



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Councillors Remuneration Panel
Date:	7 February 2014
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Ronan Cregan, Director of Finances (Ext: 6184)

1	Relevant Background Information
1.1	<p>Purpose</p> <p>The purpose of this report is to brief Members on the recommendations which have been put forward by the Councillor Remuneration Panel to the DOE Minister and the proposed Departmental response to the recommendations.</p> <p>Members are asked to note the contents of the report and also the scheduled dates for Focus Group events (organised by the DOE) to discuss the proposals before the final scheme of allowances is agreed by the Minister.</p>
1.2	<p>Background</p> <p>As part of the Local Government Reform Programme, the Councillor Remuneration Panel for Northern Ireland was tasked with conducting a review of councillors' remuneration and advising on the system and level of allowances appropriate for the 11 new councils.</p> <p>The Panel was asked to make recommendations that fairly reflect the roles and responsibilities that councillors will be taking on in the new councils, post reorganisation in April 2015. It was also to consider the allowances that should be paid during the shadow period following the local government elections in May 2014 when the new councils will operate alongside the existing 26.</p>
1.3	<p>A report on remuneration was provided to the Belfast Voluntary Transition Committee on 11 October 2013 and Members agreed that the Council would make a detailed submission to the Panel setting out the following basic principles:</p> <ul style="list-style-type: none">• that in calculating the basic allowance the role of a Councillor should be

	<p>considered to be equivalent to 75% of a full-time job which would closely reflect the arrangements in Scotland.</p> <ul style="list-style-type: none"> • That the Council is opposed to any proposal to impose any level of public service discount when considering a formula for remuneration of councillors in Northern Ireland. • that a framework be established for determining Special Responsibility Allowance and that the SRA should continue to be banded according to size of population and/or annual Council budget. • that the amount of SRA, both pre 2015 and following the creation of the 11 new councils, must be established at a level which reflects adequately the roles and responsibilities undertaken by key players in the Council. <p>The Chief Executive wrote to the Panel on 14 October 2013 providing a detailed submission based on the principles above (see Appendix 1).</p>						
1.4	<p>The Councillor Remuneration Panel for NI reported to the Minister for the Environment on 1 November 2013 with its final recommendations but the report was not made available by the DOE at that time.</p> <p>The report, and the Department's analysis and proposed response has now (30 January 2013) been published on the DOE website and copies are attached at Appendix 2 and Appendix 3 for Members' information.</p>						
2	Key Issues						
2.1	<p>BASIC ALLOWANCE</p> <p>Panel Recommendation</p> <p>The Panel recommended that all councillors be paid a basic allowance of £12,000pa – an increase on the present basic allowance of £9,738. The Panel also recommended that all councillors in DEAs with mean electorate larger than 3,000 should receive an additional £1,200pa (10%) because of the increased load of constituency work. This would result in a basic allowance of £13,200 for those councillors in the more populated DEA's.</p> <p>Departments Recommendation</p> <p>The Department has recommended that the two allowances above should be combined, together with an additional allowance of £1,000 for office support, giving a total basic allowance of £14,200; this basic allowance would be the same for all councillors and is paid in recognition of a councillor's representational role.</p> <table border="1" data-bbox="327 1742 1398 1939"> <thead> <tr> <th data-bbox="327 1742 683 1816">Current</th> <th data-bbox="683 1742 1038 1816">Panel recommendation</th> <th data-bbox="1038 1742 1398 1816">DOE recommendation</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 1816 683 1939">£9,835</td> <td data-bbox="683 1816 1038 1939">£13,200 (for DEAs over 3000)</td> <td data-bbox="1038 1816 1398 1939">£14.200</td> </tr> </tbody> </table>	Current	Panel recommendation	DOE recommendation	£9,835	£13,200 (for DEAs over 3000)	£14.200
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2.2

SPECIAL RESPONSIBILITY ALLOWANCE FOR COMMITTEE CHAIRS OR CABINET MEMBERS

Panel Recommendation

The Panel has recommended that Special Responsibility Allowances (SRA) for Committee Chairs or Cabinet Members should be **£9,000pa** for councils with electorates over 200,000.

The Panel also recommended that councils with an electorate higher than 200,000 should pay a **maximum of 12** such SRAs.

Departments Recommendation

The Department have recommended that the current arrangement, whereby the amount a council can spend on SRA is subject to a maximum rate determined by the Department and banded by council population is continued. At present each council may have up to 50% of members receiving an SRA and a member can receive no more than one SRA.

The Department has recommended that it is a matter for individual councils to determine the responsibilities and level of SRA and that the new maximum rate for a council with a population over 200,000 should be £81,000. This is £1,820 **less** than the current arrangements.

Current		Panel recommendation		DOE recommendation	
Total amount payable	Maximum rate to individual members	Total amount payable	Maximum rate to individual members	Total amount payable	Maximum rate to individual members
£82,820	£16,564	Not specified	£9,000	£81,000	£16,200

Belfast City Council currently pays an SRA to a range of posts (from £5,407 maximum down to £2,331) depending on the role.

2.3

SPECIAL RESPONSIBILITY ALLOWANCE FOR CHAIR OR MAYOR

Panel Recommendation

The Panel recommended that SRA should be paid for Chair or Mayor should be set at £27,000pa for councils with electorates over 200,000.

Departments Recommendation

The Department stated that there is limited rationale or evidence to move away from the current system. It is therefore proposed that councils continue to decide how Mayors or Chairs are remunerated. Councils can choose to pay the allowance for Mayors or Chairs from the SRA allowance (£81,000) or from another budget.

Current		Panel recommendation	DOE recommendation
£34,800	civic dignitary allowance for mayor	£27,000	Council to decide

2.4	<p>PRODUCTIVITY ALLOWANCE FOR CHAIR OR MAYOR</p> <p>Panel Recommendation</p> <p>The Panel recommended that each council ask its constituents whether its chair or mayor should be awarded a productivity allowance based on an annual report. If more than 50% voting agree, the award could be up to a maximum of 50% extra of their special responsibility allowance.</p> <p>Departments Recommendation</p> <p>The Department states that this recommendation is impractical for the system of local government in Northern Ireland and recommends that it is not implemented.</p>						
2.5	<p>VICE CHAIRS</p> <p>Panel Recommendation</p> <p>The Panel believe that Vice-Chairs of council or committees should only be paid extra when they are standing in for the Chair or should receive a pro-rate Special Responsibility Allowance for time actually spent in the respective role.</p> <p>Departments Recommendation</p> <p>The Department sees no evidence for a change in practice and recommends that the decision to pay allowances should be made by individual councils and paid from within the current SRA allowance.</p>						
2.6	<p>REMUNERATION IN SHADOW COUNCILS IN 2014</p> <p>Panel Recommendation</p> <p>The Panel recommends that 50% of the 2015 allowances should be paid to members in the shadow period. This is because the constituency work is likely to be shared with councillors of the existing 26 councils and will therefore be less demanding as shadow councils will concentrate on transition planning. Members of both current and shadow councils should be paid for both roles.</p> <p>Departments Recommendation</p> <p>The Department recommends that the new allowance is paid in full to all councillors elected to the new councils from the date of their constitution. Councillors who continue to sit on the existing council should have the allowance from the old council reduced by two thirds for the ten month transitional period. The Presiding Officer (for the Shadow Council) should be paid a Special Responsibility Allowance during the transitional period. Travel and Subsistence should be paid in full for new councillors during the shadow period.</p> <p>Basic allowance example</p> <table border="1" data-bbox="325 1783 1399 2024"> <thead> <tr> <th data-bbox="325 1783 684 1854">Current Council only</th> <th data-bbox="684 1783 1042 1854">Shadow Council only</th> <th data-bbox="1042 1783 1399 1854">Sitting on both</th> </tr> </thead> <tbody> <tr> <td data-bbox="325 1854 684 2024">£9,835</td> <td data-bbox="684 1854 1042 2024">£14,200</td> <td data-bbox="1042 1854 1399 2024"> £14,200 (shadow council) £3,278 (1/3 current council) £17,478 </td> </tr> </tbody> </table>	Current Council only	Shadow Council only	Sitting on both	£9,835	£14,200	£14,200 (shadow council) £3,278 (1/3 current council) £17,478
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2.7	<p>OTHER RECOMMENDATIONS</p> <p>The Department rejected the Panel's proposal that all allowances be indexed to change with the median NI full-time wage as certified by ONS, preferring to retain the current system of increasing allowances in line with Council Officers pay increases.</p> <p>The Department also rejected a recommendation to change travel and subsistence mileage and rates in line with NICS rates and recommended that any case for change to travel and subsistence should be presented to the NJC.</p>
2.8	<p>FOCUS GROUP EVENTS</p> <p>Members will note that the DOE is currently holding a number of Focus Group events to discuss the emerging proposals of the Remuneration Panel and to inform the finalisation of the scheme of allowances that will apply.</p> <p>A Belfast based event is scheduled for 10 February 2014, 10am-1pm in Grosvenor House Conference Centre, 5 Glengall Street.</p> <p>Members were granted authority to attend this event as an approved duty at the 24 January SP&R meeting.</p> <p>The Department will then collate the feedback from the Focus Group Events and will also consult the Political Reference Group before putting the final proposals to the Environment Minister. The Minister will then draw up the Scheme of allowances which will then be released as a Local Government Circular and published on the DOE website.</p>
3	<p>Resource Implications</p>
3.1	<p>It is not possible to calculate the exact resource implications of any revised remuneration arrangements until final proposals are provided on the way forward and are agreed by the Minister for the Environment.</p>
4	<p>Equality and Good Relations Implications</p>
4.1	<p>There are no equality and good relations implications contained within this report.</p>
5	<p>Recommendations</p>
5.1	<p>Members are asked to note content of the report.</p>
6	<p>Decision Tracking</p>
7	<p>Key to Abbreviations</p>
7.1	<p>CRWG – Councillors' Remuneration Working Group SRA – Special Responsibility Allowance</p>

8

Documents Attached

- 8.1 Appendix 1 – Detailed submission to NI Councillors Remuneration Panel
Appendix 2 – Report of Councillors Remuneration Panel
Appendix 3 – DOE Departmental Analysis and Proposed Response