

Scottish Local Authorities Remuneration Committee

Review of Implementation of Remuneration Arrangements for Local Authority Councillors and Annual Review of Remuneration Levels

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Chairman: Ian Livingstone, CBE, BL, NP

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Review of Implementation of Remuneration Arrangements for Local Authority Councillors and Annual Review of Remuneration Levels

To:

John Swinney MSP
Cabinet Secretary for Finance and Sustainable Growth

- 1 I have pleasure in presenting the second report of the Scottish Local Authorities Remuneration Committee looking into *firstly*, how the remuneration package introduced in May 2007 is being implemented by local authorities and whether there are any issues needing to be addressed and *secondly*, to review the levels for salary, allowances and expenses.
- 2 As an independent statutory Committee, we have endeavoured to take an objective view. We have also adhered to the criteria you set for the Committee, ensured that these key principles were included in our consideration of the issues, and are reflected in our final advice.
- 3 The package introduced in May 2007 generally has been well received by local authorities who welcome its transparency and the clarity of the system which made it easier to understand and administer. A few issues were identified, some of which we have tried to address in this review, others are more fundamental and should form part of our quinquennial review.
- 4 The present salary levels are based on evidence gathered in 2004 and 2005. We have therefore considered salary levels taking account of your criteria and what might be reasonable given the time lapse since the original level was set. We are also mindful of local authorities being required to set their budgets for the following financial year in February. As a result we have taken the opportunity to look at salary levels not only for the current financial year but also looking forward to what might be a reasonable increase from April 2009.
- 5 The Committee's advice is the result of a genuine team effort. Members have brought to the Committee a wealth of knowledge and experience which has been invaluable in taking our work forward. I am grateful to all members of the Committee and its Secretary for their support, advice and counsel.

Ian Livingstone
September 2008

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CHAPTER I – INTRODUCTION AND CONTEXT OF OUR REVIEW

- I.1 The Scottish Local Authorities Remuneration Committee (SLARC) was established under the provisions of the Local Governance (Scotland) Act 2004.
- I.2 The Committee was appointed following an open competition which followed public appointment principles. Membership of the Committee is:
- Ian Livingstone, CBE, Chairman
Marlene Anderson
Dan Brown
Kate Dunlop
Declan Hall
Mark Irvine
Jack Wilson
Liz Hamilton, Secretary to the Committee
- I.3 Biographical notes for each Committee member are given at Annex B.
- I.4 The Committee's remit and requirements for its ongoing work were set by the Cabinet Secretary for Finance and Sustainable Growth. He wrote to the Committee Chairman on 12 November 2007 asking the Committee to undertake work as follows:

Implementation of new remuneration package

- To consider how Councils have implemented all aspects of the remuneration package covering salaries, allowances and reimbursement of expenses;
- To review the remuneration arrangements put in place by individual Councils to see how authorities have allocated their limited number of senior councillor positions and associated salary budgets;
- To consider the consistency of application of senior councillor status to leaders of opposition parties in individual Councils;
- To consider how Councils are addressing the introduction of role descriptions and training plans for councillors, and liaising with COSLA and the Improvement Service on sharing best practice across authorities;
- To review how Joint Boards are implementing the spirit of the regulations and non statutory guidance on councillors' remuneration; and
- To report, with recommendations, on any issues which emerge.

Levels of remuneration

- To review the level of salary, allowance and reimbursement of expenditure for councillors on an annual basis. This should take account of the appropriateness of the link to the median Scottish salary. In making recommendations, the Committee should take cognisance of affordability and current public sector pay policy.

Report

- The Committee should report, with recommendations, on the implementation of arrangements and the review of remuneration levels by 30 September 2008.

Sources of evidence

- 1.5 In our report in January 2006, we envisaged that the Committee would be involved in a rolling programme of reviews of arrangements put in place by individual Councils from May 2007, to include consideration of salaries introduced for senior councillors, and the introduction of role descriptions and training plans. In autumn 2007, the Cabinet Secretary for Finance and Sustainable Growth asked the Committee to look into how the councillors' remuneration package was being implemented by Scottish local authorities and to report back to him.
- 1.6 We used as our basis for this review, the recommendations we made in January 2006 taking into account the views of the Scottish Ministers in response to our report and the various Regulations which implemented the new remuneration scheme. Our recommendations, as accepted by Ministers, introduced a new salary regime for all councillors and adopted the principle that, in the main, only actual receipted expenditure incurred by them on approved Council business should be reimbursed. The new arrangements were introduced from May 2007.
- 1.7 We considered it important to seek views from those who are directly affected by our recommendations. To enable us to consider how the remuneration package had been implemented by authorities we wrote to all Councils and visited a selection of them.
- 1.8 We sought from all Councils information on the numbers of senior councillors they had appointed, the level of salary they determined should be paid to each, the training which they had offered or were intending to put in place and asked whether there were any issues arising from the introduction of the remuneration package – salary, mileage allowance and reimbursement of actual receipted expenditure. We are grateful for the information provided by all Councils.
- 1.9 We also followed this up with visits to 12 Councils – see paragraph 1.11 – covering island; island and mainland; rural and urban areas and Councils within each of the four Council bandings. We made clear that it was not the Committee's intention to recommend major changes to a system which has only just been introduced. However, it is clear from correspondence we received from Councils and from discussions with them during our visits that minor adjustments in a few areas are worthy of consideration.
- 1.10 We held meetings with the Convention of Scottish Local Authorities, the Society of Local Authority Chief Executives, the National Association of Councillors and with Joint Boards. This allowed us to gather a wide range of views and opinions that helped us to shape and develop our thinking.

Acknowledgements

1.11 We are grateful to the representatives of the following Councils and organisations who took time to engage with the Committee and give their views:

Aberdeenshire Council
Argyll and Bute Council
City of Edinburgh Council
Comhairle nan Eilean Siar
Convention of Scottish Local Authorities
East Lothian Council
Fife Council
Glasgow City Council
The Improvement Service
Moray Council
National Association of Councillors
North Ayrshire Council
North Lanarkshire Council
Perth and Kinross Council
Scottish Borders Council
Society of Local Authority Chief Executives
Strathclyde Police Joint Board
Lothian and Borders Fire and Rescue Joint Board
Central Scotland Police Joint Board
Central Scotland Fire and Rescue Joint Board

CHAPTER 2 – SUMMARY OF RECOMMENDATIONS

Recommendation 1 – The Scottish Government look for an early opportunity to implement our recommendations on Joint Boards determining the levels of salary paid to their senior members and to the Standards Commission being able to determine what reduction, if any, in salary is appropriate where a councillor is suspended from carrying out any part of his/her role. (page 9)

Recommendations 2, 4, 6, and 8 – All salaries should be increased by 2.5 per cent with effect from 1 April 2008. (pages 12, 15, 17, 18)

Recommendations 3, 5, 7 and 9 – All salaries should be increased by a further 2.5 per cent with effect from 1 April 2009. (pages 12, 15, 18, 19)

Recommendations 6, 7, 8 and 9 – Senior councillor and Civic Head salaries should be based on the current formula and remain no more than 75 per cent of the salary paid to the Leader of the Council. (pages 17, 18, 19)

Recommendation 10 – Both Vice Conveners on Joint Boards should be paid by the Joint Boards and should not normally be scored against the maximum number of senior councillors allocated to a particular authority. (page 19)

Recommendation 11 – Allowances for travel by private car, motorcycle and bicycle should be in line with current HM Revenue and Customs (HMRC) rates and should keep pace with any changes made by HMRC. (page 25)

Recommendation 12 – Maximum reimbursement for overnight subsistence – bed and breakfast – should be £131 per night within London and £110 per night in the rest of the UK. (page 26)

Recommendation 13 – An allowance of £25 per night be introduced for councillors choosing to stay with friends or family. (page 27)

Recommendation 14A – Maximum rates for breakfast, lunch and dinner should remain unchanged. (page 27)

Recommendation 14B – Councillors should not be able to claim reimbursement for meals within their own ward subject to recommendation 15 or whilst carrying out Council business in any Council offices. (page 27)

Recommendation 15 – Councillors in certain specified wards may claim reimbursement for meals for approved duties within their own ward. (page 28)

Recommendation 16 – Councils should consider supplying members with any relevant telephones and broadband facilities. (page 29)

Recommendation 17 – Where a councillor uses a single personal telephone or computer for Council business 50 per cent of line costs and the full cost of identified calls may be reimbursed. (page 29)

Recommendation 18 – Maximum annual limits for reimbursement of Civic Head expenditure should remain unchanged. (page 30)

Recommendation 19 – The Civic Head expenditure should also be available to Deputies or others deputising for the Civic Head provided the overall limit is not breached. (page 30)

Recommendation 20 – All councillors should be required to undertake appropriate training to enable them to perform their duties as a councillor effectively. (page 44)

Recommendation 21 – All councillors should have a role description, participate in a training needs assessment, and have a personal development plan in place by 31 March 2009. (page 45)

Recommendation 22 – Councils should publish information on councillor training on the Council website. As a minimum, this should include information on the number of councillors undertaking particular training and the type of training provided. This information should be published on their website at the same time as the councillor's salary, allowances and expenses information is published. (page 45)

CHAPTER 3 – IMPLEMENTATION

Senior councillors

- 3.1 In our January 2006 report, the principles we considered important in determining the arrangements for paying senior councillors were:
- The number of councillors receiving higher salaries should be a minority. Arrangements should therefore explicitly prevent higher salaries to all councillors or to a majority of councillors.
 - Councils should have reasonable flexibility, within a sensible framework, to determine which posts should attract enhanced salaries.
 - Councils should have reasonable flexibility, within a sensible framework, to determine the salary level that should apply to these posts.
- 3.2 At the time we considered a number of options for a 'sliding scale' of salaries for leaders from the smallest Councils to the largest to ensure some degree of consistency between weight of responsibilities and salary level. This created four distinct bandings of Councils which might generally be regarded as small Councils, medium sized Councils, large Councils and the two major city Councils.
- 3.3 We recommended further that there should be a maximum number of senior councillors and that their salary costs should be met from a specified maximum budget for that Council. This was accepted by the Scottish Ministers with the proviso that Councils would not need to include their Civic Head as one of the permitted number of senior councillors but they could pay the Civic Head up to the maximum permitted senior salary available in that Council.

Numbers

- 3.4 We found that, generally, the number of senior councillors allocated is sufficient in each Band, with several Councils indicating that the numbers fitted in well with their Cabinet or Committee structures. A few Councils indicated that the numbers were not sufficient for their operating structure. Most Councils had not allocated the full number of senior councillors available nor used up their entire senior councillor salary budget, preferring to leave some room for allocating posts if it was found necessary in the future. This seems a sensible approach. Others had either used up their total budget but not their total number or had used up both their total number and total budget.

Posts

- 3.5 Councils are free to allocate senior councillor posts as they think fit. The only restrictions are on the total number of such posts and the maximum budget available to them for paying senior councillor salaries. In terms of allocating senior councillor posts most Councils, though not all, reported that they had determined the posts which should attract a higher salary according to levels of responsibility, workload and the seniority of the post and allocated the salaries accordingly. This was in line with the principles of our recommendations. We noted that the political complexion of Council administrations – whether majority party, minority or partnership/coalitions – encouraged most Councils to allocate senior councillor post(s) to opposition party leader(s).

Allowances and reimbursement of expenses

- 3.6 In the main, most Councils welcomed the transparency and clarity of the new system which made it easier to understand and administer. There were a number of issues raised and these are dealt with later in this report (Chapter 5).

Pensions

- 3.7 The general view was that the pension scheme was welcomed. The level of uptake varied. In some Councils, uptake of the pension scheme was high, based on efforts made to give councillors good information on pensions, with, in some instances, information seminars and one to one sessions. In other Councils uptake was comparatively lower. Very few councillors had opted to buy back pension benefits.

Publication

Councils – publication of members' salaries, expenses, etc.

- 3.8 Some progress has been made by Councils in providing information on councillors' salaries, allowances and expenses. Details of the information which should be provided are contained in the Allowances and Expenses Regulations. Whilst Councils have published information on the Council website, we noted that not all Councils had complied fully with the required publication details and we would expect them to comply with the prescribed standard in the future. We believe it would aid the reader's understanding if the position held by senior councillors, e.g. Convener of Education Committee, and whether or not they are political party leaders, was clearly stated. We noted that additionally a few Councils planned to publish information in a local newspaper:

Councils – publication of members' training

- 3.9 The Scottish Ministers also suggested that Councils should publish information about councillor training at the same time as they publish information on councillor remuneration. We note that only some Councils have done so. For the guidance of Councils we would suggest that, as a minimum, information on the numbers of councillors undertaking training and the type of training offered should be published on the Council website. All Councils were aware of the requirement to publish information on councillors' salaries, allowances and expenses and also on training on their website.

Councillors who are members of Joint Boards

- 3.10 In addition to their normal Council duties, some councillors are members of Joint Boards. This can result in considerably different levels of expenditure being reimbursed for their work for the Council and that for the Joint Board. This is particularly true for Joint Board Conveners and Vice Conveners. We believe this could be more clearly stated by the Council publishing two sets of information for the financial year – one relating to salary and expenses claims on behalf of Council business and another relating to salary and expenses claims on behalf of the Joint Board.

Issues raised by Councils

- 3.11 A number of issues have been raised by Councils during our visits. Where these relate to levels of allowance or expenses they have been dealt with more fully in the allowance and expenses chapter (Chapter 5).

Salary differentials and salary levels

- 3.12 These differentials were particularly apparent in Band A Councils where there was concern about the narrow differential between the basic salary and that for senior councillors. Their view was that it did not reflect adequately the differing responsibilities of a senior councillor as opposed to those of a councillor only in receipt of the basic salary. Furthermore, councillors on the basic salary serving on outside bodies could receive a higher salary than Band A senior councillors as could the convener of police and fire boards. A Council's ability to determine the level of salary which is

appropriate for a senior councillor position is restricted to a percentage of the pre-determined level of salary payable to the Council Leader. We recommended that salary levels for Council Leaders should reflect the time commitment and weight of responsibilities associated with that role. As a result we recommended that Council Leaders in Band A Councils should receive a salary of £30,905 per annum. Had that level been accepted, the maximum which a senior councillor in a Band A Council could have been paid would have been £23,178 giving a midpoint of £19,315.

- 3.13 In the event, the Scottish Ministers decided to reduce the Leader's proposed salary by around £5,000 for all Councils consequently reducing flexibility particularly in Band A Councils and providing for that Band a maximum senior councillor salary of £19,316 and mid point of £17,384, i.e. less than £2,000 above the basic salary of £15,452.
- 3.14 Whilst we feel that the argument expressed by Band A Councils about differential is valid, we considered that we did not have scope as part of this review to revisit the calculation and we were restricted, in any event, to take account of public sector pay policy in recommending salary increases. These are issues we would plan to revisit at the quinquennial review.

Mileage allowances

- 3.15 Whilst Councils have some scope to determine and to vary the level of mileage allowance payable to their employees, the level applicable to councillors is determined by the Scottish Ministers and set out in statute. A number of Councils were concerned that the current rate, 49.3p per mile for travel by private car, did not reflect the cost of running a car. Others highlighted the extra administrative burden caused by the requirement to declare the additional 9.3p per mile for tax purposes. Most indicated they would prefer the rate to be 40p, as per our original recommendations, or any future HMRC rate. This is discussed further in paragraphs 5.5 to 5.7.

Subsistence

- 3.16 There was an issue for Island Councils where previously members could receive an overnight allowance for staying with friends. The new Regulations meant they could no longer do so resulting in members staying in hotels and claiming for hotel expenses as appropriate. We recognise that this is not cost effective. For further information see paragraph 5.14.

Meals

- 3.17 In a few Councils, councillors were purchasing lunch just outwith the Council offices and claiming reimbursement. This is against the spirit of the new scheme and we have recommended measures to address this practice. Some Councils provide a snack as a working lunch at lunchtime where Council meetings begin in the morning and extend into the afternoon. This seems to be reasonable. Meals are discussed in more detail in paragraphs 5.15 to 5.19.

Telephones/Computer costs

- 3.18 It was recognised that since our recommendations a number of different packages have been on offer from a wide range of providers. This has caused problems with difficulty in identifying calls. Some Councils provide their members with mobile phones, blackberries or broadband for calls, etc. on Council business. This should be encouraged. Telephone and computer costs are discussed in more depth in paragraphs 5.20 to 5.25.

Civic Head

3.19 A number of Councils asked if the availability of the Civic Head expenses could also be extended to the Deputy Civic Head provided they are contained within the maximum amount available. Clarity was sought on the use of the Civic Head allowance. Civic Head expenses are discussed in paragraphs 5.26 to 5.30.

Other issues

3.20 The Cabinet Secretary for Finance and Sustainable Growth also asked us to comment on other issues such as widening access and working in multi member wards. We are aware of the recent surveys published by both the Scottish Government on Local Government Candidates in 2007 (May 2008) and by COSLA/Improvement Service on the make up of Scotland's Councillors 2007 (April 2008). We therefore restricted our research to discussions with those Councils visited during our review. Our findings are in accord with those published in April/May 2008.

3.21 Our 2006 report identified that encouraging more people to consider Council membership is a complex matter. We did not envisage that the remuneration package would be a panacea that would make Councils more representative of the people they serve, nor that it would automatically encourage more people to take the first steps towards elected office. We did, however, assert that the remuneration package should not be a disincentive to becoming a councillor.

3.22 The most recent COSLA/Improvement Service research suggests that the reasons councillors gave for standing for election to local government were overwhelmingly civic minded with only 9.5 per cent of all councillors who responded to the survey citing the fact that councillors were paid.

Widening access

3.23 Although around half of all councillors were new, information here was mixed and collected only from those Councils visited. Many Councils said there was little or no difference in the make up of the Council. Others said that the age profile was younger and a few said that there were more councillors in employment. The gender profile had shown little change; in fact in some Councils there were fewer women councillors.

Multi member wards

3.24 We had previously recommended that councillors should strive to find ways of working more efficiently and effectively. Most Councils said that the workload of councillors had increased as a result of the introduction of multi member wards. Again, experience was mixed even within Councils. In some wards, work was being managed and divided out whilst in others all councillors felt obliged to turn out to every event and every meeting. There seemed to be a general expectation for all councillors to attend, for example, Community Council meetings. Several Councils have set up a caseload management system and this should be encouraged.

Issues outwith this review

3.25 Certain other issues – e.g. the general level of salaries and workloads in multi member wards – were raised by Councils. We felt they were not related to this review but would be considered by the Committee at the quinquennial review. These are discussed in Chapter 8.

Committee Recommendations still to be implemented

3.26 We feel that it is also worth mentioning those recommendations we made in 2006 which although accepted by the Scottish Ministers have still to be implemented in full.

Joint Boards

3.27 We recommended that Joint Boards should determine the salary to be paid to senior positions on their board. That salary may not exceed the upper senior salary limits that relate to the highest banded Council represented on that joint board. This was accepted but was not implemented because the legislation did not permit it. We remain of the view that this situation should be rectified as soon as possible by amendment to primary legislation.

Standards Commission

3.28 We recommended that the Standards Commission should be able to direct that a councillor's salary be reduced or not paid if, after a hearing, that councillor has been suspended from carrying out any part of his/her role. As was the case with Joint Boards, this recommendation was accepted but not implemented because primary legislation would be required. As this recommendation is consistent with the principles of good governance, we consider it should be addressed as soon as possible.

Recommendation 1: We recommend that the Scottish Government look for an early opportunity to implement our previous recommendations on Joint Boards determining the levels of salary paid to their senior members and to the Standards Commission being able to determine what reduction, if any, in salary is appropriate where a councillor is suspended from carrying out any part of his/her role.

CHAPTER 4 – SALARIES

Basic salary for councillors – present situation

- 4.1 Local authority councillors have been in receipt of a salary since May 2007. This follows on from consideration of our recommendations to the Scottish Ministers in January 2006. In reaching a recommendation on the level of salary that would be appropriate for councillors on the basic salary, we concentrated on five key elements:
- The weight of responsibilities held, and the responsibilities in comparison to other roles or occupations. This suggested that the basic salary of between £15,000 and £20,000 was appropriate. We also concluded that there is no valid comparison between the role of a councillor and other roles or occupations, including members of NDPBs.
 - The time commitment required to carry out the role taking a view between the time that may be **given** by some councillors and the time that may actually be **required** to carry out the role effectively. We concluded that the role of a councillor on the basic salary **should** be compatible with holding other responsibilities, for example, employment, voluntary work, and caring responsibilities. The level of salary was based on the minimum time required – 28 hours (i.e. 75 per cent of the average working week – 37.5 hours).
 - The need to make Council membership a realistic option for many more people. This is a complex matter in which the salary level would play one part. People should be attracted to the role first and foremost by a desire to serve their community and we think it is important to retain that. Equally however, we considered that the remuneration package should not be a disincentive to Council membership.
 - The public acceptability of our recommendations. We recognised that public acceptability was subjective but we were conscious that a majority of those surveyed indicated that a salary **below** £20,000 would be appropriate.
 - The cost of our recommendations compared to what Councils currently spend on councillors' allowances was considered.
- 4.2 Information for determining the level at which to set the basic salary for councillors was taken from commissioned research, public opinion, relevant published reports and views expressed to the Committee at Council visits and meetings, and by SOLACE, COSLA and the National Association of Councillors as well as arrangements operating in other parts of the United Kingdom.
- 4.3 Although a fairly wide range of figures was suggested we considered it important that the salary level should strike the right balance between widening access and being acceptable to the public, while still being fair to councillors. The method of determining the salary based on the average Scottish annual salary, as recommended by Widening Access Progress Group (WAPG) (2005) found favour with a number of Councils in their responses to the WAPG report. In light of these views, we decided that the median Scottish salary should be our first building block in devising new salary arrangements. The latest available median full-time annual Scottish salary figure was £20,603. (Annual Survey of Hours and Earnings, 2004).
- 4.4 We considered that the salary should be set at a substantial percentage of the median Scottish annual salary. Taking into account various factors we considered that it was fair and reasonable that councillors on the basic salary should be paid a salary equivalent to 75 per cent of the median Scottish salary. Using the latest figures available, that amounted to 75 per cent of £20,603 which equals £15,452.

Parameters set for the review

- 4.5 The Cabinet Secretary for Finance and Sustainable Growth has asked the Committee to undertake annual reviews of the level of salary paid to councillors. In bringing forward recommendations, he asks that the committee consider three issues:
- The appropriateness of the link to the median Scottish salary.
 - Current public sector pay policy.
 - Affordability.
- 4.6 Additionally, it would seem reasonable in revising the level of salary paid, to continue to strike the right balance between widening access, being acceptable to the public and being fair to councillors.
- 4.7 The Cabinet Secretary also asked the Committee to undertake a fundamental review of the arrangements every 5 years. This chapter only deals with the levels of salary for councillors.

Link to median Scottish salary and appropriateness of link

- 4.8 The Cabinet Secretary asked us to consider *inter alia* the appropriateness of the link to the median Scottish salary.
- 4.9 The latest figure available in the 2007 Annual Survey of Hours and Earnings (April 2006 to April 2007) discloses that the median Scottish salary is now £23,075. Applying 75 per cent of this figure to councillors, would suggest a salary of £17,306 (an increase of around 12 per cent over the current salary of £15,452).
- 4.10 Whilst our report recommended a link to the median Scottish salary, and at the time we considered that principle should be retained in the future, we recognised that it was important to allow flexibility in reviewing and uprating arrangements. We also pointed out in our report that the role of a councillor might change and develop to such an extent that the link to the median Scottish salary was no longer appropriate. We feel, therefore, for this review that the link to the median Scottish salary should not be maintained for the following reasons:
- The setting of the basic salary at £15,452 was a “one-off” exercise designed to establish an appropriate salary figure for councillors and utilisation of the median Scottish salary was a useful tool to this end.
 - To uprate the salary figure by almost 12 per cent would break the criteria of public acceptability, affordability and public sector pay policy.
 - There was a general consensus in local authorities that, in terms of pay increases, councillors should fare similarly to those offered to local government officers.
 - Taking account of all these, and the need to retain flexibility in uprating the arrangements, we considered that the link was not appropriate for this uprating exercise. However, we would not wish at this stage to rule it out as a mechanism during a future fundamental review of councillors’ salaries.

Uniqueness of this review

- 4.11 This first review is unique since it covers the period since the existing salary was set. Future annual reviews will be simply that, namely a review of the salary figure set in the previous year and therefore this situation should not arise in future. Accordingly the Committee considered whether the peculiarities of this first review merit a solution which would recognise a) the period covered since the existing salary was set, b) public sector pay policy and c) affordability.

4.12 SLARC reported in January 2006 and application of a public sector pay target figure of 2 per cent would result in the following:

2006-07	2007-08
+2 per cent	+ 2 per cent
£15,761	£16,076

4.13 Applying the 2 per cent figure would result in a figure set at £16,076, resulting in an increase of 4.038 per cent. Again it is our opinion that such an increase would breach the criteria of public acceptability and public sector pay policy and could not be justified.

Pay settlements for local government workers

4.14 We considered whether we should recommend indexing the salary to a particular point on the local government employee salary scale such as point 15 – £15,828. Such a recommendation would mean that the basic salary for councillors would increase in line with any further increases to these salaries and would offer an increase of 2.43 per cent. We have dismissed this because the level of and any percentage increase to these salaries are negotiated by councillors. Such an index could therefore be viewed as compromising the outcome of future pay negotiations.

Current public sector pay policy

4.15 In considering an appropriate level of salary for councillors on the basic salary, the Committee has been asked to take account of public sector pay policy which limits salary increases to 2 per cent per annum. During the period 2006-08, increases in local authority officer salaries were 2.5 per cent per annum and, within the local authority sector, similar increases have already been agreed or are in the process of being negotiated for 2008-09.

4.16 We are conscious that our report is being submitted several months after 1 April 2008 and can understand also the value to both councillors and Councils of being able to know the degree of any salary increases at a relatively early date. This report not only addresses the issue of salary increases from April 2008, but recognising that local authorities set their budgets for the next financial year each February, we have also considered what the level of increase should be from 1 April 2009.

4.17 By adopting an increase of 2.5 per cent in each year, we are of the opinion that this would adhere to the criteria of current public sector pay policy and would go part way to recognising the time since the original salary was set. Our preferred option is, therefore, to recommend that the basic salary be increased by 2.5 per cent in each of the 2 years between 2008 and 2010, thus increasing the salary level to £15,838 from 1 April 2008 and by a further 2.5 per cent to £16,234 from 1 April 2009.

Recommendation 2: We recommend a 2.5 per cent increase in the basic salary, increasing it to £15,838 with effect from 1 April 2008.

Recommendation 3: We recommend a further 2.5 per cent increase in the basic salary, increasing it to £16,234 with effect from 1 April 2009.

Council Leaders and senior councillors

- 4.18 We remain of the view that there is still a need to remunerate those councillors who hold senior positions in the Council and whose roles carry heavy or particularly challenging responsibilities. As such, these roles may be less compatible, or in the case of Leaders of larger Councils, incompatible with having other significant responsibilities outside the Council. We therefore consider that it remains appropriate to pay these councillors higher salaries, and the levels of these salaries should take into account the scale of the local authority they are leading.
- 4.19 The principles which we consider remain important in determining the arrangements for paying senior councillors are:
- The number of councillors receiving higher salaries should be a minority. Arrangements should therefore explicitly prevent paying higher salaries to all councillors or to a majority of councillors.
 - Councils should have reasonable flexibility, within a sensible framework, to determine which posts should attract enhanced salaries.
 - Councils should have reasonable flexibility, within a sensible framework, to determine the salary level that should apply to these posts.
 - The Leader or Convener of the Council should be paid more than any other councillor to reflect the extent of his/her additional responsibility.
- 4.20 The bandings of Councils we proposed for the purpose of determining salaries for Leaders and senior councillors are unchanged.

Table I

Band A		
Clackmannanshire East Lothian East Renfrewshire Eilean Siar	Inverclyde Midlothian Moray Orkney Islands	Shetland Islands Stirling
Band B		
Angus Argyll & Bute Dumfries & Galloway Dundee City East Ayrshire	East Dunbartonshire Falkirk North Ayrshire Perth & Kinross Renfrewshire	Scottish Borders South Ayrshire West Dunbartonshire West Lothian
Band C		
Aberdeen City Aberdeenshire	Fife Highland	North Lanarkshire South Lanarkshire
Band D		
City of Edinburgh	Glasgow City	

Leaders' salaries

4.21 For the Leaders of Councils our view remains that the salary level should:

- Reflect adequately the level of responsibility held.
- Recognise that Leaders' roles are similar in scope across all Councils, but the weight of responsibilities differs.
- Recognise that it is likely to be difficult for the Leader to have employment outwith the Council.
- Recognise that the Leader holds the most senior position in a Council hierarchy.
- Reflect the possibility of introducing a straightforward link to the salary for councillors on the basic salary.

4.22 In January 2006 we recommended that the following salary levels should be introduced for Council Leaders (or Council Conveners where that title is used instead). Salary figures are inclusive of the 'basic salary' element and are therefore the **total** amount that can be paid to holders of these posts. These were based on the following formula relating to 100 per cent of the 2004 median Scottish salary as shown below:

Table 2

Leaders of Councils in Band A:	$£20,603 \times 1.5 =$	£30,905
Leaders of Councils in Band B:	$£20,603 \times 1.75 =$	£36,055
Leaders of Councils in Band C:	$£20,603 \times 2 =$	£41,206
Leaders of Councils in Band D:	$£20,603 \times 2.5 =$	£51,508

4.23 Our proposed salary levels were subsequently reduced by the Scottish Ministers to:

Table 3

Leaders of Councils in Band A:	$£20,603 \times 1.25 =$	£25,754
Leaders of Councils in Band B:	$£20,603 \times 1.5 =$	£30,905
Leaders of Councils in Band C:	$£20,603 \times 1.75 =$	£36,055
Leaders of Councils in Band D:	$£20,603 \times 2.25 =$	£46,357

4.24 Applying the same principles using the 2007 median Scottish salary would produce a salary figure of:

Table 4

Leaders of Councils in Band A:	$£23,075 \times 1.25 =$	£28,844
Leaders of Councils in Band B:	$£23,075 \times 1.5 =$	£34,613
Leaders of Councils in Band C:	$£23,075 \times 1.75 =$	£40,381
Leaders of Councils in Band D:	$£23,075 \times 2.25 =$	£51,919

- 4.25 This would produce increases in salary of around 12 per cent. As with the basic salary level this would clearly breach the principles of affordability and public sector pay policy.
- 4.26 With effect from 1 April 2008 we also considered applying the percentage increase of 2.5 per cent each year over 2 years (to cover the years 2006-07 and 2007-08) to the Leader's salary to reflect the extent of time which had passed since the present salary figure was recommended. This would give the Leader in each of the Council bands £27,058 (Band A); £32,470 (Band B); £37,880 (Band C) and £48,704 (Band D) making an increase of 5.06 per cent. This again would run counter to current public sector pay policy.
- 4.27 We have recommended that the basic salary should be increased by 2.5 per cent with effect from 1 April 2008 and, to assist Councils in setting their budgets, by a further 2.5 per cent with effect from 1 April 2009. This percentage increase is in line with current public sector pay policy and partly addresses the time differential. Applying a 2.5 per cent increase to the Leaders' existing salary level in each year would mean that the Leader, according to Council banding, would receive:

Table 5 (from 1 April 2008)

Leaders in Band A	£26,398
Leaders in Band B	£31,678
Leaders in Band C	£36,956
Leaders in Band D	£47,516

Recommendation 4: We recommend that the Council Leader's salary should be increased by 2.5 per cent from 1 April 2008.

Table 6 (from 1 April 2009)

Leaders in Band A	£27,058
Leaders in Band B	£32,470
Leaders in Band C	£37,880
Leaders in Band D	£48,704

Recommendation 5: We recommend a further 2.5 per cent increase to the Council Leader's salary with effect from 1 April 2009.

Senior councillors

Number of councillors that may receive an enhanced salary

- 4.28 In devising arrangements for senior councillors below the level of Council Leader, we considered that it was important to find a balance between allowing Councils flexibility and maintaining a reasonably consistent approach across the country, while meeting the criteria set for us. In examining the way in which Councils had implemented the change it was apparent that the number of senior councillors we recommended for each Council was, in the main, sufficient to meet their needs. We are therefore not proposing any change to the number of senior councillors already allocated to Councils since this is not within our current remit.
- 4.29 We remain of the view that it is reasonable that an enhanced salary should only be paid to councillors with **significant** additional responsibilities. These might include Cabinet members, chairs or conveners of major Council committees, and the Leader of any significant opposition party. Councils should continue to determine which specific posts should receive an enhanced salary.

Salaries for senior councillors

- 4.30 To allow Councils flexibility to determine the salary level that should be attached to each post, we remain of the view that Councils should administer that flexibility within a total budget for senior councillors' salaries.
- 4.31 We consider that there should continue to be a reasonable gap between the Leader's salary and that of any other senior councillor. We therefore recommend that, as at present, no other councillor's salary can be within 25 per cent of the salary of the Leader.
- 4.32 Using this 25 per cent gap and by reference to the Leader's salary, we arrive at the following salary ranges for paying councillors with significant additional responsibilities:
- Band A Councils – £15,839 to £19,799
 - Band B Councils – £15,839 to £23,759
 - Band C Councils – £15,839 to £27,717
 - Band D Councils – £15,839 to £35,637

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4.33 By increasing the Council Leader's salary by 2.5 per cent, this automatically increases the senior councillors' salary budget as follows:

Table 7 – Calculation of fund for paying senior councillors (from 1 April 2008)

Band	Leader	Top senior salary (25% below Leader)	50% of difference between top senior and basic councillor salary	Plus basic councillor salary	Multiplied by number of permitted senior positions	Equals total budget	Existing budget #
A	£26,398	£19,799	£1,981	£17,819	9*	£160,371	£156,456
B	£31,678	£23,759	£3,961	£19,799	14**	£277,186	£270,424
C	£36,956	£27,717	£5,940	£21,778	19	£413,782	£403,693
D	£47,516	£35,637	£9,900	£25,738	24	£617,712	£602,640

*except Clackmannanshire and Midlothian (see table 11)

** except West Dunbartonshire, East Dunbartonshire, Angus, and Dundee City (see table 11)

illustrative existing budget for Band A Councils with nine senior councillors and Band B Councils with 14 senior councillors

Recommendation 6: We recommend that the senior councillor salary should be based on the current formula linking it to that of the Leader which we recommend should be increased by 2.5 per cent from 1 April 2008 resulting in increased budgets for each Council as specified in table 11.

4.34 Using this 25 per cent gap and by reference to the Leader's salary from 1 April 2009, we arrive at the following salary ranges for paying councillors with significant additional responsibilities:

Band A Councils – £16,235 to £20,294

Band B Councils – £16,235 to £24,353

Band C Councils – £16,235 to £28,410

Band D Councils – £16,235 to £36,528

4.35 By increasing the Council Leader's salary further by 2.5 per cent from 1 April 2009, this automatically increases the senior councillors' salary budget as follows:

Table 8 – Calculation of fund for paying senior councillors (from 1 April 2009)

Band	Leader	Top senior salary (25% below Leader)	50% of difference between top senior and basic councillor salary	Plus basic councillor salary	Multiplied by number of permitted senior positions	Equals total budget
A	£27,058	£20,294	£2,030	£18,264	9*	£164,376
B	£32,470	£24,353	£4,060	£20,294	14**	£284,116
C	£37,880	£28,410	£6,088	£22,322	19	£424,118
D	£48,704	£36,528	£10,147	£26,381	24	£633,144

* except Clackmannanshire and Midlothian (see table 12)

** except West Dunbartonshire, East Dunbartonshire, Angus, and Dundee City (see table 12)

Recommendation 7: We recommend that the senior councillor salary should be based on the current formula linking it to that of the Leader which we recommend should be increased by a further 2.5 per cent from 1 April 2009 resulting in increased budgets for each Council as specified in table 12.

Civic Heads

4.36 Local authorities have the scope to determine the level of salary which can be paid to the Civic Head provided it does not exceed 75 per cent of the salary paid to the Council Leader. We believe that this should continue to be the case. This draws a parallel between the maximum level of salary which can be paid to a senior councillor. The maximum which local authorities could pay the Civic Head would be:

Table 9 (from 1 April 2008)

Civic Heads in Band A	£19,799
Civic Heads in Band B	£23,759
Civic Heads in Band C	£27,717
Civic Heads in Band D	£35,637

4.37 This would result in the levels of salary for Civic Heads being increased by 2.5 per cent in line with similar increases we are recommending for Council Leaders and senior councillors.

Recommendation 8: We recommend that the Civic Head salary should be no more than 75 per cent of that of the Leader and should be increased by 2.5 per cent from 1 April 2008.

4.38 By applying a further 2.5 per cent increase to the Civic Head salary from 1 April 2009, the maximum which local authorities could pay the Civic Head would be:

Table 10 (from 1 April 2009)

Civic Heads in Band A	£20,294
Civic Heads in Band B	£24,353
Civic Heads in Band C	£28,410
Civic Heads in Band D	£36,528

4.39 This would result in the levels of salary for Civic Heads being increased in line with similar increases we are recommending for Council Leaders and senior councillors.

Recommendation 9: We recommend further that the Civic Head salary should be no more than 75 per cent of that of the Leader and should be increased by 2.5 per cent from 1 April 2009.

Senior members serving on Joint Boards

4.40 The recommendation in our 2006 Report was that Joint Boards should be able to determine the level of salary paid to their senior members within specified upper limits. During our discussion with Joint Boards it was clear that the Regulations as implemented only allowed scope to pay an enhanced salary to one Vice Convener. This was counter to other legislation which permitted Joint Boards to have two Vice Conveners. For the majority of Joint Boards this has meant that one Vice Convener has been remunerated by the Joint Board and the other has either been paid only the basic salary or has had to be scored against the number of senior councillors allocated to his/her own local authority. The Regulations make clear that Conveners and Vice Conveners of Joint Boards are not included in the maximum number of senior councillors allocated to individual local authorities. We consider there is a need to address this anomaly now in order that Joint Boards can pay enhanced salaries to both Vice Conveners.

Recommendation 10: We recommend that both Vice Conveners on Joint Boards should be paid by Joint Boards and should only be scored against the maximum number of senior councillors allocated to a particular authority if they already hold senior councillor positions in that authority.

Table 11 – Proposed remuneration levels for basic councillors, senior councillors, and Council Leaders (from 1 April 2008)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,838	Mid point	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	No. of Leaders	Leader's salary	Total budget required
Band A										
Clackmannanshire	18	8	£126,704	£17,819	8	£142,552	£19,799	1	£26,398	£315,453
East Lothian	23	12	£190,056	£17,819	9	£160,371	£19,799	1	£26,398	£396,624
East Renfrewshire	20	9	£142,542	£17,819	9	£160,371	£19,799	1	£26,398	£349,110
Eilean Siar	31	20	£316,760	£17,819	9	£160,371	£19,799	1	£26,398	£523,328
Inverclyde	20	9	£142,542	£17,819	9	£160,371	£19,799	1	£26,398	£349,110
Midlothian	18	8	£126,704	£17,819	8	£142,552	£19,799	1	£26,398	£315,453
Moray	26	15	£237,570	£17,819	9	£160,371	£19,799	1	£26,398	£444,138
Orkney Islands	21	10	£158,380	£17,819	9	£160,371	£19,799	1	£26,398	£364,948
Shetland Islands	22	11	£174,218	£17,819	9	£160,371	£19,799	1	£26,398	£380,786
Stirling	22	11	£174,218	£17,819	9	£160,371	£19,799	1	£26,398	£380,786
Band B										
Angus	29	14	£221,732	£19,799	13	£257,387	£23,759	1	£31,678	£534,556
Argyll & Bute	36	20	£316,760	£19,799	14	£277,186	£23,759	1	£31,678	£649,383
Dumfries & Galloway	47	31	£490,978	£19,799	14	£277,186	£23,759	1	£31,678	£823,601
Dundee City	29	14	£221,732	£19,799	13	£257,387	£23,759	1	£31,678	£534,556
East Ayrshire	32	16	£253,408	£19,799	14	£277,186	£23,759	1	£31,678	£586,031
East Dunbartonshire	24	11	£174,218	£19,799	11	£217,789	£23,759	1	£31,678	£447,444
Falkirk	32	16	£253,408	£19,799	14	£277,186	£23,759	1	£31,678	£586,031
North Ayrshire	30	14	£221,732	£19,799	14	£277,186	£23,759	1	£31,678	£554,355
Perth & Kinross	41	25	£395,950	£19,799	14	£277,186	£23,759	1	£31,678	£728,573
Renfrewshire	40	24	£380,112	£19,799	14	£277,186	£23,759	1	£31,678	£712,735
Scottish Borders	34	18	£285,084	£19,799	14	£277,186	£23,759	1	£31,678	£617,707
South Ayrshire	30	14	£221,732	£19,799	14	£277,186	£23,759	1	£31,678	£554,355
West Dunbartonshire	22	10	£158,380	£19,799	10	£197,990	£23,759	1	£31,678	£411,807
West Lothian	32	16	£253,408	£19,799	14	£277,186	£23,759	1	£31,678	£586,031

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Table 11 – (continued)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,838	Mid point	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (1 per Council)	No. of Leaders	Leader's salary	Total budget required
Band C										
Aberdeen City	43	22	£348,436	£21,778	19	£413,782	£27,717	1	£36,956	£826,891
Aberdeenshire	68	47	£744,386	£21,778	19	£413,782	£27,717	1	£36,956	£1,222,841
Fife	78	57	£902,766	£21,778	19	£413,782	£27,717	1	£36,956	£1,381,221
Highland	80	59	£934,442	£21,778	19	£413,782	£27,717	1	£36,956	£1,412,897
North Lanarkshire	70	49	£776,062	£21,778	19	£413,782	£27,717	1	£36,956	£1,254,517
South Lanarkshire	67	46	£728,548	£21,778	19	£413,782	£27,717	1	£36,956	£1,207,003
Band D										
Edinburgh, City of	58	32	£506,816	£25,738	24	£617,712	£35,637	1	£47,516	£1,207,681
Glasgow City	79	53	£839,414	£25,738	24	£617,712	£35,637	1	£47,516	£1,540,279

Table 12 – Proposed remuneration levels for basic councillors, senior councillors, and Council Leaders (from 1 April 2009)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £16,234	Mid point	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	No. of Leaders	Leader's salary	Total budget required
Band A										
Clackmannanshire	18	8	£129,872	£18,264	8	£146,112	£20,294	1	£27,058	£323,336
East Lothian	23	12	£194,808	£18,264	9	£164,376	£20,294	1	£27,058	£406,536
East Renfrewshire	20	9	£146,106	£18,264	9	£164,376	£20,294	1	£27,058	£357,834
Eilean Siar	31	20	£324,680	£18,264	9	£164,376	£20,294	1	£27,058	£536,408
Inverclyde	20	9	£146,106	£18,264	9	£164,376	£20,294	1	£27,058	£357,834
Midlothian	18	8	£129,872	£18,264	8	£146,112	£20,294	1	£27,058	£323,336
Moray	26	15	£243,510	£18,264	9	£164,376	£20,294	1	£27,058	£455,238
Orkney Islands	21	10	£162,340	£18,264	9	£164,376	£20,294	1	£27,058	£374,068
Shetland Islands	22	11	£178,574	£18,264	9	£164,376	£20,294	1	£27,058	£390,302
Stirling	22	11	£178,574	£18,264	9	£164,376	£20,294	1	£27,058	£390,302
Band B										
Angus	29	14	£227,276	£20,294	13	£263,822	£24,353	1	£32,470	£547,921
Argyll & Bute	36	20	£324,680	£20,294	14	£284,116	£24,353	1	£32,470	£665,619
Dumfries & Galloway	47	31	£503,254	£20,294	14	£284,116	£24,353	1	£32,470	£844,193
Dundee City	29	14	£227,276	£20,294	13	£263,822	£24,353	1	£32,470	£547,921
East Ayrshire	32	16	£259,744	£20,294	14	£284,116	£24,353	1	£32,470	£600,683
East Dunbartonshire	24	11	£178,574	£20,294	11	£223,234	£24,353	1	£32,470	£458,631
Falkirk	32	16	£259,744	£20,294	14	£284,116	£24,353	1	£32,470	£600,683
North Ayrshire	30	14	£227,276	£20,294	14	£284,116	£24,353	1	£32,470	£568,215
Perth & Kinross	41	25	£405,850	£20,294	14	£284,116	£24,353	1	£32,470	£746,789
Renfrewshire	40	24	£389,616	£20,294	14	£284,116	£24,353	1	£32,470	£730,555
Scottish Borders	34	18	£292,212	£20,294	14	£284,116	£24,353	1	£32,470	£633,151
South Ayrshire	30	14	£227,276	£20,294	14	£284,116	£24,353	1	£32,470	£568,215
West Dunbartonshire	22	10	£162,340	£20,294	10	£202,940	£24,353	1	£32,470	£422,103
West Lothian	32	16	£259,744	£20,294	14	£284,116	£24,353	1	£32,470	£600,683

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Table 12 – (continued)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £16,234	Mid point	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (1 per Council)	No. of Leaders	Leader's salary	Total budget required
Band C										
Aberdeen City	43	22	£357,148	£22,322	19	£424,118	£28,410	1	£37,880	£847,556
Aberdeenshire	68	47	£762,998	£22,322	19	£424,118	£28,410	1	£37,880	£1,253,406
Fife	78	57	£925,338	£22,322	19	£424,118	£28,410	1	£37,880	£1,415,746
Highland	80	59	£957,806	£22,322	19	£424,118	£28,410	1	£37,880	£1,448,214
North Lanarkshire	70	49	£795,466	£22,322	19	£424,118	£28,410	1	£37,880	£1,285,874
South Lanarkshire	67	46	£746,764	£22,322	19	£424,118	£28,410	1	£37,880	£1,237,172
Band D										
Edinburgh, City of	58	32	£519,488	£26,381	24	£633,144	£36,528	1	£48,704	£1,237,864
Glasgow City	79	53	£860,402	£26,381	24	£633,144	£36,528	1	£48,704	£1,578,778

CHAPTER 5 – ALLOWANCES AND EXPENSES

Present situation

- 5.1 Local authority councillors have been claiming mileage allowances and reimbursement of already incurred receipted expenditure since May 2007. This follows on from consideration of our recommendations to the Scottish Ministers in January 2006 and represented a significant move away from the flat rate allowances that were previously paid. In essence we believe that reimbursement of travel and subsistence costs should be claimed where a councillor is carrying out approved duties as set out in Section 49 of the Local Government (Scotland) Act 1973. Approved duties are defined as:
- Attendance at a meeting of the local authority or any of its committees or sub committees;
 - The carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees or sub committees;
 - The performing of any duty as a member of any other body, prescribed by the Scottish Ministers for the purpose, to which the councillor has been nominated or appointed by the local authority.
- 5.2 This means that certain costs may be reimbursed, for example, for:
- Attending Council meetings including committees, sub committees, working groups, etc.;
 - Attending meetings in the councillor's ward, e.g. Community Councils, etc.;
 - Carrying out councillor's surgeries;
 - Consultation with officers based at Council headquarters;
 - Consultation with officers based at other Council offices;
 - Functions in the councillor's ward to which the councillor has been invited;
 - Attending, on behalf of the Council, meetings with other bodies, e.g. Partnership bodies.
- 5.3 For the purposes of calculating claims, a councillor's normal place of residence is regarded as his or her place of work, so expenses associated with travel from home to the Council headquarters, and other locations to conduct Council business, may be claimed.

Parameters set for the review

- 5.4 The Cabinet Secretary for Finance and Sustainable Growth has asked the Committee to undertake annual reviews of the level of allowances and expenses which can be claimed by councillors.

Allowances – mileage

- 5.5 At present, councillors may claim mileage allowance which covers the cost of travelling by private car, motorcycle or bicycle. In our Report, we recommended that a single rate should be set for mileage allowance, dependant on the mode of transport. We recommended that allowances for travel by private car, motorcycle and bicycle should be introduced in line with the current HM Revenue and Customs rates. That would have set a car or van allowance of 40p per mile; motorcycles 24p per mile and bicycles 20p per mile. We also suggested an allowance of 2p per mile for each passenger carried. In its response to our recommendation these rates were changed by the Scottish Ministers who decided that the motor mileage rate of 49.3p per mile should be retained to ensure consistency with the rate for MSPs. They added that should the rate for MSPs change, the Committee would be asked to look again at arrangements for councillors.

- 5.6 An independent panel was recently appointed by the Scottish Parliamentary Corporate Body (SPCB) to carry out a full-scale review of the Parliament's Allowances Schemes. That panel, chaired by Sir Alan Langlands, reported in March 2008. On MSPs' travel, they recommended a single mechanism for reimbursement of all forms of travel expenses relating to parliamentary duties and constituency responsibilities. They further said that the current mileage rate of 49.3p should be reduced to 40p in line with rates set by HM Revenue and Customs.
- 5.7 It is clear from discussions we have had with a number of local authorities that the mileage rate of 49.3p puts an additional administrative burden on them by having to declare the additional 9.3p for tax purposes. As the change of rate was set to align councillors' rates with those of MSPs and in light of the views of many local authorities, we propose that all HMRC rates should apply as detailed in table 13.

Table 13

Mode of transport	Mileage rate
Cars and vans (first 10,000 Council business miles in tax year)	40p + 5p per passenger carried
Cars and vans (each Council business mile over 10,000 in tax year)	25p
Motorcycles	24p
Bicycles	20p

Recommendation 11: We recommend that the allowances for travel by private car, motorcycle, and bicycle should be in line with current HM Revenue and Customs (HMRC) rates. The rates should keep pace with any changes made by HMRC. Current HMRC rates are detailed in table 13.

Reimbursement of expenses

Transport

- 5.8 The introduction of the principle of reimbursing councillors for actual receipted expenditure incurred has been universally welcomed by local authorities. It has brought more clarity and accountability into the system. We remain of the view that that principle should continue for most areas of councillors' expenditure on Council approved duties. We therefore propose no change to the following transport related areas:

Table 14

Parking charges	Receipted cost of expense
Road pricing schemes and congestion charging	Receipted cost of expense
Road and, if relevant, bridge tolls	Receipted cost of expense
Public transport (including taxis)	Receipted cost of expense
Ferry fares	Receipted cost of expense

5.9 Furthermore, we would expect that standard/economy class should continue to be used for the vast majority of journeys. Councillors and local authorities should consider cost-effectiveness and value for money when choosing the mode and class of transport for a journey on Council business.

Subsistence

Overnight accommodation

5.10 In 2006, we recommended that where a councillor has an overnight absence from home, the actual receipted cost incurred for bed and breakfast may be reimbursed, subject to a maximum figure, on production of a receipt. This recommendation was accepted by the Scottish Ministers but our proposed rates were increased in line with Scottish Parliament arrangements. We note that the SPCB have recommended that the MSP rate for overnight hotel accommodation in the UK, except for London, should be set at a maximum £128.60 per night based on an average hotel price of £110 per night and the government evening meal rate of £18.60 per night. For accommodation in London, the maximum recommended is £150.20 per night based on an average hotel price of £131 per night and the government evening meal rate of £19.20 per night.

5.11 We therefore propose that the maximum overnight subsistence rate for which councillors may claim, on production of a receipt, should be increased as follows:

Table 15

Proposed maximum overnight accommodation away from home and local authority premises (costs for bed and breakfast)	Current maximum overnight rate	
£131 per night	£118.63 per night	Within London
£110 per night	£94.82 per night	Elsewhere in UK

Recommendation 12: We recommend that where a councillor has an overnight absence from home, the actual receipted cost incurred for bed and breakfast, up to a maximum of £131 per night within London and a maximum of £110 per night elsewhere in the UK, may be reimbursed on production of a receipt.

5.12 There are occasions when councillors will be required to attend conferences where either the conference cost is a package including accommodation or one where accommodation costs can be readily identified. We think it is reasonable that such costs are paid directly by the Council. Accommodation costs, where these are identified, should normally be within the limits set out in table 15.

5.13 We also recognise that there may be **exceptional** circumstances where a councillor may be attending a conference and staying at the conference hotel for part of the time. In such instances the accommodation cost may be higher than the recommended maximum. In such cases it would be for the member's authority to decide if the cost was reasonable and could be justified as such to their auditors. These instances should, however, be the **exception rather than the rule**.

5.14 We are also aware that some councillors, particularly those representing island wards, may find it more convenient to stay overnight with family or friends rather than incur the cost of hotel accommodation. This was common practice prior to the introduction of our remuneration package in May 2007. We recognise that this is cost effective for the relevant local authorities. We recognise in such instances that production of a receipt would not be appropriate. We propose that an *allowance* of a standard rate of £25 per night be introduced for councillors choosing to stay overnight with friends or family. The name and address at which they were staying should be included on the claim form and Councils should be satisfied as to the validity of the claim. We would expect these expenses to be included in the publication of member's expenses.

Recommendation 13: We recommend that an allowance of a standard rate of £25 per night be introduced for councillors choosing to stay overnight with friends or family in lieu of the right to claim overnight subsistence at the normal rate. The name and address at which they were staying should be included on the claim form and Councils should be satisfied as to the validity of the claim.

Meals

5.15 In 2006, we recommended that where a councillor is required to carry out Council business outwith his/her own ward, or outwith Council offices the actual cost of reasonable expenses incurred for meals may be reimbursed on production of a receipt. This was accepted by the Scottish Ministers subject to a maximum limit being specified in the Regulations. It was emphasised that the introduction of upper limits did not change the principle that only receipted costs should be reimbursed, rather than a flat rate being paid regardless of whether any expenses were incurred.

5.16 The maximum rate specified in the Regulations was:

- Breakfast (where no overnight subsistence is claimed) – £8 per day.
- Lunch – £12 per day.
- Dinner – £25 per day.

5.17 We do not propose any changes to these rates.

5.18 However, it has been brought to our attention that there have been a few instances where claims have been made where a councillor has been working in his/her local Council offices and gone out and purchased a meal outwith the Council building. This is not in the spirit of our original recommendations. We propose therefore that the cost of any meals incurred by councillors while engaged in local authority offices should not be reimbursed.

Recommendation 14A: We recommend that the maximum rates specified in the Regulations for breakfast, lunch and dinner should remain unchanged.

Recommendation 14B: We recommend that reimbursement of any meal costs incurred should not be made where a councillor is required to carry out Council business in his/her own ward subject to recommendation 15 or where he/she is carrying out Council business in any Council offices.

5.19 We recognise that for a small number of wards in certain local authority areas, the restriction on members being reimbursed within their own wards is unreasonable given either the area covered by the ward or their dependability on ferry timetables to allow them to conduct Council business either on the island or mainland. We propose that members in the following wards should be able to claim reimbursement for meals within their own wards where the local authority concerned determines that the expense is reasonably incurred on approved duties. The amount which can be claimed must be contained within the maximum rates specified above for breakfast lunch and dinner:

Recommendation 15: We recommend that councillors who are members in the wards listed in Table 16 may claim reimbursement for meals, up to the maximum rate specified in Regulations for breakfast, lunch and dinner, on production of a receipt, provided that their local authority considers the expense is reasonably incurred for approved duties within their own ward.

Table 16

The Highland Council	Ward 1	North West and Central Sutherland
	Ward 6	Wester Ross, Strathpeffer and Lochalsh
	Ward 12	Caol and Mallaig
	Ward 22	Fort William and Ardnamurchan
Argyll and Bute Council	Ward 2	Kintyre and the Islands
	Ward 4	Oban South and the Isles
North Ayrshire Council	Ward 5	Ardrossan and Arran
	Ward 8	North Coast and Cumbraes
Comhairle nan Eilean Siar	Ward 1	Barraigh, Bhatarsaigh, Eirisgeigh agus Uibhist a Deas
Shetland Islands Council	Ward 1	North Isles
Orkney Islands Council	Ward 3	Stromness and South Isles
	Ward 6	North Isles

Telephone and computer costs

5.20 In 2006, we recommended that councillors may be reimbursed for the cost of business calls made on their home telephone, networked PC, fax machine, or on a personal mobile phone. Any additional telephone costs necessarily incurred to allow councillors to carry out their role effectively, e.g. the provision and rental of a second telephone line may be reimbursed. The Scottish Ministers also decided that rental costs may be reimbursed up to 50 per cent of line rental where a councillor uses a personal phone for business use. All these costs may be reimbursed on production of a receipt.

5.21 Since we made our recommendation, it is clear that the number of packages for combined telephone, computer and television costs, which may include free calls or free evening and weekend calls make it difficult for councillors easily to identify costs incurred. We have therefore looked again at how best this issue might be addressed. For Pay As You Go mobile phone costs, it is not always possible to identify calls made.

- 5.22 It is clear from discussions we have had with local authorities that reimbursement of only receipted costs takes no account of packages which members may have agreed privately with the network or telephone service provider. However, where these have been provided as a private arrangement and cover either all or some phone calls and network use dependant on the time of day, that facility would have been provided anyway regardless of whether or not the client was a councillor. We therefore do not consider that is an appropriate argument to justify reimbursement of more than 50 per cent of line costs, as at present, plus any identified call costs on production of a receipt.
- 5.23 There remains a need for transparency and we were attracted to a number of authorities' way round the issue by supplying members with either mobile phones, second dedicated lines, blackberries, and/or broadband facilities. This is a sensible approach which allows these costs incurred by councillors on Council business to be easily identified and reported. Where any personal calls are necessary, e.g. in an emergency, these are identified and paid for by the councillor. In such instances, Councils themselves meet the bill costs and publish annually any costs incurred against the relevant councillor.
- 5.24 In relation to telephone and computer costs, we recognise that there is no single solution which will suit all in every circumstance. As such, there is a need to be less prescriptive in terms of what should be provided as a matter of course. It should therefore, be for local authorities themselves to determine, in consultation with their members, what telephone and computer facilities are required to enable the councillor to carry out his/her role effectively. This may mean the authorities themselves providing mobile phones, blackberries, broadband facilities or dedicated second lines to members in whole or in part. It may also mean that some members prefer to opt for some of these and use their own private facilities for others.

Recommendation 16: We recommend that Councils should consider supplying members with any relevant telephones and broadband facilities, including mobile phones and blackberries or similar equipment, to enable them to carry out Council business. In such instances any costs would be met by the local authority and published as a cost to the councillor when they publish their councillor remuneration costs. Any personal calls made should be identified and paid for by the councillor.

- 5.25 We recognise that we cannot compel local authorities to provide telephone and computer equipment to their members, although this remains our preferred option since it allows authorities to take advantage of bulk buying power, and to ensure compatibility with the Council's systems and networks. Where the local authority decides not to supply such equipment, and the member, with agreement from his/her local authority, uses a single personal telephone or computer for Council business, we recommend that the member should be reimbursed 50 per cent of any line rental costs and full cost of any identified calls made on Council business. This would be based on receipted costs already incurred.

Recommendation 17: We recommend that where a councillor, with agreement from his/her local authority, uses a single personal telephone or computer for Council business, the member should be reimbursed 50 per cent of any line rental costs incurred and the full cost of any identified calls made on Council business. In both instances this would be based on actual receipted expenditure.

Civic Head expenses

- 5.26 Currently the Allowances and Expenses Regulations allow for re-imbusement for civic expenses, restricted to Civic Heads, up to the limits set for each Council, to enable them to carry out their civic duties. These are in addition to any expenditure incurred on travel, subsistence and meals. The maximum annual sum which may be claimed is dependent on the Banding of the Council. These are:
- £2,000 for Band A Councils;
 - £3,000 for Band B Councils;
 - £4,000 for Band C Councils; and
 - £5,000 for Band D Councils.
- 5.27 It is clear from discussion with a number of authorities that they have not used these funds because there is a lack of clarity as to the types of use which may be made of them. There is also concern that the sums are restricted to Civic Heads even though on occasions his/her depute or others would undertake civic duties on his/her behalf.
- 5.28 We believe that it is for Councils themselves to determine what is a legitimate use of these funds. For guidance such funds may be used, for example, for:
- any additional necessary purchase or hire of clothes to attend civic functions; or
 - any visits where the Civic Head would like to return hospitality to his/her host by purchasing a meal for them. Such visits may, for example, be twinning arrangements or other international events attended by the Civic Head; or
 - personal hospitality.
- 5.29 We feel it is too early to say whether or not these sums are reasonable, given the slow uptake by authorities, and as such we do not propose any change to the maximum annual sums available at this time.
- 5.30 However, we believe that the sums should not be restricted to the Provosts and Lord Provosts (Civic Head) but (within the limits specified within each Council band) should also be able to be claimed by his/her deputies or others who undertake civic duties on behalf of the Provost or Lord Provost. This arrangement should be managed by the Council.

Recommendation 18: We recommend that the maximum annual limits for reimbursement of receipted expenditure incurred by the Civic Head to carry out his/her civic duties should remain unchanged.

Recommendation 19: We recommend further, that, within the limits specified for each Council band, Provost and Lord Provost deputies or others deputising for the Civic Head should also be able to claim reimbursement of receipted expenditure incurred where they take part in civic duties on behalf of the Provost or Lord Provost.

Joint Boards

- 5.31 We were pleased to note that Joint Boards members' expenses followed the principles outlined in the Allowances and Expenses Regulations.

CHAPTER 6 – FINANCIAL IMPLICATIONS

Introduction

6.1 This chapter considers the implications of our advice upon the amount local authorities spend on paying their councillors. In asking us to look at the level of salary, allowance and the maximum level for reimbursement of expenses set, the Cabinet Secretary made clear that we had to be mindful of affordability.

Affordability

6.2 We note that the local authority budget settlement, announced for 2008-09, included a 2.7 per cent inflationary factor uplift in each of the 3 financial years (2008-11) over and above the settlement figure for 2007-08. In terms of affordability, this should mean that any increase in costs could be met by local authorities from within the local authority settlements announced for 2008-09 and for 2009-10. We further wrote to all local authority Chief Executives in March 2008 advising them that we were minded to recommend that increases in salary levels for councillors should be applied from 1 April 2008. To assist Councils in setting their budgets for 2009-10, we are also recommending further salary increases for all councillors from 1 April 2009.

6.3 Based on our recommendations, Table 17 gives a breakdown of the salary costs by councillor grade in each authority for 2008-09. Table 18 provides similar information for 2009-10. Table 19 provides similar figures for 2007-08 for comparison. These exclude any employer costs.

6.4 We estimate that the effect of our advice, if implemented, will be to increase the overall pay bill by £0.541m or by 2.5 per cent in 2008-09 compared to 2007-08 as shown in Table 20 and by a further £0.555m or by 2.5 per cent in 2009-10. Table 21 shows this comparison.

6.5 The costs of travel and subsistence and other allowances will depend on the amount of travel undertaken and business conducted by councillors in any given year. Our 2006 report indicated that expenditure in 2004-05 was £3.95m: figures based on those published by local authorities for the period May 2007 to March 2008 suggest that the total spend was around £2.6m. This is in line with our expectation in 2006. We would anticipate car mileage costs should decrease further if our recommendation for a car mileage rate, in line with HMRC rates, is accepted. We feel it is also important to emphasise that, for the most part, these costs relate to reimbursement of receipted costs actually incurred by the councillor rather than a flat rate allowance payable regardless of expenses incurred.

6.6 The Local Government Pension Scheme is administered by local authorities through their pension fund. Councillors currently need to decide themselves whether or not they wish to join the pension scheme but from 1 April 2009, we understand that the intention is that any new councillor would automatically be a member of the pension scheme and would require to opt out of the scheme if he/she did not wish to participate. Councillors will, however, continue to represent a very small fraction of the total number of members of each fund and would be liable for the employee contributions to the fund with employer contributions being met by the local authority. Whilst we recognise that the impact of new councillors automatically becoming members of the Local Government Pension Scheme might result in some increased costs to local authorities, these are unlikely to be significant and we anticipate they will remain broadly similar to those in 2007-08.

Joint Boards

6.7 At present, Joint Board members' costs are paid by their own local authority and subsequently charged back to the Joint Board. The impact of our recommendations on salary levels will be to increase the existing salary element paid by the Joint Board by around 2.5 per cent from 1 April 2008 and by a further 2.5 per cent from 1 April 2009. There would also be an additional cost to some Joint Boards for the second Vice Convener's salary where this is not paid at present.

6.8 As with Councils, the costs associated with Joint Board members' travel and subsistence will depend on claims made. We anticipate that, as with Councils, claims for motor mileage expenses would reduce and those for subsistence may increase marginally. Overall the costs should be similar to those for 2007-08.

Table 17 – Budgets 2008-09

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,838	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	Leader's salary (£ per Council)	Total budget required
Band A								
Clackmannanshire	18	8	£126,704	8	£142,552	£19,799	£26,398	£315,453
East Lothian	23	12	£190,056	9	£160,371	£19,799	£26,398	£396,624
East Renfrewshire	20	9	£142,542	9	£160,371	£19,799	£26,398	£349,110
Eilean Siar	31	20	£316,760	9	£160,371	£19,799	£26,398	£523,328
Inverclyde	20	9	£142,542	9	£160,371	£19,799	£26,398	£349,110
Midlothian	18	8	£126,704	8	£142,552	£19,799	£26,398	£315,453
Moray	26	15	£237,570	9	£160,371	£19,799	£26,398	£444,138
Orkney Islands	21	10	£158,380	9	£160,371	£19,799	£26,398	£364,948
Shetland Islands	22	11	£174,218	9	£160,371	£19,799	£26,398	£380,786
Stirling	22	11	£174,218	9	£160,371	£19,799	£26,398	£380,786
Band B								
Angus	29	14	£221,732	13	£257,387	£23,759	£31,678	£534,556
Argyll & Bute	36	20	£316,760	14	£277,186	£23,759	£31,678	£649,383
Dumfries & Galloway	47	31	£490,978	14	£277,186	£23,759	£31,678	£823,601
Dundee City	29	14	£221,732	13	£257,387	£23,759	£31,678	£534,556
East Ayrshire	32	16	£253,408	14	£277,186	£23,759	£31,678	£586,031
East Dunbartonshire	24	11	£174,218	11	£217,789	£23,759	£31,678	£447,444
Falkirk	32	16	£253,408	14	£277,186	£23,759	£31,678	£586,031
North Ayrshire	30	14	£221,732	14	£277,186	£23,759	£31,678	£554,355
Perth & Kinross	41	25	£395,950	14	£277,186	£23,759	£31,678	£728,573
Renfrewshire	40	24	£380,112	14	£277,186	£23,759	£31,678	£712,735
Scottish Borders	34	18	£285,084	14	£277,186	£23,759	£31,678	£617,707
South Ayrshire	30	14	£221,732	14	£277,186	£23,759	£31,678	£554,355
West Dunbartonshire	22	10	£158,380	10	£197,990	£23,759	£31,678	£411,807
West Lothian	32	16	£253,408	14	£277,186	£23,759	£31,678	£586,031

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Table 17 – (continued)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,838	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (1 per Council)	Leader's salary (1 per Council)	Total budget required
Band C								
Aberdeen City	43	22	£348,436	19	£413,782	£27,717	£36,956	£826,891
Aberdeenshire	68	47	£744,386	19	£413,782	£27,717	£36,956	£1,222,841
Fife	78	57	£902,766	19	£413,782	£27,717	£36,956	£1,381,221
Highland	80	59	£934,442	19	£413,782	£27,717	£36,956	£1,412,897
North Lanarkshire	70	49	£776,062	19	£413,782	£27,717	£36,956	£1,254,517
South Lanarkshire	67	46	£728,548	19	£413,782	£27,717	£36,956	£1,207,003
Band D								
Edinburgh, City of	58	32	£506,816	24	£617,712	£35,637	£47,516	£1,207,681
Glasgow City	79	53	£839,414	24	£617,712	£35,637	£47,516	£1,540,279

Table 18 – Budgets 2009-10

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £16,234	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	Leader's salary (£ per Council)	Total budget required
Band A								
Clackmannanshire	18	8	£129,872	8	£146,112	£20,294	£27,058	£323,336
East Lothian	23	12	£194,808	9	£164,376	£20,294	£27,058	£406,536
East Renfrewshire	20	9	£146,106	9	£164,376	£20,294	£27,058	£357,834
Eilean Siar	31	20	£324,680	9	£164,376	£20,294	£27,058	£536,408
Inverclyde	20	9	£146,106	9	£164,376	£20,294	£27,058	£357,834
Midlothian	18	8	£129,872	8	£146,112	£20,294	£27,058	£323,336
Moray	26	15	£243,510	9	£164,376	£20,294	£27,058	£455,238
Orkney Islands	21	10	£162,340	9	£164,376	£20,294	£27,058	£374,068
Shetland Islands	22	11	£178,574	9	£164,376	£20,294	£27,058	£390,302
Stirling	22	11	£178,574	9	£164,376	£20,294	£27,058	£390,302
Band B								
Angus	29	14	£227,276	13	£263,822	£24,353	£32,470	£547,921
Argyll & Bute	36	20	£324,680	14	£284,116	£24,353	£32,470	£665,619
Dumfries & Galloway	47	31	£503,254	14	£284,116	£24,353	£32,470	£844,193
Dundee City	29	14	£227,276	13	£263,822	£24,353	£32,470	£547,921
East Ayrshire	32	16	£259,744	14	£284,116	£24,353	£32,470	£600,683
East Dunbartonshire	24	11	£178,574	11	£223,234	£24,353	£32,470	£458,631
Falkirk	32	16	£259,744	14	£284,116	£24,353	£32,470	£600,683
North Ayrshire	30	14	£227,276	14	£284,116	£24,353	£32,470	£568,215
Perth & Kinross	41	25	£405,850	14	£284,116	£24,353	£32,470	£746,789
Renfrewshire	40	24	£389,616	14	£284,116	£24,353	£32,470	£730,555
Scottish Borders	34	18	£292,212	14	£284,116	£24,353	£32,470	£633,151
South Ayrshire	30	14	£227,276	14	£284,116	£24,353	£32,470	£568,215
West Dunbartonshire	22	10	£162,340	10	£202,940	£24,353	£32,470	£422,103
West Lothian	32	16	£259,744	14	£284,116	£24,353	£32,470	£600,683

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Table 18 – (continued)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £16,234	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	Leader's salary (£ per Council)	Total budget required
Band C								
Aberdeen City	43	22	£357,148	19	£424,118	£28,410	£37,880	£847,556
Aberdeenshire	68	47	£762,998	19	£424,118	£28,410	£37,880	£1,253,406
Fife	78	57	£925,338	19	£424,118	£28,410	£37,880	£1,415,746
Highland	80	59	£957,806	19	£424,118	£28,410	£37,880	£1,448,214
North Lanarkshire	70	49	£795,466	19	£424,118	£28,410	£37,880	£1,285,874
South Lanarkshire	67	46	£746,764	19	£424,118	£28,410	£37,880	£1,237,172
Band D								
Edinburgh, City of	58	32	£519,488	24	£633,144	£36,528	£48,704	£1,237,864
Glasgow City	79	53	£860,402	24	£633,144	£36,528	£48,704	£1,578,778

Table 19 – Budgets 2007-08

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,452	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	Leader's salary (£ per Council)	Total budget required
Band A								
Clackmannanshire	18	8	£123,616	8	£139,072	£19,316	£25,754	£307,758
East Lothian	23	12	£185,424	9	£156,456	£19,316	£25,754	£386,950
East Renfrewshire	20	9	£139,068	9	£156,456	£19,316	£25,754	£340,594
Eilean Siar	31	20	£309,040	9	£156,456	£19,316	£25,754	£510,566
Inverclyde	20	9	£139,068	9	£156,456	£19,316	£25,754	£340,594
Midlothian	18	8	£123,616	8	£139,072	£19,316	£25,754	£307,758
Moray	26	15	£231,780	9	£156,456	£19,316	£25,754	£433,306
Orkney Islands	21	10	£154,520	9	£156,456	£19,316	£25,754	£356,046
Shetland Islands	22	11	£169,972	9	£156,456	£19,316	£25,754	£371,498
Stirling	22	11	£169,972	9	£156,456	£19,316	£25,754	£371,498
Band B								
Angus	29	14	£216,328	13	£251,108	£23,179	£30,905	£521,520
Argyll & Bute	36	20	£309,040	14	£270,424	£23,179	£30,905	£633,548
Dumfries & Galloway	47	31	£479,012	14	£270,424	£23,179	£30,905	£803,520
Dundee City	29	14	£216,328	13	£251,108	£23,179	£30,905	£521,520
East Ayrshire	32	16	£247,232	14	£270,424	£23,179	£30,905	£571,740
East Dunbartonshire	24	11	£169,972	11	£212,476	£23,179	£30,905	£436,532
Falkirk	32	16	£247,232	14	£270,424	£23,179	£30,905	£571,740
North Ayrshire	30	14	£216,328	14	£270,424	£23,179	£30,905	£540,836
Perth & Kinross	41	25	£386,300	14	£270,424	£23,179	£30,905	£710,808
Renfrewshire	40	24	£370,848	14	£270,424	£23,179	£30,905	£695,356
Scottish Borders	34	18	£278,136	14	£270,424	£23,179	£30,905	£602,644
South Ayrshire	30	14	£216,328	14	£270,424	£23,179	£30,905	£540,836
West Dunbartonshire	22	10	£154,520	10	£193,160	£23,179	£30,905	£401,764
West Lothian	32	16	£247,232	14	£270,424	£23,179	£30,905	£571,740

Review of Implementation of Remuneration Arrangements for Local Authority Councillors
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Table 19 – (continued)

Council	Total no. of councillors (cllrs)	No. of cllrs on basic salary	Basic cllrs at £15,452	No. of senior cllrs	Budget for paying senior councillors	Civic Head max salary (£ per Council)	Leader's salary (£ per Council)	Total budget required
Band C								
Aberdeen City	43	22	£339,944	19	£403,693	£27,041	£36,055	£806,733
Aberdeenshire	68	47	£726,244	19	£403,693	£27,041	£36,055	£1,193,033
Fife	78	57	£880,764	19	£403,693	£27,041	£36,055	£1,347,553
Highland	80	59	£911,668	19	£403,693	£27,041	£36,055	£1,378,457
North Lanarkshire	70	49	£757,148	19	£403,693	£27,041	£36,055	£1,223,937
South Lanarkshire	67	46	£710,792	19	£403,693	£27,041	£36,055	£1,177,581
Band D								
Edinburgh, City of	58	32	£494,464	24	£602,640	£34,768	£46,357	£1,178,229
Glasgow City	79	53	£818,956	24	£602,640	£34,768	£46,357	£1,502,721

Table 20 – Budgets Increase by Authority 2008-09

Council	Total budget required 2007-08	Total budget required 2008-09	Difference £	Difference %
Band A				
Clackmannanshire	£307,758	£315,453	£7,695	2.5
East Lothian	£386,950	£396,624	£9,674	2.5
East Renfrewshire	£340,594	£349,110	£8,516	2.5
Eilean Siar	£510,566	£523,328	£12,762	2.5
Inverclyde	£340,594	£349,110	£8,516	2.5
Midlothian	£307,758	£315,453	£7,695	2.5
Moray	£433,306	£444,138	£10,832	2.5
Orkney Islands	£356,046	£364,948	£8,902	2.5
Shetland Islands	£371,498	£380,786	£9,288	2.5
Stirling	£371,498	£380,786	£9,288	2.5
Band B				
Angus	£521,520	£534,556	£13,036	2.5
Argyll & Bute	£633,548	£649,383	£15,835	2.5
Dumfries & Galloway	£803,520	£823,601	£20,081	2.5
Dundee City	£521,520	£534,556	£13,036	2.5
East Ayrshire	£571,790	£586,031	£14,241	2.5
East Dunbartonshire	£436,532	£447,444	£10,912	2.5
Falkirk	£571,740	£586,031	£14,291	2.5
North Ayrshire	£540,836	£554,355	£13,519	2.5
Perth & Kinross	£710,808	£728,573	£17,765	2.5
Renfrewshire	£695,356	£712,735	£17,379	2.5
Scottish Borders	£602,644	£617,707	£15,063	2.5
South Ayrshire	£540,836	£554,355	£13,519	2.5
West Dunbartonshire	£401,764	£411,807	£10,043	2.5
West Lothian	£571,740	£586,031	£14,291	2.5

Table 20 – (continued)

Council	Total budget required 2007-08	Total budget required 2008-09	Difference £	Difference %
Band C				
Aberdeen City	£806,733	£826,891	£20,158	2.5
Aberdeenshire	£1,193,033	£1,222,841	£29,808	2.5
Fife	£1,347,553	£1,381,221	£33,668	2.5
Highland	£1,378,457	£1,412,897	£34,440	2.5
North Lanarkshire	£1,223,937	£1,254,517	£30,580	2.5
South Lanarkshire	£1,177,581	£1,207,003	£29,422	2.5
Band D				
Edinburgh, City of	£1,178,229	£1,207,681	£29,452	2.5
Glasgow City	£1,502,721	£1,540,279	£37,558	2.5
Total	£21,658,966	£22,200,231	£541,265	2.5

Table 21 – Budgets Increase by Authority 2009-10

Council	Total budget required 2008-09	Total budget required 2009-10	Difference £	Difference %
Band A				
Clackmannanshire	£315,453	£323,336	£7,883	2.5
East Lothian	£396,624	£406,536	£9,912	2.5
East Renfrewshire	£349,110	£357,834	£8,724	2.5
Eilean Siar	£523,328	£536,408	£13,080	2.5
Inverclyde	£349,110	£357,834	£8,724	2.5
Midlothian	£315,453	£323,336	£7,883	2.5
Moray	£444,138	£455,238	£11,100	2.5
Orkney Islands	£364,948	£374,068	£9,120	2.5
Shetland Islands	£380,786	£390,302	£9,516	2.5
Stirling	£380,786	£390,302	£9,516	2.5
Band B				
Angus	£534,556	£547,921	£13,365	2.5
Argyll & Bute	£649,383	£665,619	£16,236	2.5
Dumfries & Galloway	£823,601	£844,193	£20,592	2.5
Dundee City	£534,556	£547,921	£13,365	2.5
East Ayrshire	£586,031	£600,683	£14,652	2.5
East Dunbartonshire	£447,444	£458,631	£11,187	2.5
Falkirk	£586,031	£600,683	£14,652	2.5
North Ayrshire	£554,355	£568,215	£13,860	2.5
Perth & Kinross	£728,573	£746,789	£18,216	2.5
Renfrewshire	£712,735	£730,555	£17,820	2.5
Scottish Borders	£617,707	£633,151	£15,444	2.5
South Ayrshire	£554,355	£568,215	£13,860	2.5
West Dunbartonshire	£411,807	£422,103	£10,296	2.5
West Lothian	£586,031	£600,683	£14,652	2.5

Table 21 – (continued)

Council	Total budget required 2008-09	Total budget required 2009-10	Difference £	Difference %
Band C				
Aberdeen City	£826,891	£847,556	£20,665	2.5
Aberdeenshire	£1,222,841	£1,253,406	£30,565	2.5
Fife	£1,381,221	£1,415,746	£34,525	2.5
Highland	£1,412,897	£1,448,214	£35,317	2.5
North Lanarkshire	£1,254,517	£1,285,874	£31,357	2.5
South Lanarkshire	£1,207,003	£1,237,172	£30,169	2.5
Band D				
Edinburgh, City of	£1,207,681	£1,237,864	£30,183	2.5
Glasgow City	£1,540,279	£1,578,778	£38,499	2.5
Total	£22,200,231	£22,754,979	£554,748	2.5

CHAPTER 7 – TRAINING

- 7.1 In our report in January 2006 we believed that the remuneration package would lead to increased expectations on the level of service the public should be entitled to receive from their councillors. And whilst councillors may argue that their performance is assessed at the ballot box, we believe there is merit in emphasising the importance of councillors being trained adequately for the role they are elected to carry out. In addition, the establishment of a compulsory role description and mandatory training may go some way to reassuring people who have considered standing for election but have been unclear about the support they will receive if elected.
- 7.2 We therefore proposed a series of requirements that should be put in place alongside the remuneration arrangements.

Role descriptions

- 7.3 We supported the long-standing suggestion that all councillors should have a role description and that Councils should have flexibility to devise role descriptions that are fit for purpose in their area, but they should not be optional for any councillor.

Training

- 7.4 We also believe that the public are entitled to have high expectations of their councillors and to feel confident that they are carrying out their role effectively and efficiently. As such, it is important that councillors actively engage with training and development opportunities on an ongoing basis. We therefore recommended that all councillors – including long-serving councillors being re-elected – should participate in a training needs assessment and agree a personal development plan as soon as possible after election. That plan should be based around the core competencies identified by the research work as being important to the effectiveness of councillors.

(a) Councils

- 7.5 During the course of this review we visited 12 Councils. All Councils had attempted to comply with our recommendations, with varying degrees of success, which tended to depend on the level of resources available and the time allocated to training.
- 7.6 In general, all Councils had offered and delivered mandatory training to members, e.g. planning and licensing. Most Councils had progressed considerably beyond this mandatory training, with training courses tailored to meet the needs of their members.
- 7.7 Most Councils had made good progress with PDPs. Some however have considerable work to do here and SLARC will be looking to Councils to ensure that **all** members have PDPs in place by 31 March 2009.

(b) Councillors

- 7.8 Most members agreed that training was now an essential element to the successful performance of their duties and, generally, there is an enthusiasm for participating in training. Some members felt that the time required for training was a problem alongside their other duties.

(c) Points to note and examples of good practice

- 7.9 One Council had offered a training session to prospective candidates entitled “So you think you want to be a councillor?” This allowed candidates to gain a knowledge of what it meant to be a councillor and the time required for the task. As a result those who stood for election and were successful had a better understanding of their role.
- 7.10 Several Councils provided comprehensive and rigorous induction programmes focussed on core knowledge over the first few months after the 2007 election. They also provided further bespoke training when members had a better understanding of their individual training needs.
- 7.11 One Council set up a tutorial group in their area committees to offer training sessions.
- 7.12 Several Councils created PDPs based on SLARC competencies.
- 7.13 Some Councils, where members had to travel considerable distances to Council offices, provided training either before or after Council or Committee meetings.
- 7.14 One Council had a structure where job descriptions were approved in Committee. Thereafter, members took part in one-to-one sessions which lead to the completion of PDPs. Another Council offered members a structured competency based training programme, which was then enhanced through discussion, leading to completion of PDPs. This process was further enhanced by an effort to meet individual training needs.
- 7.15 A few Councils were keen to explore cross Council training opportunities, whereas others were liaising with other Councils regarded as having expertise in certain specific areas, e.g. scrutiny training.
- 7.16 One Council made use of a Human Resources professional to discuss training needs with members, finding that members responded more positively to this approach. Another Council employed a training co-ordinator and also drew on expertise from police, fire and the National Health Service rather than just relying solely on the corporate core.
- 7.17 One Council provided training on handling workloads in an era of change, including situations where the public response was likely to be hostile.
- 7.18 Some Councils were also looking into accreditation opportunities for membership training.
- 7.19 A number of Councils participated in the Improvement Service’s Leadership course and are involved with the Service’s pilot course on Continuous Professional Development.

Councillor training

7.20 Whilst we welcome the enthusiasm for councillor training in most authorities we remain concerned that there are a few Councils where members are not given the same development opportunities. We believe that the demands on councillors are such that training is invaluable to enable them to perform their duties effectively. We therefore believe that councillors should be required to undertake appropriate training to enable them to carry out their Council duties and have so recommended.

Recommendation 20: We recommend that all councillors should be required to undertake appropriate training to enable them to perform their duties as a councillor effectively.

Improvement Service

- 7.21 The Improvement Service provides support for elected members including induction materials. Views from Councils were mixed with some considering that the induction materials arrived too late resulting in them looking elsewhere for assistance to provide suitable training.
- 7.22 They had also offered leadership training to senior councillors and a development programme addressing a variety of issues linked to leadership skills. Issues addressed on these include the challenges, risks and opportunities of shared services, media skills and political leadership.
- 7.23 They are also looking at Continuous Professional Development for Elected Members and a number of Councils are participating in the pilot.
- 7.24 With assistance from around six Councils, the Service was also piloting a caseload management system for multi member wards which would enable members to track and manage their case work.
- 7.25 COSLA are working with the Improvement Service to develop generic core material which could be adapted by Councils to suit their own local needs.
- 7.26 The main concern of the Improvement Service on delivery was one of resource.

Joint Boards

7.27 We were pleased to note that Joint Boards were also offering training to their members ensuring, in particular, that members had the necessary skills to enable them to carry out their functions as Joint Board members effectively.

Publication

7.28 The Scottish Ministers also suggested that Councils should publish, on the Council website, information on training undertaken by councillors at the same time as they publish details of councillors' salaries, allowances and expenses. Publication of training information has been patchy with some Councils providing no such information. We recognise that the emphasis placed on member training has varied from Council to Council with some offering many more development opportunities than others. We believe that the publication of information on councillors' training is important. For the guidance of Councils, we would suggest that, as a minimum, information on the numbers of councillors undertaking training and the type of training offered should be published on the Council website.

The need to work differently

7.29 In our last report we also noted that many councillors believed their workload would increase with the introduction of multi member wards. As indicated in paragraph 3.24, in some wards councillors have responded well to this challenge whilst in others there is some evidence of duplication, particularly in the number of councillors expected to attend meetings, e.g. Community Councils.

Conclusion

7.30 We welcome the emphasis most Councils are putting on the need to ensure that councillors are adequately trained to enable them to perform their duties as councillors efficiently and effectively. A number of Councils are sharing best practice and in some instances sharing training resources. This seems a sensible approach. We believe that the recommendation we made in 2006 is still relevant.

Recommendation 21: We recommend that all councillors should have a role description, participate in a training needs assessment, and have a personal development plan in place by 31 March 2009.

Recommendation 22: We recommend that Councils should publish information on councillor training. As a minimum, this should contain information on the number of councillors undertaking particular training and the type of training provided. This information should be published on the Council website at the same time as the councillor's salary, allowances and expenses information is published.

CHAPTER 8 – REVIEWING AND UPDATING ARRANGEMENTS FOR THE FUTURE AND ISSUES FOR FURTHER CONSIDERATION

Introduction

8.1 In our 2006 report, we indicated that we believed the Committee should review the arrangements put in place by individual Councils including consideration of salaries introduced for senior councillors and introduction of role descriptions and training plans. These are covered respectively in Chapters 3 and 7 of this report. Our review of salary figures is dealt with in Chapter 4.

Publication of details of councillors' salaries and expenses and training

8.2 Councils are required to publish information on councillors' salaries and expenses, at least once a year, on their website. These costs cover the immediately preceding financial year. We recognise that there may be instances where a councillor is also a convener, vice convener or member of a Joint Board which may result in that member incurring considerable expense in relation to his/her Joint Board duties. We believe it would be reasonable for these members to have separate entries covering their expenses paid to them as a member of their own Council and those paid to them as a member of the Joint Board.

8.3 In Chapter 7, we recognised that some Councils had taken considerable steps to offer training to their members. The Scottish Ministers' response to our recommendations on training indicated that Councils should publish information on councillor training at the same time as they publish information on councillors' remuneration. Some authorities had done so in June 2008 but others had not. We believe this should be a requirement (see Recommendation 22).

Issues for future consideration

Issues identified in our 2006 report

- 8.4 There was a range of issues identified in our 2006 report which we continue to believe would be worthy of consideration.
- 8.5 Firstly, we would wish to consider the position where an individual who is an employee of one local authority can also carry out a role as a councillor in another local authority. While this may not be a difficulty for a Council employee who only receives the councillor's basic salary, we feel that consideration should be given to the compatibility of carrying out the role of a senior councillor or Council Leader, in addition to another role in a local authority. We continue to believe that these roles require, on the whole, a full time commitment, for which we proposed a full time salary. We therefore consider that it might not be feasible for a senior councillor, or a Council Leader, to continue in another local authority role for which he/she is being paid another salary by a local authority.
- 8.6 Secondly, we are concerned that some Councils and other public bodies offer paid time-off for staff to carry out their role as a councillor. We would like to consider the appropriateness of this as a use of public funds given that councillors are now in receipt of a basic salary for carrying out their role.
- 8.7 Thirdly, we would like to consider in more detail the arrangements that apply to councillors who are appointed to public bodies. Although these appointments tend to be made by Ministers, individuals can be appointed primarily because of the role they carry out as a councillor. We would also wish to examine the position where, in the case of senior councillors, membership of other bodies might be seen as part and parcel of their role as a senior councillor, and should thus be covered by their senior councillor's salary.

Issues identified by Councils

- 8.8 The Cabinet Secretary made clear that the Committee should restrict the current review to looking at how the remuneration package was being implemented by Councils and to considering the levels of remuneration as part of an annual uprating review. He also indicated that the Committee should undertake a fundamental review every 5 years (quinquennial review).
- 8.9 A number of issues were identified by Councils which were outwith the remit of this review. However, it would seem to us appropriate to consider these as part of our fundamental review. These include:
- Level of basic salary.
 - Workload of councillors.
 - Number of senior councillors.
 - Differential between basic and senior councillor salaries, particularly in Band A and Band B Councils.
 - Travel from place of employment.
 - The use of leased cars.

ANNEX A

Glossary

- **ASHE** – Annual Survey of Hours and Earnings.
- **Cllr** – Councillor.
- **COSLA** – Convention of Scottish Local Authorities.
- **HMRC** – Her Majesty's Revenue and Customs.
- **Median** – the median salary is the middle salary, i.e. the salary level at which there are as many above it as there are below it in the distribution. The median is often used as a measure of central tendency when the average figure is distorted due to the highly skewed nature of the distribution.
- **NAC** – National Association of Councillors.
- **NDPBs** – Non Departmental Public Bodies.
- **Remuneration** – salary, allowances and reimbursement of expenses to councillors.
- **SLARC** – Scottish Local Authorities Remuneration Committee.
- **SOLACE** – Society of Local Authority Chief Executives.
- **WAPG** – Widening Access Progress Group.

ANNEX B

Biographical notes for committee members

Ian Livingstone is a solicitor by profession and was Chair of Lanarkshire Health Board and Lanarkshire Development Agency. He is also a Deputy Lord Lieutenant for Lanarkshire.

Marlene Anderson is a member of Forth Valley NHS Board, a member of the Scottish Agricultural Wages Board, and was personnel manager at Stirling Council.

Dan Brown was a senior officer at the Convention of Scottish Local Authorities.

Kate Dunlop is a member of the Employment Tribunal and the Reserve Forces Appeal Tribunal (Scotland). She was an Executive Director of a UK bank, a board member of HMRC and on the Board of the Registers of Scotland.

Declan Hall is a lecturer in Local Government and Politics at the University of Birmingham.

Mark Irvine is an independent consultant and was an officer at UNISON.

Jack Wilson was a Director of Finance for Borders Health Board.

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