median	£4,939	£13,124	£17,910	£8,020	£5,528		£3,883	£1,418
Highest	£6,573	£22,371	£28,074	£14,766	£13,059		£6,902	£2,745
Lowest	£4,344	£10,500	£15,000	£4,752	£4,637		£2,749	£928
SRAs Mean Ratios of Leader		2.9 X BA		*61%*	*50%*		*29%*	
* Harrogate BA includes flat rate annual IT allowance of £266								

BM2 Warwick DC Benchmarking - Other Warwickshire & 8 NNs DCs: Regulatory SRAs (2016/17)									
Comparator Council	**Chair Planning**	**Planning Vice Chair**	**Members Planning**	**Chair Licensing**	**Licensing Vice Chair**	**Chairs Licensing Panel &/or Appeals**	**Chair Standards**	**Chair HR &/or Employment**	**Chair Audit &/or Governance**
Charnwood*	£3,650	£1,461		£2,434	£1,460		£1,461		£3,408
Chelmsford	£7,380			£5,592					£1,119
Cheltenham	£3,055	£1,527		£1,375			£305		£688
Colchester	£6,902			£5,916					£3,944
Harrogate**	£5,665	£1,856	£928	£1,818				£928	£928
Maidstone	£7,539			£3,770		£78 p/meeting			£3,770
North Warwickshire	£4,983			NA					
Nuneaton & Bedworth	£4,586			£4,586			£2,588		£2,588
Rugby	£3,750			£3,750				£536	£3,097
Stafford***	£4,200	£3,600		£1,600		£1,600	£1,000	£3,800	£2,300
Stratford-on-Avon~	£6,300			£2,625		£1,313			£2,625
Taunton Deane	£4,752			£1,357					£1,357
Warwick	*£3,865*	*£1,115*		*£3,181*			*£1,115*	*£1,115*	
Mean	**£5,230**	**£2,111**		**£3,166**			**£1,339**	**£1,755**	**£2,348**
Median	**£4,868**	**£1,692**		**£2,625**			**£1,231**	**£928**	**£2,588**
Highest	£7,539	£3,600		£5,916			£2,588	£3,800	£3,944
Lowest	£3,055	£1,461		£1,357			£305	£536	£688
Mean Ratio Leader/SRA	*35%*			*21%*			*9%*	*12%*	*16%*

* Charnwood pays 2 Licensing V/Chairs at £730 apiece

** Planning Chair & V/Chair SRAs include Planning Members SRA

*** Stafford Planning V/Chair & Employment Chair SRA only paid if chaired Committee in each quarter @ £900/£950 p/quarter

~Stratford pays 2 Planning Chairs @ £3,150 apiece

BM3 Warwick DC Benchmarking Group: Other Warwickshire & 8 NNs DCs - Group & Misc SRAs 2016/17					
Comparator Councils	**Main Opposition Group Leader**	**Deputy Leader Main Opposition**	**Minor Opposition Group Leader**	**Chairs Area or Local Forums**	**Other SRAs & Comments**
Charnwood	£4,080				50% of 2nd SRA paid
Chelmsford	£7,380				Chair Development Policy £7,380, Chair Governance £1.119
Cheltenham	£611		£611		Have a payback system for missing meetings
Colchester	£7,888		£7,099		Chairs Local Plan Committee & Trade Board £3,944, 3rd Opposition Group Leader £3,155, Members Planning £1.035 & Licensing £444
Harrogate	£2,319		£1,391		Chairs Performance Panel, GP + Planning Referral Committees £928, Mbrs Licensing > 5 meetings £456, Ad Hoc Panel Chairs £2 p/meeting. No limit on SRAs a Mbr can receive
Maidstone	£380 p/Mbr		£380 p/Mbr		Licensing Members £59 per meeting
North Warwickshire	£3,958	£1,745	£1,162 + £233 p/mbr	£873	Chairs Sub Committees £1,745 + Appeals Panel Members £260
Nuneaton & Bedworth	£2,588				
Rugby	£2,679		£2,679		Vice Chair Audit £1,320
Stafford					
Stratford-on-Avon	£1,313				Chair of Council £1,313, 12th BA payment withheld if training objectives not met
Taunton Deane	NA				Chairs Task & Finish £250
Warwick	***£1,749***				***Chair Warwick District Conservation Advisory Forum £1,115***
Mean	**£3,646**		**£2,945**		
Median	**£2,679**		**£2,035**		
Highest	**£7,888**		**£7,099**		
Lowest	**£611**		**£611**		