



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Panel on Financial Support for Assembly Members RAMPPA(3)

Councillor's Allowances

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Purpose

1. This paper gives Panel Members an outline of the allowances payable to members of local authorities in Wales as a comparator to the salaries payable to Assembly Members.

Legislative Background

2. Local authorities in Wales are required to make and operate a scheme authorised or required by the Local Authorities (Allowances for Members of County and County Borough Councils and National Park Authorities) (Wales) Regulations 2002 ("the Regulations").
3. The then Minister for Local Government commissioned the Institute of Local Government at the University of Birmingham (Inlogov) to conduct a study on councillors' allowances and their report was received in July 2001.
4. However, it needs to be recognised that the rate for basic allowances has been based on an estimate in the Inlogov report (see paragraph 3) that an average county councillor will spend 90 hours per month on council duty. Similarly, in the case of special responsibility allowances, figures are based on an estimate that a council leader devotes at least the equivalent of full-time hours to their post.

Basic Allowances

5. County and county borough councils and National Park Authorities in Wales are able to pay to members a basic allowance and, where they so qualify, a special responsibility allowance (SRA). County and county borough councils are no longer entitled to pay attendance allowances to their members.

6. The maximum rate of basic allowance payable in the financial year 2007-2008 is £12,718. No authority may pay more than one basic allowance to each member.
7. The Regulations enable the maximum rate of basic allowance to be increased annually in line with changes in the Wales All Persons Average Wage as published in the Annual Survey of Hours and Earnings which replaced the New Earnings Survey in April 2004. In April of each year, allowances may be increased in proportion to the increase in the wage recorded for the previous year.
8. The Regulations enable any increase in the basic allowance to take effect from the first of April with payments backdated accordingly.

Special Responsibility Allowance

9. Special Responsibility Allowances (SRAs) may be payable in addition to the basic allowance to councillors who hold an office in the council or National Park Authority which is specified in the constitution of the council or authority and is included in the descriptions of councillors set out in Annex A.
10. Councils may apply to the Welsh Assembly Government for approval of payment of SRAs to other descriptions of councillors.
11. The maximum rates of payment allowed to members described in these bands vary according to the population size of the authority concerned and are set out in Annex B. Those population groupings are based on the most recent results of the Census of Population. The population groupings are shown in Annex C.
12. The Regulations enable these amounts to be increased annually in proportion to any increase in the basic salary level of members of the National Assembly for Wales. The increase can apply from the effective date of the Assembly Members' increase and can, if necessary, be backdated, subject to the proviso that such backdating cannot apply for a period prior to the previous 1st April.
13. No authority may pay more than one Special Responsibility Allowance to a member of that authority.
14. Within each county or county borough council, no more than 50% of all councillors may receive a SRA. Where there are an odd number of councillors, the 50% figure may be rounded up to the next whole number. The 50% is to be calculated against the total number of seats on the council, rather than the number of councillors in office at any time.
15. Basic and Special Responsibility Allowances payable to county and county borough councillors can be pensionable.

Dependants' Allowance

16. The Regulations enable county and county borough councillors to claim a dependants allowance if they have dependent children under the age of 15 or if they can satisfy their authority that they have a dependant aged 15 or over who requires supervision.
17. Councillors will not be able to claim the allowance if they are in receipt of a special responsibility allowance of more than £15,000 per annum. This figure may be increased each year in proportion to the increase in maximum rates of SRAs.
18. The Welsh Assembly Government recommends that local authorities adopt the straightforward approach of paying a flat rate sum to any councillor who is eligible for the allowance and wishes to claim it. The amount paid should be no greater than £375 per month in 2007-2008. The rate may be updated in proportion with increases to the basic allowance.
19. It is not intended that this allowance will reflect the actual costs incurred by councillors but is considered to be a reasonable amount which lends itself to administrative simplicity. To require councillors to make claims against actual costs would be administratively complex, would raise questions of equity and would be more likely to lead to compliance problems.
20. Councillors will not be permitted to claim more than one dependants allowance unless they can satisfy the authority that they need to make separate arrangements for care of their dependants and need to pay for that care.

Recommendation

21. That the Panel notes the arrangements in place in local authorities in Wales.

The following bands describe the councillors who are eligible to receive special responsibility allowances:

Band 1

- Directly elected mayors in a mayor and cabinet executive

Band 2

- Leaders of councils in a leader and cabinet executive.
- Directly elected mayors in a mayor and manager executive.

Band 3

- Chairs of Boards in councils operating alternative arrangements.
- Members of cabinets in leader and cabinet executives.

Band 4

- Chairs of Overview and Scrutiny Committees.
- Leader of the Largest Opposition Group (as defined in the Regulations) i.e. not included in the cabinet or board.
- Members of boards (alternative arrangements).
- Chairs of planning committees.
- Chairs of National Park Authorities.

Band 5

- Chairs of council committees not mentioned above
- Vice-chairs of scrutiny committees
- Vice-chairs of planning committees
- Members of cabinets in mayor and cabinet executives
- Vice-chairs of National Park Authorities

Band 6

- Vice chairs of council committees
- Leaders of other political groups (as defined in the Regulations)
- Chairs and vice-chairs of committees of National Park Authorities.

Note 1

In a mayoral model, if the mayor is not the leader of the controlling group or the largest political group, the allowance under Band 4 may be paid to the leader of that the other political group (as defined in the Regulations) of which the mayor is a member. If the Cabinet consists of only one political group, this allowance may be paid to the leader of the largest opposition group (as defined in the Regulations) even if that group consists of less than 10% of the council's membership.

Note 2

The allowance for leaders of other political groups (as defined in the Regulations) under Band 6 shall be paid only if their respective groups consist of at least 10% of the council's membership.

Note 3

Where no single group is the largest opposition group the leaders of two or more other political groups with equal numbers of members shall be eligible to an equal share of the difference between the SRA for the leader of the largest opposition group and that payable to the leaders of other political groups.

Note 4

Deputy leaders of councils with executive structures and vice- chairs of boards in those operating alternative arrangements may receive a SRA of up to 10% greater than that available to other members of the executive or board respectively. Such an additional allowance may be paid to one member of an authority only.

Annex B

The maximum SRAs for each band and group for 2007-2008

	Group A	Group B	Group C	Group D
Band 1	£59,097	£50,654	£42,213	£33,769
Band 2	£47,276	£40,523	£33,770	£27,017
Band 3	£23,627	£20,261	£16,885	£13,508
Band 4	£14,184	£12,156	£10,130	£8,105
Band 5	£9,457	£8,105	£6,753	£5,402
Band 6	£4,728	£4,054	£3,377	£2,702

Population Groupings

- Group A 300,001 and above
- Group B Between 200,001 and 300,000
- Group C Between 100,001 and 200,000
- Group D 100,000 and below