

**A Review
Of
Members' Allowances
For
Milton Keynes Council**

**The Fifth Report by the
Independent Remuneration
Panel**

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November 2009

Foreword

This is the fifth review by the Independent Remuneration Panel (IRP or Panel) for Milton Keynes Council. The first review was undertaken in November 1996 by a non-statutory Panel and was very much a forerunner of the statutory Panels that now advise all local authorities in England on their allowances schemes. The 1996 review established an allowances scheme that was a precursor to all main allowances currently payable by abolishing the attendance allowance and making the Basic Allowance the main allowance received by the (then) vast majority of elected Members.

The second review was undertaken in December 2001 (with a Report produced in January 2002) as a statutory requirement, which was part of the wider implementation of the modernisation agenda arising out of the Local Government Act 2000. The 2002 report made recommendations, which the Council broadly accepted, and set the broad framework for the present allowances scheme.

The third review in October 2003 was required (as were all local authorities) under the *Local Authorities (Members' Allowance) (England) Regulations 2003*¹ and subsequent amendments. These Regulations mandated all local authorities to establish and convene an advisory Independent Members' Allowances Panel to make recommendations on certain associated allowances such as travel and subsistence, Co-optees' allowances, and pensions for Councillors before 31 December 2003. The 2003 review also tasked a new Panel to review the range and levels of the Basic Allowance and Special Responsibility Allowances (SRAs) in light of experience of the new system of local government. This review is the basis of the current Members' Allowances Scheme for Milton Keynes Council in that the scope and levels of allowances have simply been amended and uplifted since then.

The fourth and previous review (2006) was undertaken as part of the tri-annual review of allowances which is now Council policy. It did not alter the current framework of allowances, partly because some key recommendations were not accepted and partly because the other accepted recommendations were amendments rather than radically changing the scheme.

Similarly, this review arises out of the tri-annual cycle of allowances reviews for Milton Keynes Council. While the Panel feels that a more fundamental review of the allowances scheme is required it is not the time to do so considering the wider concerns surrounding politicians' remuneration. Consequently, this review is concerned with addressing anomalies within the current scheme while not significantly impacting upon the total monies spent on Members' Allowances, and without losing sight of the original guiding principle of reducing barriers to public service.

Dr Declan Hall
Independent Remuneration Panel Chair

November 2009

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

Independent Remuneration Panel

A Review of Members' Allowances

for

Milton Keynes Council

The Regulatory Context and Terms of Reference

1. This report is a synopsis of the proceedings and recommendations made by the Independent Remuneration Panel (the Panel) appointed by Milton Keynes 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)* to make recommendations to the Council on a new scheme of Members' Allowances. These Regulations, which arise out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to set up and maintain an advisory Independent Members' Remuneration Panel to review and provide advice on Members' Allowances. 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.

Terms of Reference

3. The Panel was given a general terms of reference, namely to:
4. To undertake a review of, and make recommendations to the Council on the Members Allowance Scheme including:
 - the amount of Basic Allowance that should be payable to elected Members;
 - the responsibilities or duties which should lead to the payment of a Special Responsibility Allowance (SRA) and the amount of such an allowance;
 - the duties for which a Travelling and Subsistence Allowance can be paid and the amount of this allowance;
 - the level of allowance paid to co-opted members of the Council's committees, including independent members of the Standards Committee, which mirrors that paid to elected members
 - whether the Council's Scheme of Allowances should include an allowance in respect of the expenses of arranging for the care of children and other dependants, and the means by which it is determined

- whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended
- whether annual adjustments of allowances levels may be made by reference to an index, and if so, for how long such a measure should run
- which members of the Council are entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972
- how the Basic Allowance and Special Responsibility Allowance should be treated if such pensions are payable
- the level of allowance paid to the Chair and Vice Chair of the Council (i.e., the Mayor and Deputy Mayor) for the purpose of meeting the expenses of those offices (i.e., the Mayoral Allowance)
- the level of travelling and subsistence allowance for members of the Independent Education Appeals Panels

The Panel

5. Milton Keynes Council convened its standing Independent Remuneration Panel, with the following appointments:
 - Gavin W H Anderson, Director of MK CVO, Grants Panel Milton Keynes Community Foundation, Founder FringeMK, founder Celebr8 MK.
 - Dr Declan Hall, Chairman, Institute of Local Government, The University of Birmingham, an academic specialising in Members' Allowances and support.
 - Peter Taylor, resident.
6. The Panel was supported by Elizabeth Richardson, Member Services and Support Officer, who acted as the 'Panellists' Friend', and whose role was to take the organisational lead in facilitating the work of the Panel.
7. The Panel would like to record its gratitude to the Members and Officers of Milton Keynes Council for making themselves available to talk to the Panel and supporting the work of the Panel.

Process and Methodology

8. The Panel met at the Civic Offices, Milton Keynes on the following dates:
 - 28th September 2009
 - 6th November 2009
 - 13th November 2009
 - 19th November 2009
9. The Panel meetings were in closed session to enable the Panel to interview Members in confidence and hold its deliberations in private. The names of elected Members of the Council and Officers who met with the Panel are in Appendix One, including any written submissions.
10. The Panel's activity fell into four areas:

- **One:** Review of the background and contextual information on Milton Keynes Council and relating to the issues of concern, i.e., recent changes in political structures, allowances schemes from comparator authorities and previous allowances reports for the Council – see Appendix Two and Three for full list of information considered by the Panel.
 - **Two:** Interviews with Members and Officers of the Council
 - **Three:** Review of oral and written submissions and analysis of allowances schemes from South East Employers Unitary Authorities Members' Allowances Survey and 2008 IDeA Survey of English Unitary Authorities Allowances Schemes. The Panel took into account practice elsewhere for bench marking purposes insofar it was able to obtain relevant information.
 - **Four:** Arriving at recommendations; and the drafting and redrafting of report to the agreement of the Panel.
11. 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 Statutory Guidance and 2003 Regulations. The 2003 Members' Allowances (England) Regulations establishes the limits for the Panel, i.e., attendance allowances cannot be paid, all Members must receive a Basic Allowance that is equal in value, and express authority is granted to vary the terms and conditions for claiming the travel and subsistence allowances, or retaining them at all. Within the legislative context the Panel has an obligation to pay regard to the statutory guidance which, for instance mandates, certain considerations for Panels in reaching their recommended Basic Allowance but provides suggestions in reaching an appropriate level for the Leader's SRA.
12. The next level of evidence considered by the Panel was the representations made by the Group Leaders and other elected Members. The interviews obtained the views of the groups on the Council and the wider membership and they were utilised to act as a 'sounding board' to suggestions and ideas from members of the IRP as well as give the Panel a qualitative feel of the issues facing elected Members.
13. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in Milton Keynes Council against those paid in other unitary authorities both nationally and regionally. The Panel was not driven by allowances paid in the comparator groups of authorities but has been at the very least concerned to ensure that Milton Keynes Council was not out of line with the scope and levels of allowances currently paid in these two comparator groups – regional and national.

Principles of the Review

14. The Panel, as far as possible, sought to identify anomalies in the current scheme insofar the level and scope of allowances currently payable in Milton Keynes Council might present barriers to under represented groups standing for council. At the same time the Panel recognises that particularly in the present climate there are financial constraints facing not just Milton Keynes Council but the people of Milton Keynes, and this context must be recognised. As such, while the Panel recognises the need to exercise financial responsibility this needs to be balanced against the need to support proper democratic representation.

15. Within this context the Panel has also sought to make the scheme as simple and transparent as possible both in terms of understanding what allowances are paid and why, but also in terms of ease of administration both for Members and Officers.

The Evidence Reviewed: Findings

Key Messages and Observations

The Comparative Picture – A High Paying Scheme

16. As a general comment, the Panel notes that the sums payable in the allowances scheme for Milton Keynes Council are at the upper end of the range of allowances paid in the other South East Unitary Authorities and even more so when compared to the national picture vis-à-vis English Unitary Authorities. This in itself is not a strong reason to simply reduce allowances but it does mean that a strong case would have to be made to increase allowances. However, if the recommendations of the Panel are accepted in totality the total sum payable in allowances will result in a minor decrease.

The Milton Keynes Council Model of SRAs – Majority in Receipt of a SRA

17. The number of SRAs payable in Milton Keynes when compared to those paid in other comparator authorities are more. Milton Keynes pays the majority of its Members a SRA whereas most of the other comparator authorities do not. The IDeA 2008 Members' Allowances Survey reports that just over 50% of Members nationally are in receipt of a SRA. Moreover, it is regarded as bad practice to pay the majority of Members a SRA. There was mixed messages from the interviewees on this practice. While the Panel understands that there is a case to pay the large number of SRAs in a context of no overall control the Panel does not support this approach – see below.

Limited Change since Previous Review

18. A question the Panel asked was what has changed since the previous review? The answer is while there have been changes which affect the ordinary Member there have not been many significant changes within the structures of the Council and in how the Members operate that necessitate a fundamental review of the current scheme at this time.
19. What the Panel identified as the key changes were similar to some of the likely changes identified as likely developments in previous reviews, but interestingly not to the extent that was anticipated by the government.
20. The Panel through its discussions with Members and Officers obtained the strong impression that the wider membership is now engaged in the work of the Council through overview and scrutiny committees. In particular, there is an anticipation that this will come about through the greater use of Overview and Scrutiny Task and Finish Working Groups and bringing the ordinary Members more closely involved in the strategic direction of the Council.

21. Conversely, the new powers of all Councils to institute the processes for a Community Call for Action has yet to be fully realised, but that is more a result of the government not giving firm direction rather than an indictment on Milton Keynes Council – such is the case throughout English local government.

Broad acceptance within Milton Keynes Council of current Allowances Spend

22. These general observations reinforce a major theme emerging from interviews: that the current review of the Milton Keynes Council allowances scheme should not result in a significant, or indeed any, increase, in the current spend on Members Allowances. While it was felt there was a need to break the current scheme down and rebuild it, as it has not been fundamentally done so in over 6 years, that for the purpose of this review at least the prime task was to review anomalies within the current total spend.

Recommendations

Option A: Keep Group Representatives' SRAs and Decrease Basic Allowance

23. The Panel did consider the option of retaining the Group Representatives' SRAs while decreasing the Basic Allowance. Yet on balance, the Panel received no evidence to suggest that the role of the backbencher had got smaller. If anything, it is marginally larger since the previous review. Consequently the Panel rejected this approach as the weight of evidence received was overwhelmingly in favour of taking the opposite approach – see below.

Option B: Removing the SRAs for Group Representatives/Vice Chairs

24. The current scheme of allowances provides for 39 SRAs payable out of 51 Members, which means almost 77% of the membership are eligible for a SRA. The reality is that this percentage is not actually paid a SRA, due to the one SRA only rule: when a Member holds more than one post eligible for a SRA only the highest is paid. Still, the vast majority of Members are still in receipt of a SRA, mostly through the payment of 14 Overview and Scrutiny Group Representatives, paid to the group spokespersons on each Overview and Scrutiny Committee, and 2 more on the Audit Committee. The Panel is cognisant of the argument for the deployment of these SRAs – they assist with the efficient operation of business in a no overall control situation for Overview and Scrutiny, and the same with Audit.
25. However, the Panel has decided to recommend the discontinuation of the Group Representatives' (recently renamed Vice Chairs) SRAs for the following reasons:

Consistent Recommendation from the Previous Panel

26. The Panel notes that the previous Panel Reports in October 2003 and in December 2006 recommended that the Spokespersons' SRA for Overview and Scrutiny (which were the only ones payable as the Audit Committee did not exist then) be discontinued on the grounds that it felt Overview and Scrutiny should be above political consideration and that it led to the context whereby the majority of Members were in receipt of an SRA. This Panel concurs with the view of the two previous Panels.

Inconsistent Application of the SRA

27. The argument expressed to the Panel that the Group Representatives' SRA facilitated the efficient undertaking of Overview and Scrutiny was not expressed in relation to Audit where the same arrangements exist. Moreover, the Panel heard very little representation that SRAs should be paid for Group Representatives on Licensing and Development Control. Therefore, the selective application of the SRA somewhat undermines the argument for it.

The views expressed by the Interviewees

28. There was not a unanimous view that the Group Representatives' SRAs should be retained. While a significant minority of the representations made to the Panel, both written and oral, argued for its retention and in a couple of cases for its extension, on balance there was a view that accepted too many SRAs were being paid in Milton Keynes, although this majority view did not necessarily translate into the next logical step and accept the obvious place for cutting back on SRAs was the Group Representatives. Nonetheless, the main view was that there are too many SRAs paid and the obvious place to cut back on them was with the Group Representatives.

The Wider Role of the Membership in Overview and Scrutiny

29. The organisation of Overview and Scrutiny is changing in that more work will be undertaken through task and finish working groups – and as such there may be a case to recognise the efficient operation of overview and scrutiny through a SRA to the Working Group Chairs (see below) rather than through Group Representatives. Moreover, there is an obligation on all Overview and Scrutiny Members to ensure its efficient operation in a no overall control context, and similarly on all other committees. As such, some of the monies applied to the Group Representatives' SRAs might be more appropriately allocated to the Basic Allowance – see below.

The Statutory Guidance

30. The Panel has an obligation to take heed of the *New Council Constitutions: Guidance on Regulation for Local Authority Allowances*, republished by the Department for Communities and Local Government on 5 May 2006.
31. While the Regulations do not expressly prohibit the majority of a Council's membership receiving a SRA there are two aspects of the Statutory Guidance that the Panel has to be cognisant of, namely paragraphs 70 and 72:

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.

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.

32. The statutory guidance is clear that the payment of SRAs is for *significant* responsibility, a test that is not met by the Group Representatives, and that the payment of SRAs to a majority of members is one that is hard to publicly justify to the electorate
33. Consequently the Panel recommends that the 16 SRAs of £1,093 paid to each of the Group Representatives are discontinued and the bulk of savings (£17,488) is distributed between the Basic Allowance and the SRAs of the 5 Chairs of the Scrutiny Committees and Chair of the Overview and Scrutiny Management Committee – see below.

The Basic Allowance

34. The Panel has decided to apply some of the monies saved from the recommendation to discontinue the SRA for Group Representatives to the Basic Allowance to recognise the wider role of the Membership in a no overall control situation. It has simply uplifted the Basic Allowance by £200, which results in an additional spend of £10,400 (51 Members X £200) out of the £17,488 saved.
35. Thus the recommended Basic Allowance for 2010/11 is £9,863, the current Basic Allowance (£9,663) uplifted by £200.

Benchmarking/Triangulating the Recommended BA

The Statutory Guidance

36. The Statutory Guidance is very specific on the questions a Panel must consider when arriving at the recommended Basic Allowance:

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.²

37. The underlying approach in setting the recommended Basic Allowance is based on the above statutory guidance as published by the Department for Communities and Local Government (DCLG), par. 67. As a result, the Panel is under a duty to arrive at answers for the following three variables³ when setting and recommending an appropriate Basic Allowance:

- I. Time required to fulfil roles of ordinary Member
- II. The voluntary principle, the notion that part of the time put in by a Member in their back bench roles should be unremunerated, often known as the Public Service Discount (PSD)
- III. The worth of a backbench Member's time, or the rate for remuneration

38. The Basic Allowance was never explicitly worked on this basis so the Panel has placed the following value on the 3 variables the Panel has to consider in arriving at a recommended Basic Allowance:

² Department for Communities and Local Government, *New Council Constitutions: Guidance on Regulations for Local Authority Allowances*, London: TSO, May 2006, par 67.

³ For further details see *Guidance on Regulations for Local Authority Allowances*, May 2006, pars. 68-69.

I. Time required to fulfil back bench roles = 140 days annual equivalent

The 2003 Panel acknowledged that the role of the back bench councillor was at least 60 hours per month, or at least 90-95 days per year. The 2008 Improvement and Development Agency (IDeA) census of Councillors shows that Councillors not in senior positions put in at least 22 hours per week, but that includes all types of councils. The Panel has translated this research by the IDeA into just over half a working week, or the equivalent of 140 days per year.

II. Public Service Discount: = 30%

There was never any expressed public service discount in the work of previous Panels, although the 2003 Panel made the assumption that anything over 60 hours per month was the voluntary element or public service.

However the common discount applied in English authorities is around 30%. In other words, of the 140 days expected time input, one third has been conceptualised as public service, which translates as 42 days, with 98 being left as the remunerated time.

III. Rate for the Job = £100 per day

Again this has never been explicitly recognised in the work of previous Panels but this Panel notes that the Local Government Association (LGA) provides advice on what the daily worth of a Councillor may be, called the 'daily session' rate is currently £149.34 per day⁴. However, the Panel was not content with this figure as it bears little relationship to the income of the residents of Milton Keynes. Instead the Panel has chosen to link the rate for the job to the median income of Milton Keynes residents, which as published ONS for 2009 is £26,157 (all full employees), which the Panel has translated into £100 per day.

A Recommended Basic Allowance by following the Statutory Guidance

39. Thus, following the statutory guidance with the variables outlined above produces the following Basic Allowance:

- Time for the job: 140 equivalent days per year
- PSD: 30%
- Rate for the Job: £100 per day

40. These variables can be expressed in the following formula:

- 98 remunerated days per year X £100 per day
- = £9,800

41. The Panel notes that this approach is so close to the recommended Basic Allowance above that it confirms the initial recommendation.

⁴ LGA, LGAlert 90/09, Members' Allowances – Daily Rate, 6 May 2009

Benchmarking the Basic Allowance

42. The Panel notes that the recommended Basic Allowance of £9,863 is higher than the average Basic Allowance paid in comparative authorities – see table 1 below.

Table 1: Basic Allowances paid in comparator authorities groups

Comparator Group of Authorities	Average Basic Allowance
Milton Keynes 09/10	£9,663 Actual
IDeA Survey - All Unitary Councils Nov 2008	£8,076
South East Employers Survey – South East Unitaries Nov 2008	£8,760

43. Nonetheless, the Panel is content with the recommended level of Basic Allowance for Milton Keynes Council Members. Even though it is comparatively high it is by no means the highest, which is Brighton and Hove City Council with a £11,205 Basic Allowance (2008/09). Moreover, Milton Keynes Members are facing pressures of dealing with the growth agenda and are in a very large Unitary Authority. Finally, the figure arrived at by following the Statutory Guidance further confirms the Panel's initial tentative recommendation.

Other Special Responsibility Allowances

The Leader

44. The Panel considered the case for reviewing the SRA for the Leader of the Council and felt there was no case to do so. It is noted that the current SRA for the Leader is above the average paid in all comparator groups. The closest comparator group with the most up to date information – SEE Survey November 2008 – shows that the average is affected by a very low Leader's SRA for Wokingham, which is £16,000. The median figure for the same comparator group is over £24,000.

Table 2: Leader's SRA paid in comparator authorities groups

Comparator Group of Authorities	Average Leaders' SRA
Milton Keynes 09/10	£29,332 Actual
IDeA Survey - All Unitary Councils Nov 2008	£22,477
South East Employers Survey – South East Unitaries Nov 2008	£23,323

45. The Panel is satisfied with the current SRA paid to the Leader on the grounds that it is a full time equivalent role and the fact that the Leader is the main Member who has to cope with and lead the growth agenda for Milton Keynes.
46. The Panel recommends no change to the SRA for the Leader of the Council.

Other Cabinet Members

47. The current SRA payable for the other Cabinet Members is £12,422 for 6 members. The 2003 review based the SRAs for Cabinet Members on a total pot payable to be divided by the number of Cabinet Members, thus if the Cabinet membership is decreased their SRA goes up and vice versa.

Table 3: Cabinet Members' SRAs paid in comparator authorities groups

Comparator Group of Authorities	Average Cabinet Members' SRAs
Milton Keynes 09/10	£12,422 Actual
IDeA Survey - All Unitary Councils Nov 2008	£11,613
South East Employers Survey – South East Unitaries Nov 2008	£11,120

48. The Panel feels this approach undermines the role of Cabinet members and does not recognise the changing dynamics of local government and the fact for instance that government enact legislation that enhances the collective responsibility of the Cabinet, which may not be reflected in the current static methodology.
49. Moreover, the 2006 review did recommend a fixed figure for Cabinet Members' SRAs, which was £11,761, which would be in line with this Panel's recommendation once indexation is taken into account. The Panel also notes that this figure is only slightly higher than that paid in the comparator groups of authorities – see table 3 above.
50. The Panel recommends that the current SRA payable to Cabinet Members should be fixed at £12,422, regardless of Cabinet size (which is capped at nine members plus Leader by statute, so a built-in maximum is integral to this recommendation in any case – but one imposed by statute rather than the Panel).

The Chairs of Overview and Scrutiny

The Chairs of Overview and Scrutiny Select Committees (5)

51. This is the main SRA payable in Milton Keynes that is below the average paid in comparator authorities, although it is noted that Milton Keynes does have extensive overview and scrutiny arrangements – see table 4 below.
52. The Panel notes that the 2003 review recommended the SRAs for the Overview and Scrutiny Chairs should be uplifted to £7,000 (which was not accepted) although interestingly the 2006 review did not recommend any increase. The Panel feels that the 2003 review was nearer the mark in its recommendations for the SRAs for the Chairs of the 5 Overview and Scrutiny Committees, particularly as there has been a decrease in the number of such committees since the previous review.
53. The Panel has simply decided to uplift the 5 Chairs of the Overview and Scrutiny Committees' SRAs by £1,000, taken from savings from abolishing Overview and

Scrutiny Group Representatives' SRAs – see above, which would still leave the actual SRAs payable below the average in the comparator groups of authorities.

54. The recommended SRAs for the 5 Chairs of the Overview and Scrutiny Committees is £6,386

Table 4: Chairs of Overview and Scrutiny SRAs paid in comparator authorities groups

Comparator Group of Authorities	Average Overview and Scrutiny Chairs' SRAs
Milton Keynes 09/10	£5,368 Actual
IDEA Survey - All Unitary Councils Nov 2008	£7,553
South East Employers Survey – South East Unitaries Nov 2008	£6,591

Chair of Executive Scrutiny Panel

55. Currently the Chair of the Executive Scrutiny Panel receives the same as the Chairs of the Overview and Scrutiny Select Committees, which is £5,368. The Panel received a degree of evidence, although not overwhelming, to decrease it as the role is very focused rather than multifaceted as with the Overview and Scrutiny Committee Chairs. The view emerged that as this Panel dealt with the call-in function it meets as and when necessary (which is not a lot recently) and only then dealing with a specific issue. Although it needs to be pointed out it could potentially meet more often, and when it does, call-in of executive decisions is an important part of the democratic process that should not be underestimated.
56. Nonetheless, the Panel agreed with the evidence received that the SRA for the Chair of the Executive Scrutiny Panel should not be on a par with the Overview and Scrutiny Chairs, and consequently has decided to reduce it by £1,000 to reflect the evidence received by the Panel.
57. The recommended SRA for the Chair of the Executive Scrutiny Panel is £4,368. The Panel will revisit this SRA if the call-in function becomes more active in Milton Keynes Council, particularly in light of recent legislation, namely the Local Democracy, Economic Development and Construction Act.

Chair of Overview and Scrutiny Management Committee

58. Representation received by the Panel supported the increase of the SRA for the Chair of Overview and Scrutiny Management Committee (O&SMC). It was argued that as the overall committee in charge of the Council's overview and scrutiny programme and its effectiveness it should be recognised as a 'first amongst equals.'
59. The Panel supports this view, which is partly aspirational in light of impending legislation – see above paragraph – and feels that it will be vital in ensuring the new scrutiny arrangements enshrined in legislation are supported. As such, the Panel has simply decided to uplift this SRA by £2,000, which is still less than the SRA for the

Chairs of the main regulatory committees and comes from the savings from recommending discontinuation of SRAs for Group Representatives.

60. The recommended SRA for the Chair of the Overview and Scrutiny Management Committee is £7,368.

Chairs of Overview and Scrutiny Task and Finish Working Groups

61. The Panel was informed that the Council intends to make greater use of Task and Finish Working Groups in the Overview and Scrutiny process and further representation that the Chairs merit a SRA. The Panel notes the representation, yet has declined to make recommendations at this stage as it is too early to gauge their worth. Once experience of the Overview and Scrutiny Task and Finish Working Groups has been gained the Panel will give a more informed view.

Other SRAs

62. Panel received no evidence to give serious consideration to the other SRAs currently payable, namely the Chairs of the Development Control and Licensing and Regulation Committees and recommends that these SRAs remain unaltered, bar the application of the annual index. The Panel also recommends that the current formula for the calculation of Opposition Leaders' SRAs remains in place, namely £614 per group member, bar the application of the annual index.

The Co-optees' Allowances: Chair & Independent Members on Standards

63. The Panel received no evidence to indicate the current Co-optees' Allowances payable (£3,226 for the Chair of Standards – see table 5 below – and £634 for other independent members on Standards) payable in Milton Keynes Council need revising and the Panel recommends no change to the Co-optees' Allowances.

Table 5: Chairs of Standards Committee Co-optees' Allowances paid in comparator authority groups

Comparator Group of Authorities	Average Co-optees Allowance for Chairs of Standards Committees
Milton Keynes 09/10	£3,226 Actual
IDeA Survey - All Unitary Councils Nov 2008	£3,456
South East Employers Survey – South East Unitaries Nov 2008	£1,740

Independent Members appointed to School Appeals Panel

64. The Council has a statutory obligation to appoint independent members to its School Appeals Panel. Panel members are eligible to receive travel and subsistence allowances under regulation 7 of the Appeals Regulations and in line with sections 173 and 174 of the Local Government Act 1972. They can also be compensated for

any loss of earnings or any individual expenses, including child minding costs that are necessarily incurred as a result of attending an appeal panel or associated training. The payment is set by the local authority which must have regard to the recommendations of its independent remuneration panel, as provided for in the Local Authorities (Members' Allowances) Regulations 2003. These provisions apply where appeal panels are arranged by either the local authority or by the governing body of a school. Governing bodies should pay expenses at the rate set by the local authority which maintains the school, or in whose area an Academy is situated⁵. It is normally called a Financial Loss Allowance.

65. The Panel has notionally related the Basic Allowance to the median weekly salary in Milton Keynes for all full time employees in 2009 of £500 (See 2008 Annual Survey of Hourly Earnings Table 8.1a). The Panel has equated this to £100 per day and recommends the following remuneration for independent members on Milton Keynes Council School Appeals Panel:

Full day:	£100
Half day:	£50

Mayoral Civic Allowances

66. The Mayoral Civic Allowances are outwith the scope of a Members' Allowances Scheme and normally not the concern of the Panel. However, the Council has historically asked the Panel to give advice to the Council on the Mayoral Civic Allowances and has done so again this time round. The Panel notes that previously the Panel has recommended setting the Mayoral Allowance at the same level as that paid to Cabinet members, with half that figure paid to the Deputy Mayor. The Panel confirms this approach.
67. The Panel recommends the following Mayoral Civic Allowances to be paid to:

- Mayor: £12,422
- Deputy Mayor: £6,211

The Dependants' Carers' Allowance (DA)

68. The Panel notes that in compliance with good practice the Dependants' Carers' Allowance scheme differentiates between child care and other dependants. However, the child care element of the scheme only provides for a rate of 5.05 per hour, which is below minimum wage and does not necessarily promote good practice.
69. The Panel recommends that the DCA should pay and be indexed to the following rates

Child care: minimum wage applicable the age of the carer, which at 1 October 2009 were:

- £5.73 per hour (22 years and over)

⁵ See School Admissions Appeals Code January 2008, page. 16, paragraph 1.39 (TSO)

- £4.77 per hour (18 – 21 year olds)
- £3.53 per hour (for workers under 18 who are above compulsory school leaving age)

Other Dependants: £10 per hour, or the applicable rate for the hourly cost of Milton Keynes Council Home Help carer, whichever is the less

Approved Duties for Dependents' Carers' Allowance

70. The Panel notes that the approved duties, for which the DCA may be claimed, unlike travel and subsistence allowances, are proscribed by statute. Specifically the 2003 Regulations state the following

7. - (1) A scheme may provide for the payment to members of an authority of an allowance ("dependants' carers' allowance") in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred in -

(a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;

(b) the attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that -

(i) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or

(ii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;

(c) the attendance at a meeting of any association of authorities of which the authority is a member;

(d) the attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;

(e) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;

(f) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;

(g) the performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and

(h) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.

71. The Panel advises the Council to review its approved duties for the DCA to ensure they conform with the statutory requirements.

The Local Government Pension Scheme

72. The Panel confirms the right of the Council to decide whether Members are able to join the Local Government Pension Scheme (LGPS).

Travel and Subsistence Allowances

73. At present Members can claim mileage and other travel and subsistence allowances at the same rates that are applicable to Officers. The Panel received no evidence or representation to suggest that this practice was no longer appropriate.

74. The Panel confirms the current rates, and terms and conditions applicable to the travel and subsistence allowances scheme for Members attending approved duties as currently defined.

75. The Panel further recommends that the Council introduces further mileage rates to ensure completeness of the travel allowances scheme are included:

- Bicycle allowance: 20p per mile
- Motor cycle allowance: 24p per mile
- Passenger supplement: 5p per mile

76. The additional recommended mileage rates are based on HMRC (Authorised Mileage Allowance Payments – AMAP) rates and therefore are not liable to tax or national insurance.

Mileage Rates for use of Electric or Plug-In Hybrid Vehicles

77. The Panel notes that Milton Keynes has been chosen as one of the nine cities and towns across the UK to pilot a new project aimed at making it easier for people to use electric and plug-in hybrid electric vehicles. The Joined-Cities Plan announced on 9 September 2009 by the Energy Technologies Institute (ETI) aims to help cities across the UK to deploy a cost effective and compatible network of recharging points. The £11 million Plan has been created to help support the roll-out of a single national network that will ultimately enable plug-in vehicles to be easily used and recharged anywhere, including the home.

78. The Panel considered making recommendations for an appropriate mileage rate for Members undertaking approved duties while using an electric or hybrid plug-in

vehicle. However there is no agreed standard on the cost of using such vehicles. Moreover, it will be at least a few years before the scheme is fully up and running. Therefore the Panel has decided to defer a recommendation on this issue until actual experience can provide meaningful data upon which to make a decision.

Indexation

79. The Panel recommends that the following indices are included in the scheme for the next four years:

- **The Basic, Special Responsibility and Co-optees' Allowances:** indexed to the annual local government staff percentage increase as agreed each April by National Joint Councils for Local Government Staff.
- **The DCA:** indexed to the maximum hourly rates for minimum wage for age of carer/average hourly cost of Milton Keynes Council home help
- **Travel and Subsistence allowances:** at the same rates and conditions applicable to Officer and HMRC rates where applicable

Implementation

80. The Panel recommends that the new allowances scheme is implemented from the start of the financial year where applicable, otherwise from the date the new scheme is agreed for those allowances that cannot be backdated.

A Future Review

81. The Panel recommends that the Council hold a further review within two rather than three years that is fundamental in nature and takes into account upcoming legislation affecting local government and the roles and responsibilities of Members.

Appendix One: Members, Co-optees, and Officers who met with the Panel**Elected Members:**

Cllr S. Crooks	Leader of Council & Leader of Liberal Democrat Group
Cllr A. Dransfield	Chair of Children & Young People's Select Committee & Audit Committee (Con)
Cllr J. Ferrans	Community Strategy & Regeneration Portfolio (Lib Dem)
Cllr P. Geary	Conservative Member & Group Whip
Cllr V. McPake	Communities Portfolio (Lib Dem)
Cllr N. Miles	Labour Group Leader
Cllr C. Morris	Chair of Development Control Committee & Deputy Conservative Group Leader
Cllr A. Richards	Vice-Chair Safer Communities Select Committee (Lib Dem)
Cllr J. Tamagnini-Barbosa	Chair of Partnership & Growth Select Committee (Lib Dem)
Cllr C. Williams	Housing & Adult Social Care Portfolio (Lib Dem)

Written Submissions:

Cllr D. McCall	Liberal Democrat Backbencher
Cllr I. McCall	Chair of Economic & Enterprise Select Committee (Lib Dem)
Joint Submission	Labour Group
Richard Moore	Independent Member, Standards Committee
Simon Heap	Democratic Services Manager

Officers:

David Hill	Chief Executive
John Moffoot	Head of Democratic Services

Appendix Two: Information Received and Reviewed by the Panel

1. Panel Terms of Reference
2. Milton Keynes Council Members' Allowances Scheme 2009/10, including information on Members support/facilities and list of approved duties
3. Summary of Councillors' Allowances and expenses claimed 2008/09
4. Schedule of Meetings for Council, Executive and Main Committees
5. Briefing on Milton Keynes Council structure, decision making and calendar of council meetings
6. Members' Role Descriptions
7. Previous Milton Keynes IRP Allowances Reports
8. Statutory Guidance on Consolidated Regulations for Local Authority Allowances 2006
9. Statutory Instruments:
 - 2003 No. 1021 – The Local Authorities (Members' Allowances) (England) Regulations 2003
 - 2003 No. 1022 – The Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003
 - 2003 No. 1692 – The Local Authorities (England) Amendment) Regulations 2003
10. Summary of Local Government Association/IDeA 2008 Survey of Members Allowances (England) 2008
11. Allowances schemes and summary of allowances from SE comparator group – SEE November 2008
12. Summary of Report of the Councillor Commission December 2007 and the Government's Response
13. Annual Survey of Hours and Earnings (ASHE) 2009
14. LGA Members' Allowances – Daily Rate, 6 May 2009, LGA alert 90/09
15. Presentation paper from Dr Hall

Appendix Three: Allowances paid in Comparator Authorities 2008/09

Basic Allowances and SRAs (1) - November 2008 - Unitaries							
Authority	Basic	Leader	Executive / Cabinet Portfolio Holder	Chairs			Standards
				Overview & Scrutiny	Planning	Licensing	
Bracknell Forest	£8,576.00	£28,583.00	£15,721.00	£7,145.00	£11,091.00	£5,553.00	£630.00
Brighton and Hove	£11,205.00	£28,758.00	£10,927.00	£7,188.00	£10,927.00	£8,626.00	n/a
Isle of Wight	£7,903.00	£24,237.00	£11,854.00	£11,854.00	£7,903.00	£1,977.00	£3,573.00
Medway	£8,909.74	£20,560.94	£11,215.06	£9,345.88	£7,476.70	n/a	n/a
Milton Keynes	£9,404.00	£28,547.00	£10,362.00	£5,224.00	£7,836.00	£7,836.00	£3,140.00
Southampton	£10,649.69	£21,299.36	£10,649.69	£5,324.85	£5,324.85	£5,324.85	
Windsor and Maidenhead	£7,180.00	£18,596.00	£10,228.00	£4,649.00	£4,649.00	£4,649.00	£359.00
Wokingham	£6,250.00	£16,000.00	£8,000.00	£2,000.00	£4,000.00	£2,000.00	£1,000.00
Average	£8,759.68	£23,322.66	£11,119.59	£6,591.34	£7,400.94	£5,137.98	£1,740.40
Highest	£11,205.00	£28,758.00	£15,721.00	£11,854.00	£11,091.00	£8,626.00	£3,573.00
Lowest	£6,250.00	£16,000.00	£8,000.00	£2,000.00	£4,000.00	£1,977.00	£359.00

Notes

Chair of Standards Committee at Isle of Wight receives basic allowance of £3573, no additional SRA
Independent Chair of Standards Committee at Bracknell Forest receives no basic allowance
OS Subgroup at Bracknell Forest refers to Chairs of O&S Panels
OS Subgroup at Southampton refers to Chair of Scrutiny Panel
OS Subgroup at Milton Keynes refers to O&S Spokesperson
Planning Committee members at Wokingham receive £1,000 allowance

Basic Allowances and SRAs (2) - November 2008 - Unitaries

Chairs											Other allowances		
Authority	Deputy Leader	Chairman of Council	Licensing Appeals	Gen Purps	P/nnel	Area C/tees	Audit	Other	Opposition Group Leader	Any receiving > 1 SRA	Pensionable?	Co-optee	Parish Cllr
Bracknell Forest PD	£17,150.00	£12,539.00	none	n/a	n/a	n/a	n/a	£5,717.00	£15,721.00	Only highest payable	All aged below 70 are eligible. 33% take-up.	Ind Mbrs of Stds Cttee & its subs - £286. Diocesan & parent governor reps on £4,313.00 PC do not wish to take allowance	
Brighton and Hove	£17,254.00		part of Chair role				£8,626.00	£8,626.00	£13,803.00	Not applic under scheme	All eligible. 55% take-up.		
City of Wight	£11,854.00	£7,903.00	n/a	£1,977.00	n/a	n/a	£7,903.00	£7903 / £9880	£1,977.00	n/a	All eligible. 12.5% take-up	Scrutiny = £1636 / £818. Standards = £301	n/a
Medway	£14,953.41	£13,539.27	£32.43					£3,738.35	£9,345.88	Second & subsequent pay 50%	None eligible		
Milton Keynes	n/a	£10,362.00	n/a	n/a	n/a	n/a	£5,224.00	£1,064.00	£11,960.00	No	All eligible. Nil take-up.	£617.00	Set by indiv parish
Southampton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	£5324.85 / £2662	£7,987.27	No	All eligible. 25% take-up.	£612.72	n/a
Windsor and Maidenhead	£11,158.00	n/a	n/a	n/a	n/a	n/a	£3,719.00	£1,860.00	£6,509.00	Not allowed	No	£359.00	n/a
Wokingham	£8,000.00	£7,420.00	n/a	n/a	£1,000.00	n/a	£1,000.00		£6,000.00	No	None eligible	n/a	n/a
Average	£13,394.90	£10,352.65	£32.43	£1,977.00	£1,000.00		£5,294.40	£4,201.07	£9,162.89				
Highest	£17,254.00	£13,539.27	£32.43	£1,977.00	£1,000.00	£0.00	£8,626.00	£8,626.00	£15,721.00				
Lowest	£8,000.00	£7,420.00	£32.43	£1,977.00	£1,000.00	£0.00	£1,000.00	£1,064.00	£1,977.00				

Other Allowances - November 2008 - Unitaries

Authority	Childcare / Dependent	Other / ICT	Travel / subs	Lump sum considered	Approved	Formula	Next review
Bracknell Forest	Childcare - min wage for age of carer, or actual paid, if less. Dependent - average hourly rate paid to home help by Council, or actual paid, if less.	Laptop, docking station, mouse, keyboard, monitor, printer, consumables & Broadband for all Members. BlackBerries for Exec Members & others able to make business case. Mobile 'phones for some at request and for others able to make business case.	Travel within Borough limited to max of 30miles per duty-casual user rate. Travel outside Borough same rate as officers. Should use most cost-effective method.	Considered by IRP but no recommendation made.	Jan 2008	Annual % increase linked to LG pay increase for spinal column point 49.	April / May 2009
Brighton & Hove	Childcare-min hourly wage capped at £1,200pa per clr. Dependent - max of £7.50 ph capped at £1,200pa per clr.	Computers, printers, Blackberries, home phones/phone-fax	Paid Inland Revenue advisory rates for travel and subsistence outside the city boundaries only.	IRP did not support due to tax implications and perceived lack of transparency & accountability.	April 2008	No	By March 2010
Isle of Wight	Actual expense to max of £10 per hour (dependent) and £4.81 (childcare)	All entitled to mobile or smart phone. BlackBerries available to Members with SRA. ICT equip for home use if required, with access to Council server. No broadband fees.	Off island travel = 40p per mile. Subsistence, subject to time away: B/fast £5.05 Lunch £6.95 Tea £2.74 Dinner £8.60 O/night £81.90 (£93.41 London) + £20 meals.		Oct 2006	Yes, increased annually in line with CPI	No date set

Medway	£3ph indexed to Medway's average Registered Childminder rate		IR rates plus cycling allowance of 20p per mile.	IRP concluded difficult to arrive at a process and amount that is fair and equitable, and were concerned about tax implications for members	Nov 2008	Index-linked to staff pay award for next four years	2012
Milton Keynes	£5.30 per hour, up to a maximum of 5 hours in any 24 hour period	£16.40 per month incidental expenses allowance. Broadband £24.99 per month. Council provides IT equipment (toner cartridges and paper for printers) to those cilrs who require them. Those cilrs who prefer to use their own equipment cannot claim back any costs	Mileage: Up to 999cc – 42.9p 1000-1199cc – 46.9p 1200cc and above – 58.7p Bicycle – 20p Public transport – full reimbursement Subsistence – reasonable costs	No	March 2008	Total available to rise annually in line with the lower of two RPI (including and excluding property prices)	Autumn 2009
Royal Borough of Windsor & Maidenhead	Max 4 hrs per duty / 18 hrs per week. Childcare paid at min wage for age of carer (or actual paid, if less). Dependent care paid at Borough's average hourly homecare charge.	ICT Allowance claimable upon receipts for equipment, consumables, support & maintenance.	Inland Revenue rates	No	Jan 2008	Travel adjusted 1st April by reference to In Rev rates. Other allowances annually in line with increases given to employees.	No date fixed
Southampton	As Staff Rate	£15 allowance for line rental / answerphone / laptop (all Councillors). Group Leaders / Cabinet Members entitled to mobile. A-Z of Member Services detail resources available.	52.5p per mile	No	Sep-07	Yes, based on national minimum wage	2011
Wokingham	£6 ph, limited to max of 8 hours per week	N/A	Set at same as staff mileage rates	No	Oct-08		Jun-09

Political Management Arrangements - November 2008 - Unitaries						
Authority	Leader's weekly hours	Days / hours for Cabinet	O&S - Info on size and composition	Role profiles / job descriptions? Referred to when reviewing allowances?	Recent structural changes, including numbers of members involved	Further changes (in light of Acts & White Papers)
Bracknell Forest	> 80 per week	Varies. 55-70 pw for Exec.	<ul style="list-style-type: none"> O & S Commission – 16 Environment, Culture and Communities Panel – 12 Health Panel - 15 Social Care and Learning – 19 (all totals include co-optees etc) <p>Bracknell also has 3 reps on both the Joint East Berkshire and Joint East Berkshire and Buckinghamshire Health O&S Committees.</p>	No	None	Changed composition of Standards Committee so that we have 4 Councillors, 4 Independent Members and 3 Parish Councillors.
Isle of Wight	Full time	Varies day to day	Scrutiny Committee has 18 members (including co-optees etc)	Generic job descriptions in Council's Constitution	N/A	N/A
Medway	Approx 3 days per week	Varies	<p>4 O & S Committees:</p> <ul style="list-style-type: none"> Business Support Children & Adults Health & Adult Social Care Regeneration, Community & Culture 	We have got role profiles and the IRP have indicated they would like to think about how they use them as part of their reviews next time.	None.	We have been actively developing links between our LSP and O&S Committees as well as forging links between O&S and LINKS. We are waiting Govt guidance on petitions and CCfA before taking any action in relation to those proposals.

Milton Keynes	Full time	Varies	4 Policy Development Panels, 3 Scrutiny Panels	Not yet, but aim to do so.		Now have a separate Health Scrutiny Panel – health issues used to be dealt with as part of the External Scrutiny Panel, but due to the increased volume of work (MK is expanding at a rate of approximately 3000 people a year) this now needs to be dealt with separately.
Royal Borough of Windsor & Maidenhead	3-4 days per week	1-2 days per week	4 Scrutiny panels – consisting of 7 Members	No	No changes	None
Southampton	Full time	Full time for most, depending on portfolio.	Overview & Scrutiny Management Committee manages scrutiny process, decisions on Inquiries, scrutinises Forward Plan and holds Cabinet Members to account. Six Scrutiny Panels based on portfolios but only meet to carry out Inquiries which are themed (eg Fluoridisation, NEETS, Fuel Poverty, etc). OSMC allocate Inquiry to relevant Scrutiny Panel.	Still working on this	Overall majority Conservative Administration since May 2008 following many years of hung Council.	Member/Officer working group looking at implications of LGPH Act, Councillor Community and Community Engagement.
Wokingham	2 hours per day plus additional hours and eve meetings as required	Varied and not able to quantify	<ul style="list-style-type: none"> • Health O & S Committee – 10 • O & S Management C/tee – 12 • Finance O & S Panel – 5 • Corp Projects O & S Panel – 6 • Service Development O & S Panel – 5 	Only for Deputy Executive Members which is a new role and which the Ind Remuneration Panel decided not to pay an allowance at the present time.	44 Conservative 10 Liberal Democrats	None yet