

ABERDEEN CITY COUNCIL

COMMITTEE Urgent Business Committee

DATE 1st July, 2009

LEAD OFFICER Chief Executive

TITLE OF REPORT Remuneration Arrangements for Councillors

1. PURPOSE OF REPORT

This report complies with the instruction of Council on 24th June, 2009, to provide further information on the remuneration of Councillors, particularly in relation to salaries for Senior Councillors.

2. RECOMMENDATION(S)

It is recommended that the Committee takes account of this report when setting Councillor's salaries.

3. FINANCIAL IMPLICATIONS

The maximum amount which the Council may pay in Members' salaries for 2009/10 is £847,556.

4. SERVICE & COMMUNITY IMPACT

The decision to provide a salary to Councillors was taken to make Council membership a realistic option for many more people and accordingly to increase the interest in standing for election to local authorities.

5. OTHER IMPLICATIONS

There are no other direct implications.

6. REPORT

6.1 The Scottish Local Authorities' Remuneration Committee (SLARC) made a number of recommendations in 2008 for, amongst other matters, increases to Councillors' salaries from April 2008, and April 2009; these recommendations were almost entirely approved subsequently.

6.2 SLARC was of the view that there was still a need to remunerate Councillors who hold senior positions in a Council and whose roles carry heavy or particularly challenging responsibilities. As such, it was acknowledged that these roles may be less compatible, or in the case of Leaders of larger

Councils, incompatible with having other significant responsibilities outside the Council. SLARC therefore considered that it remained appropriate to continue to pay Councillors higher salaries with the levels of such salaries taking into account the scale of the local authority which they were leading.

6.3 SLARC took account of the following principles in determining arrangements to pay Senior Councillors:-

- The number of Councillors receiving higher salaries should be in a minority and arrangements should explicitly prevent paying higher salaries to all Councillors or a majority of all 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.

6.4 SLARC was of the view that it was reasonable that an enhanced salary should only be paid to Councillors with significant additional responsibilities, and it was suggested that such Councillors 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. Given the discussion at the Council meeting on 24th June, it is appropriate to draw attention to SLARC's comment that it noted that the political complexion of Council administrations – whether the majority party, minority or partnership/coalitions – encouraged most Councils to allocate a Senior Councillor post or posts to the opposition party leader or leaders. Again, in the same paragraph, SLARC stated that Councils were free to allocate Senior Councillor posts as they see fit.

6.5 The maximum salaries payable by Aberdeen City Council, as set down in the SLARC recommendations, from 1st April, 2009, are as follows:-

- Leader's salary £37,880.
- Civic Head maximum salary £28,410.
- Councillors' basic salary (22) £16,234.
- Senior Councillors – a maximum of 19 Senior Councillors in the range £16,235 - £28,410 up to a maximum of £424,118.
- The maximum budget available to the Council for the payment of salaries is £847,556.

6.6 Where a joint board agrees to pay an enhanced salary, it effectively pays the difference between a Councillor's basic salary and the amount which it proposes to pay and in such cases this does not count against the number of Senior Councillors allocated to that Councillor's local authority. In certain cases other statutory bodies can also agree to pay an enhanced salary but

this would score against that Councillor's local authority total – this applies in respect of Regional Transport Partnerships. No Councillor can be paid more than one additional allowance.

6.7 At the Council on 24th June, the question was raised as to whether a Senior Councillor's salary could be shared between two members. In the event of a senior salary allocated to one member being split with another member, this would score as two senior salaries against the Council's total; a Senior Councillor salary band begins at £1 above the basic salary. If one member were to share a senior salary voluntarily with another member, the member receiving the salary would be taxed on the whole amount and the member in turn receiving half of that salary would be again taxed and so there would be double taxation of the same salary; in addition, a contractual arrangement would be established between the two members. The only method which would suggest itself is for two members to share the post over the remaining term of the Council so that only one member would hold the post attracting a senior salary at any one time.

6.8 An appendix setting out the proposals put forward at Council, prepared by the City Chamberlain, is attached.

7. AUTHORISED SIGNATURE

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8. REPORT AUTHOR DETAILS

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9. BACKGROUND PAPERS

None.

Appendix

MEMBERS REMUNERATION

<u>MEMBERS REMUNERATION</u>					No. of Senior Councillors
LORD PROVOST	PETER STEPHEN	£	£	£	
DEPUTE PROVOST	JACKIE DUNBAR	28,410		21,308	1
LEADER OF COUNCIL	JOHN STEWART	37,880			
CONVENER ENTERPRISE, PLANNING & INFRASTRUCTURE	JOHN STEWART				
VICE CONVENER ENTERPRISE, PLANNING & INFRASTRUCTURE	CALLUM MCCAIG			21,308	1
DEPUTE LEADER	KEVIN STEWART				
CONVENER OF FINANCE & RESOURCES	KEVIN STEWART		28,410		1
VICE CONVENER OF FINANCE & RESOURCES	NEIL FLETCHER				
CONVENER OF SOCIAL CARE & WELL BEING	JIM KIDDIE		28,410		1
VICE CONVENER OF SOCIAL CARE & WELL BEING	GORDON LESLIE			21,308	1
CONVENER OF EDUCATION, CULTURE & SPORT	ANDY MAY		28,410		1
VICE CONVENER OF EDUCATION, CULTURE & SPORT	JENNIFER STEWART			21,308	1
CONVENER HOUSING & ENVIRONMENT	AILEEN MALONE		28,410		1
VICE CONVENER HOUSING & ENVIRONMENT	MARK MCDONALD	Note 1			
CONVENER CORPORATE POLICY & PERFORMANCE	KATE DEAN		28,410		1
VICE CONVENER CORPORATE POLICY & PERFORMANCE	JOHN WEST			21,308	1
CONVENER OF LICENSING COMMITTEE	JOHN REYNOLDS			21,308	1
CONVENER OF LICENSING BOARD	MURIEL JAFFREY			21,308	1
CONVENER OF APPEALS COMMITTEE	IRENE CORMACK			21,308	1
CONVENER OF PENSIONS PANEL	NEIL FLETCHER			21,308	1
CONVENER OF AUDIT & RISK STANDARDS & SCRUTINY	LARGEST OPPOSITION GROUP		28,410		1
VICE CONVENER OF AUDIT & RISK STANDARDS & SCRUTINY	SMALLER OPPOSITION GROUP			21,308	1
Total		£66,290	£170,460	£213,080	16

BUDGET FOR MEMBERS REMUNERATION WEF 1.4.2009

<u>BUDGET FOR MEMBERS REMUNERATION WEL 2022/23</u>				Total of Conveners + Vice Conveners	£383,540	16
No of Councillors	£	Budget		Budget Limits	£424,118	19
22	16,234	357,148	Basic			
19		424,118	Senior	Difference	£40,578	3
1		28,410	Lord Provost			
1		37,880	Leader			
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43		£847,556	TOTAL			

Note 1 In receipt of Senior Councillor payment as Vice Convener of Grampian Fire Board