

AGENDA ITEM

FALKIRK COUNCIL

Subject: LOCAL GOVERNANCE (SCOTLAND) ACT 2004 – SALARIES, ALLOWANCES AND EXPENSES
Meeting: POLICY & RESOURCES COMMITTEE
Date: 16 JANUARY 2007
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1. INTRODUCTION

- 1.1 The purpose of this report is to bring to the attention of members two draft Statutory Instruments (SIs) issued by the Scottish Executive in terms of the Local Governance (Scotland) Act 2004, being
- (a) The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, and
 - (b) The Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007.
- 1.2 The provisions contained in each of the SIs are intended to take effect from the date of the forthcoming election, 3 May 2007. They have been issued in draft at this stage, however, and are open for comment to the Scottish Executive, albeit we are advised that the key principles are unlikely to be revisited.

2. THE LOCAL GOVERNANCE (SCOTLAND) ACT 2004

- 2.1 Members will recall my report to this Committee on 7 February 2006 outlining recommendations from the Scottish Local Authorities Remuneration Committee (SLARC) on a range of issues including allowances paid to members, expenses, training and severance proposals.
- 2.2 The severance arrangements were taken forward in the Local Governance (Scotland) Act 2004 (Severance Payments) Regulations 2006. Of the existing complement of Falkirk Council members, twelve have made application under these Regulations.
- 2.3 The two SIs which are the subject of this report take forward the Executive's response to the SLARC recommendations dealing with salaries, allowances and expenses. Existing arrangements dealing with such matters will be revoked.

3. THE LOCAL GOVERNANCE (SCOTLAND) ACT 2004 (REMUNERATION) REGULATIONS 2007

3.1 These Regulations provide for four levels of payment to councillors:-

- (a) £15,452 p.a. for each of what the Regulations refer to as a “basic councillor”.
- (b) £30,905 p.a. for the leader of the Council. This amount varies according to the size of Council. Falkirk, along with another thirteen Councils, is in Band B. Payments range from £25,754 in Band A Councils to £46,357 in Band D Councils (City of Edinburgh and Glasgow City Councils only).
- (c) One civic head receiving a payment up to the maximum level available for senior councillors - £23,179 p.a. for Falkirk’s civic head.
- (d) Senior councillors are eligible for payments up to a maximum of 75% of the amount paid to the Council leader. In Falkirk this would mean a maximum amount of £23,179 p.a. for the Council’s senior members

3.2 The amount of basic payment and payment for the leader are prescribed in the Regulations but there is local discretion to determine payment levels for other posts up to the specified maximum and within a defined cost envelope. There is, additionally, provision in the Regulations for members to opt not to receive a salary.

Senior Councillors

- 3.3 The number of senior councillors which an authority can appoint is restricted. The number varies among Councils depending on their size, ranging from 8 (for Clackmannanshire and Midlothian Councils) to 24 for the two largest City Councils. Falkirk’s maximum is 14. This number is in addition to the leader and the civic head.
- 3.4 The exact remuneration payable to senior councillors is a matter for the Council’s discretion between the parameters of £15,452 and £23,179. The amount payable to each senior councillor may be the same or may vary but must not exceed a total amount which is determined according to a specified formula. In Falkirk’s case, the formula produces a maximum amount of £270,424 which averages out at £19,316 over fourteen councillors.
- 3.5 Determining how to exercise the statutory discretion in setting up a payment framework which suits Falkirk Council’s requirements will be the matter for the new Council and a report will be produced for the statutory meeting for members’ consideration.

Civic Head

- 3.6 The Regulations authorise payment to one civic head of the Council up to a maximum amount of £23,179 p.a. They also authorise reimbursement of receipted expenditure incurred by the civic head to enable him/her to carry out his/her civic duties, up to a maximum of £3,000 in Band B.

Joint Boards

- 3.7 The SLARC report recommended that Joint Boards should be able to determine the salaries paid to their Conveners and Vice Conveners. This would require a change in primary legislation to take forward, however. As an interim measure, therefore, the Executive is proposing that the Regulations prescribe certain payments. These would cover the Convener and one Vice Convener for each Joint Board and would be in addition to the number of senior councillors authorised to be appointed within a Council. Sums due under these proposals would be paid by the office bearer's own authority and reimbursed from Joint Board funds. Payment in respect of these positions would be excluded from the maximum amount referred to in paragraph 3.4.
- 3.8 The amount payable to the Convener would be 75% of the amount payable to the leader of the highest banded Council forming part of the Board. For Joint Boards on which Falkirk Council sits (Police, Fire and Valuation), Falkirk is the highest banded Council and so the remuneration due to each of the three Conveners would be £23,179 p.a. Vice Conveners (one per Board) would be entitled to a payment of £17,385 p.a. (75% of the Convener's payment).

Suspension

- 3.9 The SLARC report also recommended empowering the Standards Commission to direct that a councillor's salary should be reduced or not paid in certain circumstances. That, too, would need a change in primary legislation to bring into effect. As an interim measure, the Executive is proposing that, in the event of a councillor being suspended for more than two months following a hearing by the Standards Commission, his/her salary should be reduced by 50%.

4. THE LOCAL GOVERNANCE (SCOTLAND) ACT 2004 (ALLOWANCES AND EXPENSES) REGULATIONS 2007

- 4.1 These Regulations limit the number of allowances to which members will be entitled to two; a mileage allowance and an allowance for the civic head. All other allowable expenses will be paid on a "receipted and reasonably incurred" basis.

Civic Head

- 4.2 There is repeated in the Regulations the provision contained in the Remuneration Regulations, and outlined in paragraph 3.6 above, authorising

an allowance of up to £3,000 for the Council's civic head. The reference will be removed from one set of the Regulations but it has not yet been decided which. It would seem, however, to sit more comfortably within the Allowances and Expenses Regulations.

Mileage

- 4.3 Payment of a mileage allowance is authorised in respect of travelling which is reasonably incurred by a member for the purpose of enabling him/her to perform any approved duty as a member of the authority. Rates are prescribed, as follows:

- car or van - 49.3 pence per mile
- motorcycle - 24 pence per mile
- bicycle - 20 pence per mile
- passenger travelling allowance (where both the member and the passengers are carrying out any approved duty) – 5 pence per mile per passenger.

Reimbursement

- 4.4 Reimbursement of travel, subsistence or other expenditure is authorised if the following requirements are met:

- the expenditure is reasonably incurred by the member for the purpose of enabling him/her to perform any approved duty;
- the expenditure is of a type specified in schedule 2 of the Regulations (which is appended to this report) up to any maximum specified in the schedule; and
- the expenditure is receipted.

- 4.5 The Regulations do not provide for reimbursement of meals taken either at council offices or within the member's own ward.

Claims and publication

- 4.6 Prescribed claim forms are included in the Regulations. The Council is obliged to keep a record of payments made and to publish that record on the Council website at least annually, and in such other manner as the Council thinks fit.


5. CONCLUSION

- 5.1 As noted above, the draft SIs are open for comment in terms of their detail. The Executive is seeking views, in particular, on the proposals in the Remuneration Regulations regarding payments for Joint Boards and for reducing the salary payable to suspended members (paragraphs 3.7 to 3.9).

- 5.2 An issue which will require to be raised is the definition of “leader of the Council”. The Reumeration Regulations define the term as being the Convener of the Council. This term is itself defined in the Local Government etc. (Scotland) Act 1994 and in most if not all Scottish local authorities refers to the post of Provost, i.e. to the Council’s civic rather than political head. The term “leader of the Council” is nowhere else defined in legislation and tends to find its role outlined in a Council’s Standing orders. The definition section of the Regulations will therefore require to be amended.
- 5.3 Members may also wish to highlight the limitation on the number of vice conveners of Joint Boards. Both the Police and Fire Boards locally have two vice conveners while the Regulations would permit only one to be paid.

6. RECOMMENDATION

- 6.1 Members are invited to note the terms of the Regulations outlined in this report and to identify any aspects on which they would wish to comment to the Scottish Executive.



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Acting Director of Law and Administration Services

Date: 5 January 2007

Background Papers

None