



**A REVIEW OF
MEMBERS' ALLOWANCES
FOR
SOUTHAMPTON CITY COUNCIL**

**REPORT OF THE
INDEPENDENT REMUNERATION PANEL**

4TH & 5TH OCTOBER 2018

**South East Employers
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FOREWORD

This report has been produced for Southampton City Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The membership of the Panel was Linda Taylor, Managing Director, The Employee Relations Consultancy Limited; Adam Wheeler, Emeritus Professor (Mathematics), University of Southampton (Retired) and Mark Palmer, Development Director, South East Employers.

The Panel would also like to record its gratitude to the members and officers of Southampton City Council who were interviewed or provided information for the Panel's consideration. Additionally, the Panel was supported and assisted throughout by Marijke Elst, Service Lead Democratic and Electoral Services.

Mark Palmer
Chair of the
Independent Remuneration Panel

1. Introduction

A review of the Southampton City Council Members' Allowances Scheme was conducted by the Independent Remuneration Panel at the request of the council in response to the requirement that all Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme. The Panel was convened under The Local Authorities' (Members' Allowances) (England) Regulations (SI 1021) ("the 2003 Regulations")

The Panel met on the **4th and 5th October 2018**. The Panel interviewed the following Members and Officers as part of the review (in-order of appearance):

- Councillor Christopher Hammond – Leader, Cabinet Member for Clean Growth & Development
- Councillor Daniel Fitzhenry- Opposition Group Leader, Conservative Group Leader
- Councillor Sharon Mintoff - Labour
- Councillor Andrew Pope – Southampton Independents
- Councillor Peter Baillie- Chair of the Overview and Scrutiny Management Committee
- Councillor John Savage- Chair of Planning and Rights of Way Committee
- Councillor Susan Blatchford- Chair of the Licensing Committee
- Councillor Jacqui Raymond- Deputy Leader, Cabinet Member for Transport & Public Realm
- Councillor Lorna Fielker- Cabinet Member for Adult Social Care
- Councillor Sarah Bogle- Chair of the Health Overview and Scrutiny Panel

2. Terms of Reference

The remit of the Panel was to consider and review the Members' Allowance scheme. The Panel reviewed the Allowance scheme in relation to the following:

- Basic Allowance
- Special Responsibility Allowances (SRA's)
- Allowances for Co-opted and Independent members of the Council committees and panels
- Criteria for travel and subsistence claims that needed to be reviewed.
- Communications allowance including telephone, broadband & mobile communications
- Carers Allowance
- Matters related to the Member Allowance scheme that may be raised during the review process

The Panel requested information from officers to assist the review. Members were invited to give their views to the Panel on the allowance rates, ratios and differentials in the SRA's and other matters they wished to raise.

An online questionnaire was sent to all Members prior to the review and nineteen of the forty-eight Members of the Council completed the questionnaire. A comprehensive analysis of the questionnaire is included as **Appendix 2**.

The Panel took account the following information to support its recommendations:

- Current Members' Allowance Scheme
- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Comparison data with similar unitary Councils regionally and nationally
- The role and responsibilities of the ward Member and those roles attracting an SRA
- The Members Allowance online questionnaire.

- Councillor Census data produced by the Local Government Association (LGA). 2013 Census of Local Authority Councillors
- Labour Market Profile – Southampton, nomis Official Labour Market Statistics, 2018
- South East Employers Members Allowance Survey 2018
- Does Local Government Work for Women? Local Government Commission, July 2017, Fawcett Society
- Living Wage Foundation www.livingwage.org.uk

3. Summary of recommendations

Following close consideration of the issues arising from their interviews with Members and Officers and other detailed information provided the Panel make the following recommendations:

- **Basic Allowance**

The Basic Allowance should continue to be linked to the Living Wage (LW) as determined by the Living Wage Foundation. The current rate of the LW is £8.75 per hour (outside of London). The level of the LW is determined on an annual basis with the latest review due to take place during Living Wage Week 5th-10th November 2018. The Basic Allowance should continue to be calculated based on a non-Executive Member undertaking up to **27** hours on Council and group business.

The weekly hours are based using the Census of Local Authority Councillors 2013 (Local Government Association) which states that Councillors reported spending an average of 25.1 hours on council/group business and in metropolitan districts this increased to 30.9 hours. The recommendation of the Panel is based on a figure between 25.1 hours (that includes all councils including second tier districts and boroughs) and 30.9 hours for large urban metropolitan districts e.g. Leeds and Manchester MBC's.

The Members Allowance Questionnaire completed by nineteen councillors also identified 26 hours as the mean average based on the responses.

The Basic Allowance based on the above criteria would be as follows £8.75 x 27 hours x 52 weeks = **£12,285**. This will be reviewed on an annual basis in line with the LW.

Recommendation: The Panel recommends that any annual uplift should take effect from the **1st June**.

- **Special Responsibility Allowances (SRA's).**

Leader of the Council

The Panel recommends that the Leader of the Council should continue to receive an allowance based on a multiplier of the Basic Allowance. The current multiplier is 2 x Basic Allowance. Following evidence provided to the Panel in respect of the workload and complexity of the role and based on an analysis of comparative data from other similar (unitary) councils the Panel was of the view that the multiplier should be increased to 2.5 x the Basic Allowance.

Recommendation: The allowance for the Leader of the Council should be 2.5 x the Basic Allowance. 2.5 x £12,285= **£30,713**

Cabinet (Executive) Member

The Panel recommends that a Cabinet Member should continue to receive an allowance based on a multiplier of the Basic Allowance. The Current multiplier is 1x Basic Allowance. Following evidence provided to the Panel in respect of the workload and complexity of the role and evaluating comparative data from other similar (unitary) councils the Panel was of the view that the multiplier should be increased to 1.25x the Basic Allowance.

Recommendation: The allowance for a Cabinet Member should be 1.25x the Basic Allowance. 1.25x £12,285= **£15,336**

The Panel recommends that all other SRA's remain unchanged.

- **Co-opted Member/Independent Persons Allowance**

The Panel was of the view that the Co-opted/Independent Persons annual allowance should remain unchanged at £693 and any future increases should continue to be linked to the NJC pay awards for Local Government Employees.

The Panel was also of the view that for specialist support undertaken by the Independent Persons the Council should agree a daily or project rate on a project by project basis.

- **Carers' Allowance**

The Panel are of the view that the current allowance for Carers' of a maximum of £8.75, linked to the Living Wage was no longer fit for purpose and should be replaced by a more realistic allowance. The Panel recommend that the Carers' Allowance be increased so that claims can be made on an actual cost basis on provision of receipts and in the case of specialist care professional approval that such care is required. Payment will continue to be made based on undertaking actual approved Councillor Duties and will also include reimbursement of payment for reasonable travel time.

- **Communications Allowance**

The current allowance for communications telephone line rental and broadband of £15.00 per month should continue until the Council has confirmed to the Panel the approach to be taken to supporting the IT/communication requirements of members. Once a new framework for council communications is in place then the Council should request that the Panel consider an appropriate allowance to cover all aspects of communication e.g. broadband, IT hard ware/software and mobile communications.

- **Maternity, Paternity, Parental and Adoption Leave**

There is no uniform/national policy to support councillors who require maternity, paternity, adoption or parental leave. According to the Fawcett Society (2018 report) a '*lack of maternity/paternity provision or support*' is a real barrier for woman aged 18-44 to fulfil their role as a councillor.

Recommendation: The Panel therefore recommends that a policy/procedure be developed to ensure that Members continue to receive their allowances both Basic and SRA in full, and that a replacement would be appointed on a full SRA for the time of absence resulting from maternity, paternity, parental or adoption leave.

The Panel also recommends that during the period of maternity, paternity, parental or adoption leave that Members will not be required to attend committee meetings and their absence will not be recorded and the '6-month rule' in Section 85 of the Local Government Act 1972 will not apply

All other elements of the Members' Allowances scheme to remain unchanged

4. Considerations and Recommendations of the Panel

A. Basic Allowance

The Members' Allowance scheme was last reviewed in November 2014 and all the Panel's recommendations were agreed by Council.

As part of the 2014 review the Council supported the recommendation that the Basic Allowance be based on the Living Wage (LW). The Council currently supports the use of the LW for Council employees as a minimum standard and is also committed to encouraging employers across the city to commit to the LW as a basis for 'fair' pay. The use of the LW as the basis for determining the level of Basic Allowance has provided a medium term and sustainable approach for the Members' Allowance scheme.

The interviews with Members as part of this review found continued support for the use of the Living Wage as the criteria to determine the Basic Allowance. Also 74% of Members that responded to the questionnaire felt that the level of Basic Allowance was appropriate for the role.

The Living Wage (£8.75 per hour outside of London) is also considerably less than the median average hourly rate for Full Time Workers by place of residence. The current median average hourly rate in Southampton is £12.81 per hour (Official Labour Market Statistics, 2018).

The additional factor in calculating the Basic Allowance is the number of hours a Member undertakes on a weekly basis to undertake the role. The view of the Panel in relation to the weekly hours in 2014 based on feedback from the interviews and the findings of the Census for Local Authority Councillors 2013 (LGA) was that 27 hours was appropriate.

The Census reported that the average number of hours per week on council, group and party business was 25.1 hours. This figure increased to 30.9 hours for Members in large metropolitan councils e.g. Sheffield, Manchester and Leeds and fell to 20.6 hours in shire district councils. Based on a mid size unitary 'all purpose' council the Panel was of the view in 2014 that 27 hours per week was a good basis for determining the Basic Allowance.

The 2018 review found that although the number of hours spent varied from Member to Member the Members Allowance Questionnaire found the mean average hours to be 26 hours, based on 19 respondents.

**Members Allowances in Comparative Mid- Size Unitary Councils across England
(Table 1)**

Council	Basic Allowance	Leader of Council	Cabinet Member
Brighton & Hove	12,118	32,142 *	N/A
Bristol City	11,530	66,315**	N/A
Coventry City	13,687	24,618	10,937
Derby	10,076	30,229	15,115
Doncaster	12,363	18,453	12,363
Hull City	12,734	23,286	14,553
Milton Keynes	10,500	30,600	12,000
Plymouth City	10,472	28,597	19,533
Portsmouth City	10,955	19,719	7,669
Southampton City	12,285	30,713***	15,356***
Stoke- on –Trent	12,000	36,000	12,000
Sunderland City	8,369	37,667	25,111
Wakefield MBC	11,600	36,000	14,136
Average	11,367	31,969	14,342
Median	11,563	30415	13,250

*Leader in a Committee Council, not an Executive Leader

**Directly Elected Mayor

***Recommended allowance

Recommendation: That the Basic Allowance continues to be calculated based on the use of the LW as determined by the Living Wage Foundation www.livingwage.org.uk , currently **£8.75 per hour** (2017-18). The LW is currently reviewed on an annual basis during Living Wage Week (5th- 10th November 2018). The Basic Allowance continues to be calculated based on Members’ undertaking an average of **27** hours per week on council, ward group and party business. The recommended Basic Allowance is £8.75 x 27 hours x 52 weeks = **£12,285**. The Panel also recommends that any annual increase in the level of the Basic Allowance and other allowances take effect from the **1st June** each year.

B. Special Responsibility Allowances

In determining which roles merit an SRA the Panel was cognisant of the 2006 Statutory Guidance (May 2006, paragraphs 70 and 73) that states:

“SRAs 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”

When considering all the current roles at Southampton City Council that receive an SRA the Panel was of the view that all the roles continue to involve a *“significant additional responsibility”* that will lead them to receive an SRA.

Leader of the Council

The Panel was of the view that there should be no change to the criteria for calculating the Leader of the Council's allowance, a multiplier of the Basic Allowance. However, the Panel was of the view that the level of the multiplier currently 2x Basic Allowance resulted in an insufficient level of SRA for the Leader of the Council.

The view of the Panel was supported during all the interviews when Members across all groups expressed the view that the SRA for Leader was not commensurate with the workload, complexity and increasing expectations of the role.

The SRA for Leader of the Council is also currently low when compared to the comparative benchmark mid-size unitary councils. Across the benchmark councils (Table 1, page 6.) the SRA for Council Leader at Southampton City Council is currently in position ten of the thirteen councils.

The Panel was of the view that the role of Leader of the Council within a city of 253,000 residents was a full-time and increasingly challenging role. The current SRA for Leader of the Council was also below the median average salary for Southampton by place of residence, £27,081 (Official Labour Market Statistics).

The Panel was therefore of the view that in recognition of the workload and complexity of the role the SRA for Leader of the Council should be recalibrated and be based on a multiplier of 2.5 x the Basic Allowance.

This recalibration will increase the SRA for Leader of the Council to £30,713 and will place the role just above the median of £30,415 and below the average of £31,969 for the comparative benchmark councils (Table 1).

Recommendation: The SRA for Leader of the Council should be based on a multiplier of **2.5 x the Basic Allowance, 2.5 x £12,285= £30,713.**

Cabinet Member

The Panel was again of the view that there should be no change to calculating the criteria for calculating the SRA for Cabinet Member, a multiplier of the Basic Allowance. However, the Panel was of the view that the role of the Cabinet Member was an increasingly complex role with an increasing workload. It was also recognised that three current Cabinet Members are undertaking the role on a part time basis and were therefore receiving an SRA on a pro-rata basis.

During the individual interviews Members were of the view that the role of Cabinet Member was both complex, demanding in respect of workload and increasingly challenging. The panel was of the view that the differential between Council Leader and Cabinet Member should be maintained, this was based on the calculation that the Cabinet Member Allowance is 50% (half) of the Leader of the Council's allowance.

The Panel was therefore of the view that the multiplier for a Cabinet Member should be 1.25 x the Basic Allowance, the SRA for a Cabinet Member to be recommended at £15,356.

Recommendation: The SRA for Cabinet Member should be based on a multiplier of **1.25x the Basic Allowance, 1.25 x £12,285= £15,356**

Deputy Leader

In accordance with the Local Government and Public Involvement in Health Act 2007, the Council Leader is required to appoint a Deputy. The Panel considered whether an SRA should be paid to the Deputy Leader.

Recommendation: The Panel acknowledged the complexity and work load of the role of Deputy Leader but in accordance with previous reviews continues to recommend that as the role of the Deputy Leader has always been a Cabinet Member and has received an SRA for the Cabinet Member role then there should be no separate allowance for the role of Deputy Leader

Chair of Governance Committee

The Panel considered the allowance for the Chair of Governance Committee that since the last review in 2014 has now taken very recent responsibility for the remit of the Employment Committee. The Panel was of the view that it was too early to determine if the additional responsibilities and terms of reference have had an impact on the workload and complexity of the Committees work.

The Panel are therefore of the view that the role of Chair of Governance Committee should continue to receive an SRA at a rate like those of the other main committees, 0.5 of the Basic Allowance.

However, should the Panel within the next eighteen months be provided with information that demonstrates the workload and complexity of the committee has increased due to additional responsibilities then the Panel will re-evaluate the current SRA.

Recommendation: That the Chair of Governance Committee receive an SRA equal to the other main committees, **0.5 of the Basic Allowance, £6,143.**

Opposition Group Leaders.

In 2014 the Panel was of the view that the Opposition Group Leader should receive an SRA based on the number of Members within the group and this should be based on a per Member payment. The Panel are also of the view that the Leader of the Opposition Group should not receive an SRA greater than that of a Cabinet Member (1.25 x Basic Allowance) since the Cabinet Members are the key decision makers.

The Panel continue to recommend that the Opposition Group Leaders should receive an SRA equal; to 1/24th the Basic Allowance multiplied by the number of Members within their group. The figure 24 was chosen as it is half (50%) the number of all Members (48 Members).

Recommendation: The Panel continues to recommend that the SRA for the Opposition Group Leaders be based on the size of the opposition group. Each Opposition Group Leader should receive an allowance equal to 1/24th the Basic Allowance multiplied by the number of Members within the Group. This will continue to require a review after each election, by-election or should there be a vacancy in a ward or a defection to another party.

The current recommended Opposition Group Leader allowances are as follows:

Conservative Group Leader – 19 Members x £511.88 per Group Member = **£9,726**

Recommendation: The Panel recommends that all other SRA's should continue to be unchanged and based on the current criteria and formula for calculation.

C. Co-opted' and Designated Independent Persons Allowance

There are currently two co-opted on two committees who are entitled to the allowance of **£693** per annum and two Designated Independent Persons that receive an allowance to deal with matters where a Member may have breached the Code of Conduct, in accordance with the 2011 Localism Act. The two committees are:

- Governance Committee- There are two co-opted independent members of the Committee who are members of the public, openly recruited to serve a three -year term
- Overview and Scrutiny Management Committee (OSMC) – There are four co-optees, two church representatives and two governor representatives who are only entitled to vote on educational matters. The appointments are statutory but changes to the committee structure have impacted on the nature and level of their participation.

The Panel was of the view that the current allowance of £693 for the co-opted and Designated Independent Persons should be left unchanged. The Co-opted allowance should also continue to be increased in line with the NJC pay award for Local Government Employees.

The Panel was also of the view that should a Designated Independent Person be undertaking specialised work on behalf of the Council then a negotiated daily rate should be payable when required.

Recommendation: The current rate of the Co-opted and Designated Independent Persons allowance should continue at **£693** per annum with any future increases in the allowance to continue to be indexed to the NJC pay award for Local Government Employees.

D. Carers Allowance

Currently Southampton City Council provides a Carers' Allowance up to a maximum of £8.75 per hour (Living Wage) on production of receipts when a Member is undertaking approved Council duties.

The Panel was of the view that this is an insufficient amount for a Member with caring responsibilities to undertake the 'approved duties' and the current Carers' allowance could act as a barrier to members of the public considering standing for Council if the cost of care is not wholly met by the Council.

The Panel was therefore of the view that a ceiling on the reimbursement of care costs at the current rate of £8.75 per hour will lead to Members who require specialist and childcare support to undertake approved duties been out of pocket.

Both specialist care and childcare provision cost more than £8.75 per hour and the Panel was of the view that the Carers' Allowance should reimburse the actual cost of care upon production of receipts.

In the case of the reimbursement for the cost of specialist care the Panel was of the view that medical evidence that this type of care is required should also be provided and then approved by a designated officer of the Council

Recommendation: The Panel recommends that care provision should be reimbursed at cost upon production of receipts and in the case of specialist care medical evidence that this type of care is required should be provided to and approved by a designated officer of the Council.

The Carers' Allowance policy should also be promoted to all Members following an election and to all prospective and selected candidates for Council prior to an election.

E. Maternity, Paternity, Parental and Adoption Leave

There is no uniform /national policy to support councillors who require maternity, paternity, adoption or parental leave. According to the Fawcett Society (*Does Local Government Work for Women, 2018*) a '*lack of maternity, paternity provision or support*' is a real barrier for women aged 18-44 to fulfil their role as a councillor.

The Panel considered the Members Allowance Schemes in the London Borough of Islington and the London Borough of Hammersmith and Fulham who both have within their schemes a policy and procedure to support Members who are absent due to maternity, paternity, adoption and parental leave. Although the Panel did not wish to stipulate an exact policy/procedure to be followed the Panel was of the view that the '*6-month rule*' in *Section 85 of the Local Government Act 1972* should not impact on Members who had to take a period of absence in respect of maternity, parental or adoption leave. This rule stipulates that if a Member does not attend Council for six months they lose their position unless the council has approved their absence.

The Panel was also conscious that the percentage of female Members at Southampton City Council (27%) was below the national average of 33% and introducing a policy and procedure to support Members who require maternity, parental and adoption leave may act as an incentive and reduce the barriers to standing for Council.

Recommendation: The Panel recommends that a policy/procedure in relation to Maternity, Paternity, Parental and Adoption Leave should be included within the Members Allowance Scheme that ensures:

- Members continue to receive the Basic and SRA in full during a period of absence
- A replacement be appointed on the full SRA to cover the period of absence and;
- Members will not be required to attend committee meetings and their absence will not be recorded and the '*6-month rule*' in Section 85 of the Local Government Act 1972 will not apply

F. Communications

The Council's current policy and approach to communications that includes telephone, mobile communication, broadband and IT software/ hardware was due to be reviewed as part of the Council's Transformation Programme, however this review and the subsequent recommendations have yet to be undertaken.

The current Members' Allowances scheme in respect of communications that includes telephone line rental, broadband and mobile communication is reimbursed at a rate of £15.00 per month, an allowance payable to all Members.

The Panel was of the view that the current allowance in terms of its scope e.g. the current lack of an allowance for and the provision of a mobile/ smartphone and/or a lap top or tablet computer was unacceptable and could be a barrier to a Member carrying out the role effectively.

However, the Panel was aware that the strategic review of communications had yet to be undertaken and therefore the Panel was of the view that it would not be right time to recommend any changes to the current scheme of allowances. Once the review and

subsequent recommendations have been agreed and implemented the Panel would like to convene to determine an appropriate communications allowance.

Recommendation: The current allowance of **£15.00 per month** for telephone line rental and broadband to remain unchanged until the approved recommendations of a communications review are implemented. Once the recommendations of communications review are implemented then the Panel will convene to determine and recommend an appropriate communication allowance. The Panel encourages the completion of this review by October 2020.

G. Travel and Subsistence.

The Members' Allowances scheme reimburses travel by car at the HMRC Approved Mileage Allowance Payment. Subsistence rates for undertaking 'Approved Duties' are adjusted in line with the rate for City Council employees.

Recommendation: The current approach to travel continues to be reimbursed at the HMRC Approved Mileage Allowance Payment and subsistence rates continue to be in line with the rate for Council employees.

H. The One SRA Only Rule

The 2003 Members' Allowances Regulations do not limit the number of SRA's an individual Member can receive. Nevertheless, it is common and established good practice in most councils to have a 'One SRA only' rule set out in their allowances scheme. Southampton City Council has in a previous review adopted this good practice approach

Recommendation: The one SRA only rule per Member should continue to be implemented

I. Maximum Number of SRA's Payable

In accordance with the 2006 Statutory Guidance (paragraph 72) it is recommended that no more than 50% of a Councils Members should receive an SRA at any one time, in the case of Southampton City Council this would be 24 Members. The Council currently adheres to the Guidance with just seventeen Members (35%) receiving an SRA.

Recommendation: The Panel recommends that no more than 50% of the Council Members (currently 24) should receive an SRA at any one time.

5. Implementation of the Recommendations

As permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) it is recommended that the new Members' Allowances scheme as recommended in this report is implemented from 1st June 2019.

Appendix 1

Recommendations of the Panel – Members’ Allowance Scheme for Implementation from June 2019

Allowance Scheme	Current Allowance (£) 2009 rate payable	Recommended Allowance (£)	Recommended Allowance Calculation
Basic Allowance	12,285	12,285	Living Wage x 27hours x 52 weeks
Leader of the Council	24,570	30,713	2.5 x Basic Allowance
Cabinet Member	12,285	15,356	1.25 x Basic Allowance
Chair of Planning	6,143	6,143	0.5 x Basic Allowance
Chair of Licensing	6,143	6,143	0.5 x Basic Allowance
Chair of OSMC	6,143	6,143	0.5 x Basic Allowance
Chair of Health Scrutiny Panel	3,073	3,073	0.25 x Basic Allowance
Chair of Children and Families Scrutiny Panel	3,073	3,073	0.25 x Basic Allowance
Opposition Group Leaders	9,726	9,726	Based on a per Group Member figure (1/24 th of the Basic Allowance)
Chair of Governance Committee	6,143	6,143	0.5 x Basic Allowance
Independent Persons	693	693	To increase in line with NJC pay awards
Carers Allowance	8.75 per hour Living Wage	To be reimbursed at cost	To be reimbursed at cost upon production of receipts
Communications	15.00	15.00	Per month
Travel	45p	45p	HM Revenue and Customs Rate. Per mile for the first 10,000 miles
Maternity, Paternity, Adoption and Parental Leave			Members to continue to receive the Basic and any SRA’s during the period of absence and the ‘6-month rule’ Section 85 of the 1972 LG Act will not apply