A Review

Of

Members' Allowances

For

Cambridgeshire County Council

The Fifth Report

By the

Independent Remuneration Panel

> Anne Constantine Declan Hall (Chair) Penny Kingham JP Lynn Morgan Paul Richardson

September 2011

Foreword

This is the fifth report produced by the Independent Remuneration Panel (the Panel or IRP) for Cambridgeshire County Council (or the Council). The first independent review was conducted in the summer of 1998 (see IRP Report 1998) and was non-statutory as it preceded the requirement to set up a Panel. However, in anticipation of up coming legislation it recommended a number of changes to the allowances scheme, including some increases in overall level of allowances payable and introduced indexation, which the Council accepted. The attendance allowance was also retained, as was the right of councils to do so at the time.

The second review was carried out in early 2002 (see IRP Report March 2002) to make recommendations to the Council on the range and levels of remuneration for the Authority's members. It was done as part of the wider modernisation agenda that was being undertaken throughout the country after the implementation of the Local Government Act 2000. It was (and remains) a statutory requirement to set up a Panel and for Councils to seek advice from its Panel on its Members' Allowances scheme. The recommendations of the second review, which were mostly accepted by the Council, set the broad framework for the Members' Allowances Scheme of Cambridgeshire County Council, a framework of allowances that has largely been maintained to this date.

The third review (See IPR Report October 2003) was also required (as were all local authorities) under the *Local Authorities (Members' Allowance) (England) Regulations 2003*¹ and subsequent amendments to make recommendations on certain associated allowances such as travel and subsistence, co-optees' allowances, and pensions for Members before 31 December 2003. The Panel also looked at the level of the Leader's Allowance and the Basic Allowance – which it subsequently recommended should be increased and the Council accepted.

The fourth review (January 2006) was undertaken as part of the Council's periodic requirement to seek advice from the Panel on its Members' Allowances Scheme. This review did not result in major changes to the scope and level of allowances payable.

This, the fifth review, is required by the 2003 Regulations, which mandate councils to reconvene their remuneration panels every 4 four years to provide fresh authority for the indexing of councillors' allowances. In fact, it has been 5 years since the previous review but because the applicable index has resulted in no change to the levels of allowances payable the Council has not required fresh authority. While this context is likely to continue for the next year at least, the Panel has been asked to undertake a wide-ranging review of the whole scheme of allowances to ascertain whether it is still fit for purpose in light of changes in council structures and roles since 2006.

It must be emphasised however, that it has not been part of the Independent Panel's remit to take a view on the Government's approach in legislating for the changes that councils like Cambridgeshire County Council have made and will be required to make. What the Panel has done is to have regard, as it must, to society's and the Government's intention that new schemes of remuneration should contribute to a

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

vigorous and healthy local democracy. To that end the Panel, as previously, has been mindful of the view that if local democracy is to prosper people must have choice. Choice means having candidates for Council membership who have different backgrounds and life experiences. Remuneration of elected Members is one means to achieve that end.

The Panel has had the benefit of hearing a considerable amount of verbal and other written evidence. Some of the latter inevitably draws on comparisons from elsewhere. From this evidence, the Panel has concluded that being an elected Member is not simply about dealing with the Council's formal business agenda. Attending meetings and contributing to debate under the public spotlight is only part of the role. It is the work they do, usually for constituents and often out of 'normal' working hours, behind the scenes, which can be equally if not more demanding.

These demands are such that people who stand for their local Council cannot reasonably expect to pursue a career or make progress in their chosen employment in the accepted sense. Whilst they may make that sacrifice knowingly and explicitly the implications need to be understood and acted upon. If they are not, then local Councils will continue to fail to attract a more representative cross-section of the communities they represent and equality of opportunity will continue to be denied to potential candidates.

There is a responsibility on the Panel to recognise these dilemmas and recommend a members' allowances scheme accordingly, which is also equitable and transparent. This has inevitably required a balance to be struck between the voluntary effort required of Members and the financial sacrifice they have to make in order to fulfil their role properly.

While it is never a good time to review Members' Allowances, the Panel is cognisant that now is a particularly challenging time to do so in light of the difficulties facing local government and the public sector in general. The Panel, while mindful of the current economic climate, has sought to place this in the context of what it judges the posts under consideration are worth. The Panel has attempted to balance the requirement that the Council provides proper remuneration for being an elected Member while ensuring that a degree of public accountability is brought to bear on the Council's right to determine its own Members' Allowances Scheme.

Dr Declan Hall

Independent Remuneration Panel Chair September 2011

EXECUTIVE SUMMARY OF PANEL'S RECOMMENDATIONS

Post	Maximum No of SRAs	Basic Allowance	Special Responsibility	Total per Member	SRA Totals
	Recommended	Allowalice	Allowance	Weinber	
Basic Allowance					
All Members (69)		£9,500			
SRAs					
Band One					
Leader	1	£9,500	£28,500	£38,000	£28,500
Band Two					
Deputy Leader	1	£9,500	£17,100	£26,600	£17,100
Band Three					,
Portfolio Holders	8	£9,500	£14,250	£23,750	£114,000
Band Four			,	,	,
Leader of Main Opposition Group	1	£9,500	£11,400	£20,900	£11,400
Band Five			,	,	,
Chairs of Overview & Scrutiny					
Committees	5	£9,500	£8,550	£18,050	£42,750
Band Six					
Deputy Leader of Main Opposition					
Group	1	£9,500	£5,700	£15,200	£5,700
Band Seven					
Main Opposition Group			. . .		
Spokesman	8	£9,500	£4,560	£14,060	£36,480
Band Eight Leader of Minority Opposition					
Group	1	£9,500	£4,275	£13,775	£4,275
Chair of Audit & Account			2.,	2.0,0	2.,2.0
Committee	1	£9,500	£4,275	£13,775	£4,275
Chair of Development Control					
Committee	1	£9,500	£4,275	£13,775	£4,275
Members Appointed to Adoption Panel	2	£9,500	£4,275	£13,775	£8,550
r anei	2	29,300	24,275	213,773	20,000
Sub Totals					
Maximum Number of SRAs					
payable	29				
Total Basic Allowance payable		£655,500			
Total SRAs payable					£273,030
TOTAL					£928,530
Co-optees' Allowances		Payable			
Statutory Co-optees: Standards		£50 per			
Committee	3	meeting			
Statutory Co-optees: Children's &		050			
Young People Overview & Scrutiny Committee	4	£50 per			
	+	meeting			
Other Co-optees: Up to 3 on other	40	£50 per			
Overview & Scrutiny Committees	12	meeting			

The Panel also recommends the following, namely that:

The 1-SRA Rule Only

i Members are only able to receive one SRA regardless of the number of remunerated posts they hold. Furthermore, this provision should be inserted into the published Members' Allowances Scheme.

The Right to Forgo Remuneration

ii The Cambridgeshire County Council Members' Allowances Scheme specifies that Members have the right to forgo all or part of any allowances they are entitled to upon notification to Members' Services.

The Chairman and Vice Chairman of the Council – Civic Allowance

- iii The Civic Allowance for the Chairman of the Council is increased to £6,000 per year.
- iv The Civic Allowance for Vice Chairman of the Council remains at £2,000.

The Dependants' Carers' Allowance (DCA)

- v The DCA hourly rate, and terms and conditions for which it can be claimed, should be maintained.
- vi As the DCA is based on actual expenditure, the rate payable should not fall below the minimum wage applicable to the age of the carer, currently as follows:
 - £5.93 the main rate for workers aged 21 and over
 - £4.92 the 18-20 rate
 - £3.64 the 16-17 rate for workers above school leaving age but under 18

Members and the Local Government Pension Scheme (LGPS)

vii All elected Members of Cambridgeshire County Council should be eligible to join the LGPS, applied to both their Basic Allowance and SRAs.

Travel and Subsistence Allowances

Subsistence Allowances

- viii The Subsistence Allowances and the conditions by which they can be claimed by Members undertaking approved duties should remain based and indexed to the same rates that apply to Officers of the Council. Furthermore, these rates should also be inserted into the Members' Allowances Scheme.
- ix For information purposes, these rates and conditions are set out below:

Subsistence Allowances Payable

Allowance	Rates (£)	Condition
Breakfast	£6.11	Required to leave home before 7am
Lunch	£8.40	Required to be away from work base between 12noon and 2pm
Теа	£3.33	Required to work later than 6.30pm but not later than 8.30pm
Dinner	£10.43	Required to work later than 10.30pm

x The published Members' Allowances Scheme should include the current arrangements for when Members are required to stay overnight while undertaking approved duties, namely to book through Democratic Services or if that is impracticable that reasonable expenses only will be reimbursed upon production of receipts.

Mileage Allowance – Maintain at Officer Rates

- xi The mileage allowance should continue to be based on the Cambridgeshire County Council Officer Casual User mileage rates and that the applicable rates are inserted into the Members' Allowances Scheme in an appropriate annex/appendix.
- xii For information purposes the present rates are set out below:

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year			
Cars and vans	40p	25p			
Motor cycles	24p	24p			
Bicycles	20p	20p			
Passenger Supplement Rate	5p per passenger	5p per passenger			

Mileage Rates Payable (subject to revision January 2012)

Mileage – Approved Duties

xiii The definition of approved duties should *not* be amended to include attendance at Parish Council meetings.

Provision for the Suspension of Allowances

xiv The provision for the suspension of allowances should be inserted into the Cambridgeshire Members' Allowances Scheme. In particular, the provision should read

When a Member of the Council is suspended or partially suspended from their duties/responsibilities as a Member, in accordance with Part III of the Local Government Act that part of any allowance (BA and SRA) paid to them during the period of suspension may be withheld, or subject to repayment if the allowance has already been paid.

Indexation

- xv The following indices are applied to the remuneration and allowances paid to Members of Cambridgeshire County Council:
 - a. The Basic Allowance, SRAs, Co-optees' Allowances and DCA:
 - Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.
 - b. The Mileage Allowance:
 - Members' mileage allowances rates should be indexed to the Officer Casual user mileage rates
 - c. The Subsistence Allowances:
 - The day subsistence allowances should be indexed to the same rates that are applicable to Officers.

d. The Civic Allowance:

• It is suggested that the Civic Allowances are also indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

Implementation

xvi The recommendations contained within this Report should be implemented from the date of the Council meeting that the new scheme is agreed or a date as soon as possible thereafter.

Issues Raised with the Panel - Publishing Attendance Records

- xvii The Council publish in a suitable and accessible format Members' attendance records at formal meetings of the Council, committees and associating working groups and sub-committee and training events.
- xviii Those Members who have attended less than 75% of the approved duties to which they are appointed should take advantage of the provision to forgo part of their allowances.

Independent Remuneration Panel:

Review of Members' Allowances

For

Cambridgeshire County Council

The Fifth Report

Introduction: The Regulatory Context

- 1. This report is a synopsis of the proceedings and recommendations made by the statutory Independent Remuneration Panel (the Panel) appointed by Cambridgeshire County Council to advise the Council on its current Members' Allowances Scheme.
- 2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* (the 2003 Regulations which replaced the 2001 Regulations). These regulations, which arise out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to establish and maintain an Independent Remuneration Panel (the Panel, also known as an IRP) to review and provide advice to Councils on Members' allowances. The Council still retains the right to determine Members' levels of remuneration, and much of the scope and levels of other allowances.
- 3. All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
- In particular, the Panel has been reconvened under the 2003 Regulations [10. (50], which states:
 Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority

on the application of an index to its scheme.

5. This requirement is utilised to oblige Councils to reconvene their Panel, usually at least once every four years, as a means of ensuring a degree of public accountability. It ensures a periodic independent scrutiny of the Council's Allowances Scheme. As the indexation of allowances in Cambridgeshire County has been at zero percent or not applicable in some instances the need to provide fresh authority has not been necessary but if the Council wishes to apply any future indexation that would result in an increase to its allowances it needs to seek advice from the Panel.

6. It is under this requirement that the Panel has undertaken this review of Members' Allowances for Cambridgeshire County Council.

Terms of Reference

- 7. The Panel was asked to review the current (2011/12) Members' Allowances Scheme and make recommendations to the Council on:
 - the amount of basic allowance that should be payable to its elected members
 - the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance
 - the duties for which travelling and subsistence allowances can be paid and the amount of this allowance
 - allowances for co-opted members
 - 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
 - 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
 - which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972
 - treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable
 - the implementation date for any proposed changes and whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended
- 8. In considering these matters, specific issues the Council asked the Panel to consider are:
 - Whether allowances paid to the Chairman and Vice Chairman of the Council in respect of their ceremonial duties should be included in the Council's Members' Allowances Scheme
 - Whether Councillors who are suspended from office should continue to receive all or part of their allowances
 - Whether membership of the Council's Adoption Panel should qualify for a Special Responsibility Allowance given the significant amount of time involved in carrying out this role

- 9. In arriving at its recommendations, the Panel was asked to take account of:
 - practice in other comparable authorities
 - the views of Members, both written and oral

The Panel

- 10. Cambridgeshire County Council reconvened it Independent Remuneration Panel consisting of the following appointees:
 - Anne Constantine Principal, Cambridge Regional College
 - Dr. Declan L. G. Hall: Chair of the Panel, a former academic at INLOGOV, now an independent consultant specialising in Members' allowances and support
 - Penny Kingham JP
 - Dr Lynn Morgan CEO, Arthur Rank Hospice Charity, Member of Greater Cambridge Greater Peterborough Local Enterprise Partnership representing Charity and Social Enterprise Sectors
 - Paul Richardson Editorial Director, Archant Herts and Cambs
- 11. The Panel was supported by Wilma Wilkie, Head of Democratic and Members' Services, who acted as the 'Panellists' Friend', and whose role was to support the proceedings and take the organisational lead in facilitating the review.
- 12. The Panel would like to record its gratitude to the Members and Officers of Cambridgeshire County Council for making themselves available to meet with the Panel. In particular, the Panel would like thank Wilma Wilkie, whose support was invaluable in ensuring that the Panel was organised and operated in an efficient and effective fashion by facilitating its requests for information.

Process and Methodology

Evidence Reviewed by the Panel

- 13. The Panel met at Cambridgeshire Shire Hall on 22nd 23rd August and 1st September 2011. The Panel meetings were held in private session to enable the Panel to meet with Members and conduct deliberations in confidence.
- 14. In arriving at its recommendations, the Panel took into account the following range of evidence:
 - changes in roles and responsibilities of Members since the previous review
 - the views of Members, both written and oral
 - 'Reviewing Allowances: Issues to consider' a presentation from the Chair of the Panel
 - the range and level of allowances payable in the comparator group of authorities
 - other relevant supporting material such the guidance from Department of Communities and Local Government (DCLG), the meetings schedule of the Council and its committees

15. All Members were invited to make written submissions to the Panel and all Members who wished to meet with the Panel were accommodated as far as practically possible (See Appendix 1 for Members and Officer who met with the Panel, including those who made written submissions and Appendix 2 for full range of evidence considered by the Panel).

Considering the Evidence

- 16. The Panel took a tiered approach in considering the evidence. It is required to operate within the broad statutory framework laid down by the 2006 Members' Allowances Statutory Guidance and 2003 Members' Allowances Regulations. The 2003 Regulations establish the legal framework within which the Panel is required to operate, i.e., providing discretionary authority for the payment of SRAs, and Travel and Subsistence Allowances, while mandating the payment of a Basic Allowance that is paid equally to all Members. Within this legislative context, the Panel has an obligation to pay regard to the 2006 Statutory Guidance, which for instance mandates certain considerations for Panels in reaching their recommendations regarding the Basic Allowance, SRAs and the Travel and Subsistence Allowances' scheme and the scope of such a scheme.
- 17. The next level of evidence considered by the Panel was the representations made by the Members, which obtained the views of the groups and individual Members of the Council. The interviews in particular were deliberative in nature and provided the Panel with a qualitative feel of the issues facing elected Members in relation to the topics under consideration. The meeting with an Officer was primarily to gather the factual context and inform the Panel of relevant changes in council structures.
- 18. Finally, all the evidence and representations were reviewed and evaluated within the comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in Cambridgeshire County Council against those paid in the Cambridgeshire County Council CIPFA Near Neighbour benchmarking group plus those eastern counties not in that group. While at times it is difficult to make systematic comparisons, the Panel has undertaken benchmarking, where relevant figures can be obtained. The Panel has not been driven by the rates and levels of allowances paid across the comparator authorities but was in the very least concerned to understand how the issues under review have been addressed elsewhere, i.e., what is the most common and good practice. (See Appendix 3 for summary of benchmarking information utilised by the Panel).

Principles of the Review

- 19. In undertaking this review the Panel has been guided by the following principles:
 - That allowances should provide recompense for the time required from Members and the responsibility they are required to take on.
 - That Members' allowances should also recognise there is an element of public service in being an elected Member it is not a professional "job" in the generally accepted sense.
 - That allowances should provide a degree of compensation as Members and prospective Members have to forgo some aspect of paid employment to fulfil public duties.
 - That the allowances scheme should as far as practically possible seek to reduce barriers to public service.
 - That the allowances scheme should be transparent, so that Members and the public understand what Members are being paid and the rationale underpinning the levels payable.

The Evidence Reviewed: Key Messages and Observations

The Role and Purpose of a Members' Allowances Scheme

- 20. There was a wide range of views presented to the Panel regarding the purpose of a Members' Allowances Scheme and the nature of being an elected Member. There were those who expressed a view that 'remuneration' was not appropriate and that an allowances scheme should simply ensure that Members' expenses were covered. Other Members took the view that the current levels of allowances do not reflect the time and responsibilities undertaken by elected Members.
- 21. The Panel can only be guided by the Government's policy intention as stated in the 1998 White Paper (to the Local Government Act 2000) *Modern Local Government: In touch with the people*, (paragraph 3.54):

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. It is clear that executive mayors, and some others in political executive positions or the scrutiny function in councils, may spend much if not all of their time on council business with a possible subsequent loss of earnings and pension rights.

22. Consequently, the Panel is required to make recommendations that recognise that senior Members spend the greater part of their time on council activities and the rest spend a substantial part of their time on council activities; and that commitment should not, as far as possible mean they have to 'pay a price for serving the public.' For the Panel it is important to recognise that elected Members are in different financial circumstances and for those who can afford to forgo allowances the opportunity is there. The Panel reminds Members that they

have no obligation to take all or part of their remuneration or claim any reimbursements to which they are entitled.

23. Thus, for many Members and potential Members the allowances scheme is there to reduce financial barriers to serving on Council. It still leaves those for whom remuneration is not a barrier free to make decisions on the allowances they are entitled to according to their own personal circumstances. To do otherwise would not only hinder the recruitment of potential elected Members but put barriers in place for those Members who wish to "step up" to posts that require them to spend a substantial amount of their time on council activities.

The Role of the Panel and Councillors: Recognition they are "Doing More with Less"

- 24. While the prime role of the Panel is to assess what it judges the roles and posts under review are worth based on the evaluation of the evidence, it has to be aware of the current economic climate. Not only do many residents of Cambridgeshire face an uncertain economic future, the Council is also seeking further savings while experiencing growing demands on services, thus trying to 'do more with less'.
- 25. The Panel has recommended increases in the Basic Allowance and many SRAs. While it is never a good time to raise Members' allowances the current economic climate and Government's agenda for local government does not mean Members are doing less. The Council continues to address the range of issues that affect all major councils such as Cambridgeshire County Council. This has increasingly meant an enhanced partnership working that accompanies this agenda, particularly affecting senior Councillors. Moreover, pressures on council services and further Government legislation, such as the forthcoming Localism Act, means that 'front line' Members will face further pressures. Being an elected Member will not get easier.
- 26. The comparative data indicates that many of the allowances paid in Cambridgeshire County Council are at the lower end of the comparative spectrum. The Panel felt that this undervalued not only elected Members but also the County and its citizens. Cambridgeshire County Council is a major council with an annual revenue budget of over £500 million. The County is a major economic engine, with a high growth agenda, and a leading player in the IT, science and research, education, agricultural and health sectors. The enhanced responsibilities and issues elected Members have to face arising out of this context mean that their remuneration should not fall at the lower end of the comparative spectrum.

RECOMMENDATIONS

Arriving at the Basic Allowance through 'Triangulation'

27. In the social sciences 'triangulation' is an approach that is often used to indicate that more than two methods are used in a study with a view to double (or triple) checking results. The Panel undertook a similar approach in arriving at the recommended Basic Allowance. It used a number of different approaches to provide a figure underpinned by a valid methodology.

The Approach laid out in the 2006 Statutory Guidance

28. The 2006 Statutory Guidance, to which the Panel *must* pay regard, lays out a number of considerations for Panels in arriving at the Basic Allowance. In particular, paragraphs 67-69 state:

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.

It is important that some element of the work of Members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.

The local authority may wish to agree a rate for remuneration. They may chose to be guided by the LGA daily rate which is based on the national (male) median white-collar wage.

Alternatively they may wish to look at local and regional wage rates as these may seem more appropriate as measures for the allowances paid to Members of its community. Local authorities may also wish to consider the allowances and remuneration which is paid to other members of the voluntary sector e.g. members of local health trusts.

- 29. Most Remuneration Panels break this guidance down into three distinct variables as a means to arrive at the recommended Basic Allowance:
 - Input:

The time required to undertake the role

- Public Service Discount:
 - The element of that time which is voluntary The worth of the remunerated time
- Day Session Rate:

Time Required to fulfil roles associated with the Basic Allowance

- 30. The first task for the Panel was to establish an average time requirement for all the roles associated with the payment of the Basic Allowance. This figure is different from what Members may be putting into their various 'backbench' roles, as the time that Members may have to supply is often greater than what the roles demand. The interviewees expressed a range of views from the equivalent of 1 day per week to 5 days per week being necessary to be an effective backbencher. However, by far the most commonly expressed range was between 2-2.5 days per week recognising that this time commitment is not necessarily within a 9am-5pm context.
- 31. This expected time commitment is in line with what is expected from County Councillors generally. The *National Census of Local Authority Councillors 2008*

shows that county councillors in England in 2008 were spending on average just under 27 hours per week on council related activities². However, this survey did not distinguish between Members who held positions on county councils and the backbenchers – at least a third of the respondents can be discerned to receive SRAs for posts they hold. Once the survey figures are weighted, the average time commitment would be increased by one third because a third of the survey respondents were senior Members. The normal range would be closer to approximately 18 hours per week – which the Panel has converted into the equivalent of 2.5 days per week

- 32. The Panel then translated this expected weekly time commitment into 130 days per year. For information purposes, it includes the following duties:
 - attending full council
 - sitting on at least one scrutiny committee plus associated working groups and panels
 - sitting on at least one other committee or panel, principally undertaking the quasi judicial functions the Council is required to discharge
 - sitting on Council area forums and partnership bodies
 - sitting on numerous outside bodies as Council representatives
 - undertaking ward and constituency duties
 - undertaking necessary travel, preparation and research required to undertake the above duties.
- 33. The Panel emphasises that the average time estimation of 130 days per year to fulfil the roles of the backbencher is being utilised as a means to 'size the role' to arrive at an appropriate Basic Allowance. It does not mean that all Members have to put in 130 days per year to receive their Basic Allowance which is an entitlement arising out of holding elected office. It is recognised that some backbench Members will put in 40+ hours per week on Council-related activities while some can be effective and put less than the expressed average. However, as the Basic Allowance must be paid equally to all Members the Panel has to find an average time commitment.

Recognising the Voluntary Aspect of being an Elected Member

34. Thus, out of the 130 days per year average minimum input expected from backbench Members, 39 days (30%) have been assumed as voluntary, and therefore unremunerated. This leaves 91 days per year which should be remunerated.

² National Foundation for Educational Research (2009), *National Census of Local Authority Councillors 2008*. Slough, NFER, analysis by type of authority, Table A6.

The Rate for the Remuneration

- 35. The most commonly utilised size of the voluntary (or public service) discount is within the 30%-33% range, to reflect the principle that an element of a Member's time should be given freely, as public service or *pro bono publico*. A public service discount of this size is the most commonly utilised figure as it broadly corresponds with the proportion of time the majority of elected Members in England spend on undertaking ward and constituency duties. The Panel has opted for a public service discount of 30%, as the *National Census of Local Authority Councillors 2008 analysis by type of council* (A7) shows that county councillors in England spend just under 29% of their time on ward and constituent duties.
- 36. The Panel noted that the Local Government Association (LGA) provides guidance to local authorities and remuneration panels regarding an appropriate rate for remuneration, or "day session rate when developing and updating their local scheme of allowances for Members". For 2010, (the latest date for this information is available) the daily rate is £152.77.³ Originally, it was based upon the male non-manual average daily salary. However, that figure is no longer available and on advice from the Office of National Statistics, it has been up rated by the median percentage increase in all salaries for full time workers (UK) for the past 6 years.
- 37. However, the Panel took the view (as do many Panels) that a more appropriate benchmark to obtain the day session (or remuneration) rate is the median daily salary (excluding overtime) for all full time workers residing in Cambridgeshire, which in December 2010 was (rounded down to the nearest pound) £105 per day⁴. The advantage of utilising this rate for remuneration for Members is that it relates their Basic Allowance to the median earnings of their constituents.

Calculating the Basic Allowance (The 2006 Statutory Guidance Approach)

- 38. By following the methodology laid out in the 2006 Statutory Guidance the Panel arrived at a tentative Basic Allowance based on the following calculation:
 - 130 days minimum annual expected average input 39 days per year as a Public Service Discount = 91 remunerated days per year
 - 91 days per year x £105 per day = **£9,555**

The Analogy Approach (I) – Compared to Non-Executives in NHS Trusts

39. Previously the Panel explored roles that could readily be seen as analogous to being a Member to assist it in arriving at an appropriate Basic Allowance. Similarly, this Panel took to the opportunity to consider similar public roles to that of a County Councillor and then compared their remuneration. The reality is that the most analogous role is that of another County Councillor but the Panel examined at the time commitment and remuneration of non-executive directors

³ See LGalert 62/10, *Members Allowances*, 23 June 2010

⁴ See Annual Survey of Hourly Earnings (ASHE), Median Weekly Pay (£526.40) - excluding overtime for all full time workers in UK, Table 8.2a.

in the NHS Trusts – as they are the most prevalent public offices after being an elected Member.

- 40. The time commitment for a non-executive in NHS Trust is stated to be 2.5 days per month, although it is recognised that it is often more. Research by the Appointments Commission⁵ showed that only a quarter of non-executives of NHS Foundation Trusts reported putting in 2.5 days per month, while 50% reported putting in 4 or more days per month, with the median figure being 4 days per month. The minimum remuneration for being a non-executive in the NHS is £6,096 per year.
- 41. If the time put in by non-executive directors of NHS Foundation Trusts is put on a par with the average time expected from a Cambridgeshire County Councillor (130 days per year) and the rate of remuneration for NHS non-executive directors extrapolated it would produce an annual remuneration of over £11,000 per year.

Members of Police Authorities

- 42. Similarly, the Panel looked at members of Police Authorities. Police Authority members are public office holders and each authority is able to set its own remuneration scheme. In addition, they have the benefit of having a national non-statutory independent remuneration panel, set up by the Association of Police Authorities to make recommendations on their remuneration. In June 2008, it recommended a Basic Allowance of between £8,600 and £12,900, based on an estimate of 7-10.5 hours per week⁶. The lowest figure (£8,600) in the range recommended for the Police Authority Basic Allowance is more than the current Basic Allowance (£7,610) payable to Cambridgeshire County Members, for a time commitment that is about one third less than expected from County Council Members. The latter also have the added pressure of greater public scrutiny and accountability.
- 43. More specifically, the Panel also looked at the Basic Allowance payable to Members of the Cambridgeshire Police Authority. The current Basic Allowance (2011/12) is £8,335. This only further highlights the low Basic Allowance payable to Members of Cambridgeshire County Council when looking at analogous roles.

The Peer Approach: Benchmarking the Basic Allowance

- 44. To complete the triangulation process, the Panel benchmarked the current Cambridgeshire County Council Basic Allowance (£7,610) against that paid in comparable county councils, which are the CIPFA⁷ 10 nearest neighbours and those east of England counties not already included in the 10 nearest neighbours, namely Norfolk and Suffolk.
- 45. As Table 1 (below) shows, the Cambridgeshire County Council Basic Allowance is second from lowest in the comparator group of authorities. The lowest payable is in Northamptonshire (£7,086) but Northamptonshire County Council pay more

⁵ Appointments Commission, *Time is Precious: A review of remuneration and time commitment for non-executives of Foundation Trust* October 2009

⁶ Report of the Independent Panel on Police Authority Members' Allowances June 2008, paragraph 53

⁷ CIPFA - Chartered Institute of Public Finance and Accountancy – nearest neighbours are those county councils deemed most similar to Cambridgeshire based on a range of economic and demographic criteria

SRAs than Cambridgeshire County Council, including SRAs paid to the Chair of Pension Fund Committee, the Chair and Vice Chair of the Council, the Chair of Personnel Committee, Vice Chairs of most committees, and 'Deputies to the Executive'. Consequently, the majority (approximately 60%) of Northamptonshire County Council Members receive an SRA. Whereas the Cambridgeshire County Council Members' Allowances Scheme provides for 31 SRAs, which is 45% of the membership. However, as there is no '1-SRA only' rule in Cambridgeshire County Council the actual number of Cambridgeshire Members in receipt of a SRA will be less than 31.

County Council	ВА
Essex	£11,500
Gloucestershire	£8,800
Hampshire	£12,003
Hertfordshire	£9,588
Leicestershire	£10,152
Northamptonshire	£7,086
Norfolk	£8,929
N. Yorkshire	£8,994
Oxfordshire	£8,295
Somerset	£10,327
Suffolk	£10,172
Warwickshire	£8,975
Worcestershire	£9,020
Cambridgeshire	£7,610
Mean	£9,389
Median	£9,007

Table 1: Basic Allowance Payable: Comparator Group of County Councils2011/12

- 46. Northamptonshire County Council is not alone in have an allowances scheme that pays the majority of its Members a SRA. It has been highlighted to show that, unlike in Cambridgeshire County Council, it partly makes up for a low Basic Allowance by paying SRAs to the majority of its Members. The 'real' remuneration for "backbench" Members on Northamptonshire County Council is partially enhanced by the ability of the majority of its Members to claim an SRA, an option that is not available to the majority of Members on Cambridgeshire County Council.
- 47. Moreover, as Table 1 also shows, the mean Basic Allowance paid in the comparator group of county councils is £9,389 and the median Basic Allowance is £9,007, levels very similar to that arrived at by following the 2006 Statutory Guidance 2006 approach (£9,555).

Recommending the Basic Allowance

48. The three different approaches outlined above through undertaking triangulation indicate that an appropriate Basic Allowance would be within the range of £9,000 - £11,000. The Panel decided to take a take a lead from the figure produced by the 2006 Statutory Guidance approach: £9,555, rounded down to the nearest £100, which equates to £9,500. The Panel felt that this approach had the advantages of being transparent, understandable, related to the median earnings of Cambridgeshire residents, explicitly builds in the voluntary element, and places it on par with the Basic Allowance paid in the comparator group of county councils.

49. Consequently, the Panel recommends that the Basic Allowance should be £9,500.

Factoring in Expenses

50. The 2006 Members' Allowances Statutory Guidance (paragraph 10) states that the:

Basic allowance is intended to recognise the time commitment of all Members, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

51. The Panel recommends that the Basic Allowance is deemed sufficient to cover *minor* incidental costs, including use of personal telephone for Council related calls. This recommendation does not affect the current provision of support that Members are entitled to such as IT equipment and other communications support.

SRAs and Determining Scope and Numbers: Meeting the Significance Test

52. A consequence of the previous reviews was to create a scheme whereby the majority of Members of Cambridgeshire County Council do not receive an SRA. While this Panel was cognisant that the 2003 Members' Allowances Regulations do not prohibit the numbers of SRAs that are payable in an authority it does note the Statutory Guidance (May 2006, 2003 paragraphs 70- 73)

Special responsibility allowance (SRA) may be paid to those members of the council who have *significant* additional responsibilities, over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority's functions.

The Regulations do not limit the number of special responsibility allowances which may be paid, nor do the regulations prohibit the payment of more than one special responsibility allowance to any one member. However, these are important considerations for local authorities. If the majority of members of a council receive a special responsibility allowance the local 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.

It does not necessarily follow that a particular responsibility which is vested to a particular member is a *significant* additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a *significant* extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.

53. The Panel has considered, in line with the statutory guidance, when reviewing posts and roles that merit an SRA whether they meet the test of being vested with "*significant* additional responsibility". This has led the Panel to recommend the discontinuation of some SRAs and no additional SRAs (see below).

The Role of the Panel in Specifying SRAs Payable

- 54. The current allowances' scheme provides a degree of flexibility, particularly but not solely for the Opposition Groups in that they are able to distribute the total sums allocated and distribute according to how they organise their particular groups. However, the Panel is required to make recommendations that specify "the responsibilities or duties" for which a SRA should be available and the "amount of such allowances".⁸
- 55. Consequently, to be compliant with the 2003 Regulations and 2006 Statutory Guidance, the Panel has to make recommendations that specify which posts should be paid an SRA and the sum payable it cannot recommend a pot of money for a broad function to be distributed according to group wishes. The rationale for this requirement is to prevent manipulation of allowances and ensure transparency. The Panel has made recommendations based on how the Council and political groups currently operate if the way the Council and groups (including group size) operates change and the allowances scheme is no longer fit for purpose, the Panel will take a view on the impact of any changes and make recommendations accordingly.

Arriving at the Special Responsibility Allowances – Levels payable

56. In previous reviews, the Panel, in accordance with the Statutory Guidance, arrived at the Leaders' SRA and then pro-rated downwards (expressed as a

⁸ See Local Authorities (Members' Allowances) (England) Regulations 2003, paragraph 21 (1) a-b.

percentage ratio) for the other SRAs. The Panel has broadly followed the same methodology in arriving at the recommended levels of SRAs for Cambridgeshire County Council in this review.

Arriving at the Leader's SRA through "Triangulation"

57. As with the Basic Allowance, the Panel went through a triangulation process to reach the Leader's recommended SRA. In particular, it replicated the work of previous reviews by taking into account the remuneration of Leaders in other comparable County Councils and other similar posts such as Chairs of Police Authorities and NHS Trusts. To complete the triangulation process the Panel added an approach that is mentioned in the 2006 Statutory Guidance, namely "to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the Leader". (see paragraph 76) The Panel has specifically concentrated on this approach, as it is an increasingly common approach utilised by Panels across the country.

Comparing to similar public posts – Police Authorities

- 58. Currently the Leader of Cambridgeshire County Council receives an SRA of £22,246 (paid in addition to the Basic Allowance providing a total remuneration of £29,856) for what is generally regarded to be the equivalent of a full time role in that normal full time employment would be impossible for the Leader, regardless of who holds the post.
- 59. In the June 2008 Report (paragraph 64), the IRP for Police Authorities recommended a total remuneration allowance for Chairs of Police Authorities between £20,600 and £36,100 per year based 3.5 day per week time commitment. More specifically, the Chair of Cambridgeshire Police Authority is paid an inclusive SRA of £20,004 (2011/12).

Chairs of NHS Trusts

- 60. Chairs of the larger NHS Trusts are paid a minimum of £23,366 for an expressed time commitment of 3-3.5 days per week, although it is recognised that they often put in 4 days per week.
- 61. Consequently, compared to Chairs of Police Authorities and NHS Trusts the Leader of the Cambridgeshire County Council is paid below comparable posts when the time commitment, range of responsibility and degree of public accountability are taken into account.

Benchmarking the Remuneration of the Leader

62. As Table 2 below shows, the current SRA paid to the Leader of Cambridgeshire County Council is the lowest within the comparator group of county councils, with a mean SRA payable of £30,316 and median SRA payable of £27,683. Moreover, the total remuneration of the Leader of Cambridgeshire County Council (£29,856) is also the lowest; the comparator group shows a total remuneration of £39,705 and median of £37,785. 63. Thus, compared to peers in local government, the Leader of Cambridgeshire County Council is paid significantly less. This is not an issue in itself – the Panel should not be driven by the average level of allowances paid in comparable councils. If all Panels were to do so it would lead to a constant cycle of increases. What is more relevant to the Panel, apart from the need to obtain one reference point in the triangulation process, is that the low level of remuneration of the Leader does stand out as an anomaly, and even more so considering the size, budget, and importance of Cambridgeshire County and its Council.

County Council	BA	Leader	Leader Total Package
Essex	£11,500	£53,500	£65,000
Gloucestershire	£8,800	£26,399	£35,199
Hampshire	£12,003	£28,967	£40,970
Hertfordshire	£9,588	£38,352	£47,940
Leicestershire	£10,152	£36,228	£46,380
Northamptonshire	£7,086	£34,408	£41,494
Norfolk	£8,929	£26,111	£35,040
N. Yorkshire	£8,994	£24,704	£33,698
Oxfordshire	£8,295	£24,884	£33,179
Somerset	£10,327	£29,640	£39,967
Suffolk	£10,172	£25,430	£35,602
Warwickshire	£8,975	£22,476	£31,451
Worcestershire	£9,020	£31,074	£40,094
Cambridgeshire	£7,610	£22,246	£29,856
Mean	£9,389	£30,316	£39,705
Median	£9,007	£27,683	£37,785

Table 2: Remuneration of Leaders in Comparator Group of County Councils 2011/12

The Multiplier Approach

- 64. Increasingly Panels are arriving at the recommended SRA for the Leader's SRA through simply multiplying the Basic Allowance that usually ranges from 2.5 to 4, although the most common multiplier is 3. The reasons for the popularity of this approach is partly because it is suggested in the 2006 Statutory Guidance (paragraph 76) as one means to arrive at a Leader's SRA and partly because a multiplier of approximately 3 times the Basic Allowance has become discernible in recent years. On average, regardless of type of council, a Leader's SRA is approximately 3 times that of the Basic Allowance. For instance, the most recent national survey of members' allowances published by the LGA in conjunction with the Improvement and Development Agency (2008) shows that the average Basic Allowance paid to county councillors was £9,978, while the average SRA paid to Leaders was £27,290⁹. Thus, the average SRA paid to Leaders in county councils in 2008 was 2.8 times the Basic Allowance.
- 65. The comparator group of county councils shows that the mean SRA paid to Leaders is 3.2 times the mean Basic Allowance payable whereas the median Leaders' SRA is almost exactly 3 times the median Basic Allowance see Table 2 above. Interestingly, the current SRA (£22,246) payable to the Leader of Cambridgeshire County Council is a multiplier of just over 2.9 on the current Basic Allowance (£7,610).
- 66. By utilising the commonly accepted multiplier of three times the recommended Basic Allowance (£9,500) it would produce a tentative Leader's SRA of £28,500, which is between the mean and median SRA paid to Leaders in the comparator group of county councils.
- 67. The Panel decided to take a take a lead from the figure produced by multiplying the recommended Basic Allowance by 3. This approach has the advantages of being transparent, simple to understand, retaining a relationship to the median earnings of Cambridgeshire residents, and placing it on par with the Leaders' SRAs paid in the comparator group of county councils.

68. The recommended SRA for the Leader is £28,500.

The Deputy Leader

69. The previous reviews arrived at the current SRA (£16,685) for the Deputy Leader by sizing it at 75% of the Leaders SRA. The current SRA for the Deputy Leader is below that paid to the Deputy Leaders in the comparator group of county councils, who are paid a mean SRA of £20,215 and median SRA of £17,590. The current ratio of 75% is slightly high, especially that the main additional responsibility of the Deputy Leader beyond being a Portfolio Holder is to stand in for the Leader when required. However, there is an additional workload and responsibility associated with the Deputy Leader's role that merits recognition and, in setting an appropriate ratio, the Panel decided that it should

⁹ See National Foundation for Educational Research (NFER) on behalf of the Local Government Association (LGA) and Improvement and development Agency (IDeA), Members' Allowances Survey 2008.

be set at 60% of the recommended SRA for the Leader, which would replicate the average differential in the comparator group of county councils.

70. The recommended SRA for the Deputy Leader is £17,100, which is 60% of the recommended SRA (£27,384) for the Leader

The Other Executive Members/Portfolio Holders (8)

- 71. Currently, the allowances scheme provides for two categories of Portfolio Holders, four main Cabinet Portfolio Holders, notionally remunerated £14,460, which was originally set at 65% of the Leader's SRA, and four other Cabinet Portfolio Holders who have a specified SRA of £8,898, originally set at 40% of the Leader's SRA.
- 72. However, in reality, the total sum paid to the 4 main and 4 other Portfolio Holders (£93,434) is divided equally between all 8 Portfolio Holders, each receiving an SRA of £11,679 (equating to 50% of the Leader's SRA), as the differentiation in size of portfolios between the 2 categories of Portfolio Holders has become more balanced since the last review. This is not to say that all portfolios are equal, inevitably, some Portfolio Holders will have a larger remit than others will, but not so much as to maintain the current 2-tier SRA schedule. Moreover, a 'lesser' portfolio in 2011 could well become a larger portfolio in 2012 as issues move up the political agenda. There is an element of swings and roundabouts in play.
- 73. The Panel has decided to recognise this reality and not differentiate between main and other Portfolio Holders and if the portfolios are reorganised in the future then the Panel will take a view if required. It is also noted that Cambridgeshire County Council is the only council in the comparator group that formally makes a distinction between main and other portfolio holders in its allowances scheme. Based on the specified sums in the allowances schemes in the comparator group of councils the mean SRA paid to portfolio holders is £17,212, and the median SRA is £16,190.
- 74. The Panel decided to maintain the 50% ratio that is in operation, and set the SRAs for all Portfolio Holders at half of the recommended SRA for the Leader.

75. The recommended SRA for the Portfolio Holders is £14,250, which is 50% of the Leader's recommended SRA.

The Chairmen of the Overview and Scrutiny Committees (5)

- 76. Currently the Chairmen of the Overview and Scrutiny Committees receive an SRA of £6,674, originally set at 30% of the Leader's SRA. The mean SRA paid to Chairmen of Overview and Scrutiny in the comparator group of councils is £8,181, and the median SRA is £6,241.
- 77. The Overview and Scrutiny Committees have recently taken on an expanded remit, namely the overview function, which also includes much of the policy development role that that was formerly undertaken by the Policy Development Groups (now abolished). This expanded remit does not always exist in the comparator group of councils, some retain a more narrowly focused scrutiny remit, usually reflected in a lower SRA. However, due to expanded remit the

Panel has decided that a ratio of 30% of the Leader's recommended SRA for the SRA of the Chairmen of Overview and Scrutiny is still appropriate.

78. The recommended SRA for the five Chairmen of the Overview and Scrutiny Committees is £8,550, which is 30% of the Leader's recommended SRA.

The Chairman of the Development Control Committee

- 79. Currently, the Chairman of the Development Control Committee receives an SRA of £4,449, originally set at 20% of the Leader's SRA. The mean SRA for similar posts in the comparator group of councils is £6,477, and median SRA is £5,304.
- 80. The Panel received no evidence to indicate that the current level of remuneration is not appropriate. Consequently, the Panel has set the ratio at 15% of the Leader's recommended SRA.

81. The recommended SRA for the Chairman of the Development Control Committee is £4,275, which is 15% of the Leader's recommended SRA.

The Chairman of the Audit & Accounts Committee

- 82. Currently, the Chairman of the Audit & Accounts Committee receives an SRA of £4,449, set at 20% of the Leader's SRA. The mean SRA for similar posts in the comparator group of councils is £6,052, and median SRA is £5,086.
- 83. The Panel received no evidence to indicate that the current level of remuneration is not appropriate. Consequently, the Panel has set the ratio at 15% of the Leader's recommended SRA.

84. The recommended SRA for the Chairman of the Audit & Account Committee is £4,275, which is 15% of the Leader's recommended SRA.

Leader of the Main Opposition Group

- 85. The Council is under a legal obligation to award at least one member of the Opposition an SRA (where they are paid at all) when one or more party groups form the administration. The purpose of this requirement is to ensure that the Opposition is resourced to fulfil its role. This is only a legal requirement where the political groups are registered as political groups under the Local Government and Housing Act 1989, which is the case in Cambridgeshire County Council.
- 86. Currently, the Leader of the main (Liberal Democrat) Opposition Group receives an SRA of £11,394, which was originally set at approximately 50% of the Leader's SRA. This is above the mean SRA (£10,459) paid to Leaders of the main Opposition Group in the comparator group of councils, and the median SRA (£9,868). The Panel has always taken the view that the Opposition needs to be supported to fulfil its role but the 50% ratio was no longer appropriate. The way the Council works has changed since the previous review. Previously, the party groups on council were more evenly balanced and 50% ratio was set when there was a more inclusive approach to the Opposition, whereas now the

Opposition fulfil a more traditional role. Consequently, the Panel has decided that a more appropriate ratio is 40% of the Leader's recommended SRA.

87. The recommended SRA for the Leader of the Main Opposition Group is £11,400, which is 40% of the Leader's recommended SRA.

Deputy Leader of the Main Opposition Group

- 88. Currently, the Deputy Leader of the main (Liberal Democrat) Opposition Group receives an SRA of £8,545, which was originally set at approximately 50% of the Deputy Leader's SRA. This is highest SRA for the main Opposition Group Deputy Leaders in the comparator group, with the mean SRA being £5,254, and the median SRA £4,667. Indeed, it is a remunerated post in only five out of the 14 councils in the comparator group.
- 89. Similarly, such a high SRA was appropriate in the past but not in the current political and operational context of Cambridgeshire County Council. Moreover, the Panel has decided that a more appropriate comparator post to assess the size and responsibility of the role is the Opposition Group Leader rather than the Deputy Leader, and that the ratio should be 50%.

90. The recommended SRA for the Deputy Leader of the Main Opposition Group is £5,700, which is 50% of the Leader of the Main Opposition Group's SRA.

The Main Opposition Group Spokesmen (8)

- 91. The Main Opposition Group (Liberal Democrat) Spokesmen are allocated 4 SRAs of £7,406 each, which is then totalled up (£29,624) and the SRA (£2,279) for the Liberal Democratic DCC Spokesman is also added, providing a total pot of £31,901. This total sum is then divided up according to group instruction presently among 6 other Liberal Democrat Members, who act as Group Spokesmen on designated areas. Consequently, the current reality is that five Main Opposition Group Spokespersons each receive an SRA of £5,317.
- 92. The Panel is required to make specific recommendations to comply with statutory requirements and accordingly has decided to make recommendations that reflect the current operation of the Main Opposition Group while providing a degree of flexibility for the future.
- 93. The Panel notes that the mean SRA paid to main Opposition Spokesmen or Shadow Executive Members in the comparator group of councils is £4,042 and the median SRA is £3,613.
- 94. The Panel recommends that there should be a maximum of 8 SRAs payable to the Main Opposition Spokesmen and they should be set at £4,560, which is 40% of the Main Opposition Group Leader's SRA

Leader of the Minority Opposition Group

95. Currently, the Leader of the minority (Labour) Opposition Group receives an SRA of £5,426, which was originally set at approximately 25% of the Leader's

SRA. This is above the mean SRA (\pounds 4,379) paid to Leaders of the minority Opposition Groups in the comparator group of councils, and the median SRA (\pounds 4,213). Moreover, it was originally based on the assumption that the minority Opposition Group consisted of 10 members – which is no longer the case.

96. Consequently, the Panel, taking into account the reduced size of the Minority Opposition Group, has decided that a more appropriate ratio is 15%.

97. The recommended SRA for the Leader of the Minority Opposition Group is £4,275, which is 15% of the Leader's recommended SRA.

Deputy Leader of the Minority Opposition Group

98. Currently, the Deputy Leader of the Minority Opposition Group receives an SRA of £1,220. The Panel notes that this post is remunerated in only 4 out of the 14 councils in the comparator group. Moreover, unlike at the time of the previous review, the Minority Opposition Group only has three members. The Panel felt that the size of the Group did not meet the test of significance and **recommends that the SRA for the Deputy Leader of the Minority Opposition Group should be discontinued**.

Minority Opposition Group Spokesmen

99. Currently, the Cambridgeshire County Council Members' Allowances Scheme provides for SRAs paid at £1,058 each for the Minority Opposition Group Spokesmen. This provision is now an anomaly; it is based on a context that no longer exists, and now provides for more SRAs than there are Minority Opposition Group Members. Consequently, every Member of the Minority Opposition Group receives one or more Minority Opposition Group Spokesmen SRAs – which was never the intention of the Panel and is difficult to justify to the public. Moreover, the Panel feels these posts do not meet the test of significance.

100. Consequently, the Panel recommends that the SRAs for the Minority Opposition Group Spokesmen are discontinued.

Opposition Spokesmen on Development Control (DC)

- 101. Currently, the Allowances scheme provides an SRA of £2,279 for the Main Opposition Group DC Spokesman (which is not actually paid as specified, as it is put into the collective Main Opposition Group Spokesmen SRA pot – see above) and an SRA of £326 for the Minority Opposition Group Spokesman. Cambridgeshire County Council is the only council in the comparator group that makes such provision in its Members' Allowances Scheme.
- 102. The Panel received no evidence to indicate that these posts met the test of significance. Consequently, the Panel recommends that the SRAs for the Opposition Spokesmen on Development Control are discontinued.

Members Appointed to the Council's Adoption Panel

- 103. The Council is legally required to appoint two named elected Members to the Council's Adoption Panel. The Panel was informed that this is often a demanding role, which requires a great deal of preparation with the Adoption Panel scheduled to meet every 2 weeks although they are occasionally cancelled. The meetings are usually all morning long and sometimes longer. The Panel felt that this post meets the test of significance and notes that is also a remunerated post in two of the comparator group of councils Gloucestershire (£11,703) and Suffolk (£5,086).
- 104. The Panel decided that as this was a new SRA it should be set a level that would allow upward revision if experience shows that is the case, and the Panel will then provide further advice. In determining the actual level, the Panel has decided that it should be set on a par with the SRA paid to the Chairmen of Development Control and Audit & Accounts Committees, which is £4,275.

105. The recommended SRA for the 2 Members appointed to the Council's Adoption Panel is £4,275, which is 15% of the Leader's recommended SRA.

Implementing a '1-SRA Only' Rule

- 106. Currently, the Cambridgeshire County Council Members' Allowances Scheme does not restrict the number of SRAs that Members may receive. While the 2003 Regulations permit this practice, nationally it is overwhelmingly the case that Members' Allowances Schemes have a 1-SRA only rule. This rule means that regardless of the remunerated posts held a Member can only receive one SRA usually the highest. Cambridgeshire County Council is the only council in the comparator group of councils that permits Members to receive more than 1 SRA¹⁰. Experience elsewhere suggests there are numerous reasons for imposing this rule, e.g., to ensure remuneration is not concentrated, to ensure transparency and prevent manipulation of council structures so as not to simply receive additional remuneration.
- 107. As the Panel's recommendations stand, the ability of Members to draw more than one SRA is restricted but the Panel felt Cambridgeshire County Council should follow good practice and have a 1-SRA only rule in place.
- 108. Consequently, the Panel recommends that Members are only able to receive one SRA regardless of the number of remunerated posts they hold. Furthermore, this provision should be inserted into the published Members' Allowances Scheme.

The Right to Forgo Remuneration

109. The Panel recommends that the Cambridgeshire County Council Members' Allowances Scheme specifies that Members have the right to forgo all or part of any allowances they are entitled to upon notification to Members' Services.

¹⁰ The Leader and Deputy Leader in Oxfordshire are permitted to draw a Cabinet SRA but in effect they receive a joint (single) SRA.

The Chairman and Vice Chairman of the Council – Civic Allowance

- 110. The Civic Allowance is outside the formal remit of the Panel the Council is free to set the Civic Allowance without seeking advice. However, the Panel has been asked to provide a view to assist the Council in supporting the civic roles. Indeed, many Panels are asked to provide a view on the Civic Allowance as a means of providing a degree of independence in setting the Civic Allowance which is specifically provided to meet the costs of holding the civic offices.
- 111. The Panel received evidence that the current Civic Allowance (£4,000) for the Chairman does not cover the costs of holding the Office, especially now the Chairman is required to make his own travel arrangements.
- 112. The Panel suggests that the Civic Allowance for the Chairman of the Council is increased to £6,000 per year.
- 113. The Panel also suggests that, on the basis that the workload is approximately one third of that of the Chairman that the Civic Allowance for the Vice Chairman of the Council remains at £2,000.

Other Allowances – The Co-optees' Allowances

- 114. Currently, the following Co-optees are paid a £50 per meeting Co-optees' Allowance
 - the independent statutory Co-optees on the Standards Committee (3)
 - the statutory Co-optees on the Children's & Young People Overview and Scrutiny Committee: Church of England, Roman Catholic, Non-Conformist Churches and Governor representatives (4)
 - a maximum of 3 other co-opted Members on the Overview and Scrutiny Committees.
- 115. The Panel received no evidence that the Co-optees' Allowances needed revising and recommends that Co-optees' Allowance of £50 per meeting is unchanged. The Panel also recommends that the current scope of the Cooptees' Allowances remains unaltered.

The Dependants' Carers' Allowance (DCA)

- 116. In line with the recommendations of the Panel in 2006, Cambridgeshire County Council adopted the DCA. The Local Government Act 2000 explicitly clarifies the right of local authorities to pay a Dependants' Carers' Allowance, which Members can claim to assist them with the costs for care for their dependants while undertaking approved Council duties. It is an allowance explicitly designed to enable a wider range of candidates to stand for and remain on Council.
- 117. Currently, the DCA pays up to a maximum of £6.50 per hour for the care of dependants, which includes children and other dependants, e.g., elderly or disabled dependants. It is not restricted to formal carers (subject to approval by the Head of Democratic and Members' Services) as it a reimbursement paid upon the production of receipts.

- 118. The Panel recommends that the DCA hourly rate, and terms and conditions for which it can be claimed be maintained.
- 119. However, the Panel further recommends, as the DCA is based on actual expenditure, that the rate payable should not fall below the minimum wage applicable to the age of the carer which is currently as follows:
 - £5.93 the main rate for workers aged 21 and over
 - £4.92 the 18-20 rate
 - £3.64 the 16-17 rate for workers above school leaving age but under 18

Members and the Local Government Pension Scheme (LGPS)

120. In line with its guiding principle to reduce barriers to public service the **Panel** confirms that all elected Members of Cambridgeshire County Council should be eligible to join the LGPS, applied to both their Basic Allowance and SRAs.

Travel and Subsistence Allowances

Subsistence Allowances

- 121. Presently, Members are entitled to claim subsistence allowances at the same rate payable to Officers for attending approved duties. The Panel received no evidence that these rates, and the conditions by which they can be claimed, should be altered.
- 122. The Panel recommends that the Subsistence Allowances, and the conditions by which they can be claimed by Members undertaking approved duties should be remain based and indexed to the same rates that apply to Officers of the Council. Furthermore, these rates should also be inserted into the Members' Allowances Scheme. For information purposes, these rates and conditions are set out in Table 3 below:

Table 3: Subsistence Allowances Payable

Allowance	Rates (£)	Condition
Breakfast	£6.11	Required to leave home before 7am
Lunch	£8.40	Required to be away from work base between 12noon and 2pm
Теа	£3.33	Required to work later than 6.30pm but not later than 8.30pm
Dinner	£10.43	Required to work later than 10.30pm

123. The Panel also recommends that the published Members' Allowances Scheme should include the current arrangements for when Members are required to stay overnight while undertaking approved duties, namely to book through Democratic Services or if that is impracticable that reasonable expenses only will be reimbursed upon production of receipts.

The Mileage Allowance – Maintain at Officer Rates

- 124. The mileage allowance is currently linked to Officer Casual User mileage rates, which in turn are linked to HMRC rates adopted in the January following the annual confirmation of HMRC mileage rates. The Panel recommends that the mileage allowance continue to be based on Officer Casual User mileage rates and the applicable rates are inserted into the Members' Allowances Scheme in an appropriate appendix/annex.
- 125. The current Officer casual user mileage rates payable are laid out below:

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year		
Cars and vans	40p	25р		
Motor cycles	24p	24p		
Bicycles	20p	20р		
Passenger Supplement Rate	5p per passenger	5p per passenger		

Table 4: Officer Casual User Mileage Rates 2011/12

Mileage – Approved Duties

- 126. The Panel received a great deal of representation that argued those Members who attend Parish Council meetings should be able to claim a mileage allowance as it is not currently an approved duty. Some Members represent geographically large wards that contain 10 or more Parish Councils and it was argued that they are expected to be at each of their monthly meetings. The Panel was sympathetic to this view. However, it has decided not to recommend that attending Parish Council meetings should be an approved duty therefore eligible for the mileage allowance.
- 127. The rationale for this decision is numerous; it sets a precedent and could open up demand for all sorts of similar claims in the future, the Panel has recommended an increased Basic Allowance, and it would be a difficult approved duty to monitor and potentially open to manipulation. Moreover, while the Panel understands that local communities expect to see their respective County Councillors at their parish council meetings it is not something the County Council should be subsidizing.
- 128. Consequently, the Panel does *not* recommend the current list of approved duties should be amended to include attendance at Parish Council meetings.

Provision for Suspension of Allowances

129. Unless Cambridgeshire County Council Members' Allowances Scheme specifically provides for suspension of allowances when a Member is suspended from Office then any such Member is entitled to their allowances. The Panel feels that this is not sustainable and cannot be justified. **Therefore, the Panel**

recommends that the provision for the suspension of allowances be inserted into the Cambridgeshire Members' Allowances Scheme.

130. In particular, the provision should read:

When a Member of the Council is suspended or partially suspended from their duties/responsibilities as a Member, in accordance with Part III of the Local Government Act (or regulations made thereunder), that part of any allowance (BA and SRA) paid to them during the period of suspension may be withheld, or subject to repayment if the allowance has already been paid.

Indexation

- 131. The Panel recommends that the following indices are applied to the remuneration and allowances paid to Members of Cambridgeshire County Council:
 - A. Basic Allowance, SRAs and Co-optees Allowances and DCA:
 - Indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

B. Mileage Allowance:

 Members mileage allowances rates should be indexed to the Officer Casual user mileage rates.

C. Subsistence Allowances:

 The day subsistence allowances should be indexed to the same rates that are applicable to Officers.

D. The Civic Allowance:

• It is suggested that the Civic Allowance is also indexed to the annual percentage salary increase for local government staff (at spinal column 49) to be implemented from the start of the municipal year, rather than financial year, for which year it is applicable.

Implementation

132. The Panel recommends that the recommendations contained within this Report be implemented from the date of the Council meeting that the new scheme is agreed or a date as soon as possible thereafter.

Issues Raised with the Panel

Member Performance, Accountability, and Transparency

Publishing Attendance Records

133. Once again, the issue of variable Member Performance was raised with the Panel. In particular, there was a view that not all Members were undertaking the

full range of approved duties that was expected of them. It was not raised in all representations made to the Panel, nor was it seen as a major issue but there was a view that individual Member performance should be made more transparent in that the public and other Members should be aware if certain Members are not undertaking all the approved duties to which they are appointed.

- 134. Previously, the Panel recommended that Members' attendance at formal meeting be monitored. This has been done in that attendance records at formal meetings are kept. On this occasion, the Panel has opted for a more focussed approach, namely it recommends publication of the records of Members attendance at formal meetings of the Council, committees and associating working groups and sub-committee and training events. The records are already maintained and it would be a simple step for the Council to publish Members' attendances on its web pages in a readily comparable format. This is something many local authorities already do. Moreover, it should result in administrative savings for any Freedom of Information requests regarding Members' attendance.
- 135. However, the Panel is concerned that the records are an accurate reflection of Members' attendance and suggest that for an attendance to be counted a member would have to been present for the majority of the meeting. In addition, the Panel recognises that there are valid reasons why Members may not attend all meetings, such as illness, called to urgent constituent business, etc. Consequently, provision should also be made in the publication of attendance records to take into account when a Member is absent through illness, called to attend to urgent constituent business, etc. Moreover, the Panel points out that Members can add on their own Council web pages the activities they have undertaken that cannot be recorded in formal attendance records, such as undertaking constituent and electoral division duties, including attending relevant Parish Council meetings, and other informal meetings they are often required to attend.
- 136. Finally, the Panel recommends that those Members who have attended less than 75% of the approved duties to which they are appointed take advantage of the provision to forgo part of their allowances. As a guide, the Panel suggests that they forgo 10% of their Basic Allowance for every 10% of missed meetings from 75% attendance record and under.

Appendix One – Interviewees

Members:

Cllr Ian Bates:	Portfolio Holder – Growth and Planning
Cllr Killian Bourke:	Leader of the Liberal Democrat Group
Cllr Nick Clarke:	Leader of Council (and Leader of Conservative Group)
Cllr Steve Criswell:	Portfolio Holder – Community Infrastructure
Cllr Steve Count:	Portfolio Holder – Resources and Performance
Cllr Martin Curtis:	Portfolio Holder – Health and Wellbeing
Cllr Geoffrey Heathcock:	Main (Liberal Democrat) Opposition Group Spokesman
Cllr Shona Johnstone: Young People)	Chairman of Overview and Scrutiny Committee (Children and
Cllr John Powley:	Chairman of the Council
Cllr Kevin Reynolds:	Chairman of Overview and Scrutiny Committee (Adults, Wellbeing and Health) and Vice Chairman of Council
Cllr Tariq Sadiq:	Leader of the Labour Group
Written Submissions	
Cllr Bill Hunt	
Cllr Victor Lucas	
Cllr Linda Oliver	
Cllr Linda Oliver Cllr John Powley	
Cllr John Powley	
Cllr John Powley Cllr Kevin Reynolds	
Cllr John Powley Cllr Kevin Reynolds Cllr Paul Sales	

Appendix Two – Written information received and considered by the Panel

- 1. Panels' terms of reference
- 2. Consolidated guidance on Members' Allowances, issued by Department for Communities and Local Government, May 2006
- 3. Member's Allowances (England) Regulations, 2003
- 4. Cambridgeshire County Council Members' Allowances Scheme, 2011/12
- 5. Travel and Substance Allowances schedules
- 6. Details of claims by Members: travel, subsistence, DCC and other allowances
- 7. Reports of previous reviews of Members' Allowances by the IRP
- 8. Benchmarking Data including:
 - Allowances schemes from comparator group of councils
 - Allowances schemes from police authorities
 - Remuneration within NHS Trusts (2009/10)
- 9. Appointment Commission, *Time is Precious: A review of remuneration and time commitment for non-executives of Foundation Trusts*, October 2009
- 10. National Foundation for Educational Research (NFER) on behalf of the Local Government Association (LGA) and Improvement and development Agency (IDeA), *Members' Allowances Survey 2008*
- 11. National Foundation for Educational Research (2009), *National Census of Local Authority Councillors 2008.* Slough, NFER, analysis by type of authority, Table A6
- 12. Report of the Independent Panel on Police Authority Members' Allowances June 2008
- 13. Annual Survey of Hourly Earnings (ASHE), Median Weekly Pay excluding overtime for all full time workers in UK, Table 8.2a
- 14. How the Council works briefing paper
- 15. Reviewing Allowances: Issues to Consider presentation by Chair of IRP
- 16. LG/Alert 62/10, Members' Allowances, 23 June 2010

Appendix Three: Allowances Paid in Comparator Group of County Councils

	Cambridgeshire 10 CIPFA Nearest Neighbours + Eastern Counties: BA + Exec + Committee SRAs 2011/12																
	ВА	Leader	Leader Total Package	Deputy Leader	Main Exec Mbers	Other Exec Mbers	Deputies to Exec	Chair Principal O&S	Chairs O&S	O&S V/Chrs	Chr Planning &/or Reg'n	Planning &/or Reg'n V/Chrs	Council Chair	Council V/Chair	Area Chairs	Chair Audit	Cha Pens Fur
Essex	£11,500	£53,500	£65,000	£40,125	£35,310		£13,375	£21,400	£13,375		£13,375		£21,680	£10,840	Not Known	£13,375	
Gloucs	£8,800	£26,399	£35,199	£21,999	£17,599			£5,808	£5,808		£5,808		£8,808	£2,904		£5,808	
	·						07 500			00.004		00.004	,		05 700		05.7
Hants	£12,003	£28,967	£40,970	£17,379	-		£7,500		£11,586	£2,901	£11,586	£2,901			£5,793		£5,7
Herts	£9,588	£38,352	£47,940	£28,764	£19,176		£9,588		£14,382	£4,794	£9,588		£9,588	£2,397		£9,588	
Leics	£10,152	£36,228	£46,380	£21,744	£19,344		£7,332	£10,872	£5,436	£2,532	£3,984					£2,580	
Norants	£7,086	£34,408	£41,494	£21,645	£20,645		£3,000	£19,628	£14,628	£7,335	£5,735	£3,690	£17,204	£4,301			£5,7
Norfolk	£8,929	£26,111	£35,040	£16,972	£13,055		£6,528		£3,917		£5,222		£10,444	£1,958		£5,222	
N. Yorks	£8,994	£24,704	£33,698	£15,440	£13,896			£9,264	£4,632	£1,544	£3,088		£9,264	£3,088	£3,088	£3,088	£4,6
Oxs	£8,295	£24,884	£33,179	£16,589	£12,442				£5,000		£2,702		£8,295	£2,074		£2,702	£2,7
Soms	£10,327	£29,640	£39,967	£17,880	£15,880				£8,892	£988	£4,940	£988	£8,892	£988		£4,940	£1,9
Suffolk	£10,172	£25,430	£35,602	£17,801	£15,258		£2,543	£7,629	£5,086		£5,086		£12,715	£5,086		£5,086	£5,0
Warwick	£8,975	£22,476	£31,451	£13,486	£10,023			£7,777	£5,386	£2,000	£5,386	£2,693	£5,386	£2,693	£3,591		
Worcests	£9,020	£31,074	£40,094	£16,500	£16,500			£16,500	£9,735		£9,735					£9,735	
Cams	£7,610	£22,246	£29,856	£16,685	£14,460	£8,898			£6,674		£4,449					£4,449	
	·																
Highest	£12,003	£53,500	£65,000	£40,125	£35,310		£13,375	£21,400	£14,628	£7,335	£13,375	£3,690	£21,680	£10,840	£5,793	£13,375	£5,7
Lowest	£7,086	£22,246	£29,856	£13,486	£10,023		£2,543	£5,808	£3,917	£988	£2,702	£988	£5,386	£988	£3,088	£2,580	£1,9
Mean	£9,389	£30,316	£39,705	£20,215	£17,212		£7,124	£12,360	£8,181	£3,156	£6,477	£2,568	£11,228	£3,633	£4,157	£6,052	£4,3
Median	£9,007	£27,683	£37,785	£17,590	£16,190		£7,332	£10,068	£6,241	£2,532	£5,304	£2,797	£9,426	£2,799	£3,591	£5,086	£4,8

Cambridgeshi	Cambridgeshire Comparator Group: Other Committee SRAs Payable					
County Council	Other SRAs Payable					
Essex	Further Cabinet Deputies (5) £16,265					
Gloucestershire	Members Adoption Panel (2) £11,703 Chair Corporate Parenting Committee £5,808					
Hampshire	Chair Health O&S £14,433 Vice Chair Health O&S £3,612 Audit Vice Chair £1,449 Pension Fund Vice Chair £1,449					
Hertfordshire	Vice Chair Health O&S £7,191					
Leicestershire	Scrutiny Commissioners £9,060 Dep Scrutiny Commissioners £3,624					
Northamptonshire	Chair Personnel £5,735 Pensions Vice Chair £3,690 Vice Chair O&S Co-ordinating £14,628					
Norfolk	Chair Norwich Highways Agency Joint Committee £5,222 Cab Support Members £3,917 Chair Records Committee £2,611					
N. Yorkshire	Chairs Employment Appeals £1,544 Scrutiny Board Chair £3,088 Scrutiny Champions £4,632					
Oxfordshire	Chair Democracy & Organisation Committee £2,702					
Somerset	Vice Chair Audit £988					
Suffolk	Chair Rights of Way £5,086 Member of Adoption Panel £5,086					
Warwickshire	None					
Worcestershire	Lead Scrutiny Members £9,735					
Cambridgeshire	None					

	Cambridgeshire 10 CIPFA Nearest Neighbours + Eastern Counties: Political SRAs 2011/12							
	Main Opposition Group Leader	Main Opposition Group Deputy Leader	Shadow Executive or Spokesmen	Minor Opposition Group Leader	Minor Opposition Group Deputy Leader	Minor Opposition Group Spokesmen	Other	
Essex	£16,050	£5,350	£1,337				Dep Leader of Controlling Group £21,400	
Gloucestershire	£5,808			£5,808				
Hampshire	£13,846		£5,793					
Hertfordshire	£7,409		£4,794	£1,307				
Leicestershire	£10,000			£3,000				
Northamptonshire	£17,204		£1,000 per Group Member	£8,602				
Norfolk	£13,055	£3,133	£1,958	£6,528	£2,611	£1,958	Opposition DCC spokesmen £1,958	
N. Yorkshire	£4,632			£2,316			Group Secretaries £2,316 (Admin), £1,544 (Main Opp) Other £772	
Oxfordshire	£14,516		£2,432					
Somerset	£8,892		£988	£988				
Suffolk	£6,103	£4,577	£7,629	£2,034	£1,526		3 rd Opp Group Leader £1,526 + 3 rd Opp Dep Group Leader £1,144 + Ldr Maj Group £27,973 + Dep Ldr Maj Grp £20,980	
Warwickshire	£7,777	£4,667	£1,000 per Group Member	£7,777	£4,667		Maj Grp Spokesmen £14,000 total	
Worcestershire	£9,735							
Cambridgeshire	£11,394	£8,545	£7,406	£5,425	£1,220	£1,058	Opposition DCC spokesmen £2,278 & £325	
Highest	£17,204	£8,545	£7,629	£8,602	£4,667	£1,958		
Lowest	£4,632	£3,133	£988	£988	£1,220	£1,058		
Mean	£10,459	£5,254	£4,042	£4,379	£2,506	£1,508		
Median	£9,868	£4,667	£3,613	£4,213	£2,069	£1,508		

Appendix Three Declarations of Interest

Anne Constantine

- Member of Transitions Board
- Former Vice Chair of Huntingdonshire Local Strategic Partnership

Declan Hall:

• Chair of the Huntingdonshire District Council Independent Remuneration Panel

Penny Kingham

• Chair of Cambridgeshire Fire Authority Standards Committee

Lynn Morgan

- Chief Executive of Cambridgeshire County Council is a Trustee of Arthur Rank Hospice Charity
- Cllr Ian Bates and Cllr Nick Clark (Cambridgeshire County Council) are fellow members on LEP

Paul Richardson

• No declarations of interest