

Wolverhampton City Council

OPEN DECISION ITEM

Committee/ Panel	Standards Committee	Date: 4 March 2010
Originating Service Group(s)	OFFICE OF THE CHIEF EXECUTIVE	
Contact Officer(s)/	J WRIGHT	
Telephone Number(s)	4058	
Title/Subject Matter	<u>INDEPENDENT REMUNERATION PANEL</u>	

1.0 **Recommendation**

- 1.1 That the Standards Committee notes the current composition of the Independent Remuneration Panel
- 1.2 That the Council be recommended to approve the continuation of the current scheme of members allowances from 1 April 2010 until the Council considers the report of the Independent Remuneration Panel on 19 May 2010

1. **Background**

1.1 At its meeting held on 19 November 2009 this Committee

Resolved:-

(a) That the proposal for the establishment of an Independent Remuneration Panel be approved.

(b) That the Chairman, Vice-Chairman and Mr Hurd, in consultation with the Monitoring Officer, be authorised to formulate the criteria for the establishment of the Independent Remuneration Panel, to agree the arrangements for advertising for prospective members and to interview candidates.

1.2 The approved proposals for the establishment of the Panel included the suggestion that had a Panel of 7 Members should be set up composed of a mixture of 3 invited participants representing particular stakeholders [business, senior citizens etc] and 4 selected from amongst the public of Wolverhampton

1.3 Following the meeting

- A public notice was placed in the Express And Star
- A press release was issued
- Information was made available on the council's web site
- Over 20 stakeholder organisations within the City were written to inviting them to nominate someone to serve on the Panel

1.4 A total of 8 application forms were received and all applicants were interviewed by the Chairman, Vice-Chairman and Mr Hurd. When interviewed two of the public applicants failed to demonstrate sufficient understanding of the remit of the Remuneration Panel. The Chairman, Vice-Chairman and Mr Hurd were in agreement that, despite being unable to match the composition of the panel proposed by the Standards Committee, the other candidates should be appointed to serve on the Panel. The membership of the Panel is now as follows:-

Mr Brian Clarke	Wolverhampton and Bilston TUC
Mr Phillip Farmer	Public
Mr Peter Holmes	Public
Mr David Jukes	Wolverhampton Chamber of Commerce
Mr David Seager	Representing St. Peters Church Wolverhampton
Rev Nick Watson	Representing the Bishop of Wolverhampton

1.5 The Panel held its first meeting on 11 February and agreed its work programme. It had originally been intended that the Panel would be able to complete its review in time to submit its report to the meeting of Council on 17 March which would in turn have enabled the adoption of any changes to the current scheme of allowances before the start of the next financial year. The Panel has already identified that in order to carry out a full and through review it will not be possible to complete the review in that timescale. The panel anticipates that it will be in a position to submit its report to the meeting of the council on 19 May 2010.

- 1.6 As part of the report the panel will be submitting they will identify areas for future review. As the work of the panel will be ongoing it will be possible to place a further series of adverts in the early summer in order to complete the full compliment of members for the panel
- 1.7 Because the Panel will not be in a position to present its report until May members need to agree to continue to use the current allowances scheme from 1st April 2010 until the Panel's report is ready. A copy of the current scheme of allowances is attached at appendix A. In doing so members would not lose out on any increases in allowances that the Panel may propose as Section 10.1 of the current scheme of member allowances allows for the backdating of allowances. It states

“If this Scheme is amended and any amendment is made which affects an allowance payable for the year in which the amendment is made then the entitlement to such allowance as amended may apply (if the Council so determines) with effect from the beginning of the year in which the amendment is made.”

2. **Legal Implications**

- 2.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 continue the requirement under the 2001 Regulations that Councils have to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances and associated matters.

3. **Financial Implications**

- 3.1 Within the Council's budget provision is made for the payment of members' allowances. The proposed budget available for the financial year 2010-2011 is

	£
Basic Allowances	550,360.00
Special Responsibility Allowances	<u>532,920.00</u>
Total	<u>1,083,280.00</u>

4. **Equalities Implications**

- 4.1 The Independent Remuneration Panel will bear in mind the Council's equality and diversity policy whilst carrying out its review of the members allowances scheme in order to ensure that no individual or community group is deterred or prevented from serving or seeking election to the Council.

PART 6

Members' Allowances Scheme

Wolverhampton City Council

MEMBERS' ALLOWANCES SCHEME 2010/2011

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1. Introduction

- 1.1 This Members' Allowances Scheme was made by the Council on 18 March 2009 in accordance with the statutory provisions in the Local Government and Housing Act 1989, the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003.

The Council has had regard to the Guidance on Consolidated Regulations for Local Authority Allowances issued by the Office of the Deputy Prime Minister and the Inland Revenue in July 2003.

The Council has previously had regard to reports dated 3 July 2003, 11 February 2005, 7 March 2006 and 11 May 2007 from the Black Country Boroughs Members' Allowances Independent Panel in 2009. The Council established its own Independent Remuneration Panel to carry out the annual review of allowances.

A copy of the Panel's report is available from Democratic Support, Office of the Chief Executive, Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH. Telephone: 01902 555043.

1.2 Definitions

"Regulations" means the Local Authorities (Members' Allowances) (England) Regulations 2003 and any Regulations which may from time to time replace, amend or revoke them.

"Standing Body" means in accordance with the Council's constitution, committees, sub-committee or panels comprising members of the Council or other persons established to deal with functions which are neither reserved to the Council nor are executive functions.

- 1.3 Sections 2 to 16 of this Scheme describe the types of allowances which may be paid to members and the arrangements for administering the Scheme.
- 1.4 Section 17 contains a Schedule of Allowances approved by the Council for the current year 2007/08. The Schedule will be re-issued annually when the annual adjustment has been made and at any time when the Scheme is amended.

2. Basic Allowance

- 2.1 This is a basic, flat rate allowance payable to all members of the Council. The allowance is the same for each member and is paid in instalments through the year.
- 2.2 Where the term of office of a member begins or ends otherwise than at the beginning (1 April) or end of a year (i.e. 31 March), his/her entitlement shall be to payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office as member subsists bears to the number of days in that year.

- 2.3 Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the cost of telephone rental and calls and home office expenses such as postage, stationery and the use of their homes.

3. Special Responsibility Allowance

- 3.1 Special Responsibility Allowances (SRA's) may be paid to those members who have significant responsibilities. The Regulations prescribe the categories of responsibility for which SRA's may be paid.
- 3.2 The Council has determined that SRA's be paid to members holding the following posts:-

Leader
Deputy Leader
Leader of the Main Opposition Group
Deputy Leader of the Main Opposition Group
Member of the Executive
Chair – Scrutiny Board
Chair – Scrutiny Panel
Chair – Planning Committee
Chair – Licensing Committee
Chair – Superannuation Committee
Chair – Audit Committee
Chair - Human Resources Appeals Panel
Chair - Petitions Committee
Vice-Chair – Scrutiny Board and Panels
Vice-Chair – Planning Committee
Vice-Chair – Licensing Committee
Vice-Chair – Superannuation Committee
Vice Chair – Audit Committee
Shadow Chair – Planning Committee
Shadow Chair – Licensing Committee
Shadow Chair - Superannuation Committee
Shadow Chair – Audit Committee
Shadow Portfolio Holder/Spokesperson
Leader of a Minority Opposition Group *
Member Champions
The Ceremonial Mayor
The Ceremonial Deputy Mayor

Note: * SRA paid only if a Minority Opposition Group comprises 10% or more of the Council

- 3.3 Where a member undertakes duties which would entitle him/her to more than one Special Responsibility Allowance under this Scheme then he/she shall receive only the higher allowance.

- 3.4 Where a member does not have throughout the whole of a year any such responsibilities as entitle him/her to a SRA, his/her entitlement shall be to payment of such part of the SRA as bears to the whole the same proportion as the number of days during which he/she has such special responsibilities bears to the number of days in that year.

4. Dependants' Carers' Allowance

- 4.1 A dependants' carers' allowance is payable to those members who incur expenditure for the care of their children or other dependants whilst undertaking particular duties. These duties are specified in the Regulations and are as follows:

- attendance at a meeting of the executive or of a committee of the executive (i.e. the Cabinet or a Cabinet Team)
- attendance at a meeting of the Council or any Standing Body (i.e. a committee or sub-committee or Panel of the Council)
- attendance at a meeting of some other body to which the Council make appointments or nominations, including attendance at a meeting of a committee or sub-committee of the body
- attendance at a meeting which has both been authorised by the Council, or a Standing Body of the Council or a joint committee of the Council and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited
- attendance at a meeting of a local authority association of which the Council is a member
- duties undertaken on behalf of the Council in pursuance of any standing order (Contracts Procedure Rules) requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the Council in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises
- duties undertaken on behalf of the Council in connection with arrangements made by the Council for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools)
- any other duty approved by the Council in connection with discharging the duties of the Council or its Standing Bodies (i.e. committees or sub-committees).

- 4.2 The amount of the dependants' carers' allowances payable in respect of the duties listed above will be the reasonable actual costs incurred up to a total annual maximum amount of 10% of the basic allowance.

5. Travelling and Subsistence Allowance

- 5.1 Travel and subsistence allowance is payable in connection with undertaking duties specified by the Council. The duties specified are those set out in section 4.1 of this Scheme.

- 5.2 Travel and subsistence within the West Midlands County area

No separate amount will be payable for travel and subsistence. The basic allowance will be deemed to include an element for travel and subsistence.

- 5.3 Travel and subsistence outside the West Midlands County area

Members required to travel outside the West Midlands County area in connection with the duties specified in section 4.1 of this Scheme are encouraged to travel by public transport. The costs of such travel if incurred directly by the member will be reimbursed. Alternatively the Council will obtain and pay for travel warrants or tickets etc for use by the member.

Where it is not possible to use public transport, mileage rates applicable to Council employees will be reimbursed.

Where members are unable to take main meals i.e. breakfast, lunch and dinner, in their normal place then the reasonable costs of purchasing a meal and beverage or appropriate refreshment will be reimbursed.

Members should, as far as possible, obtain receipts when paying for transport and meals/refreshments. In the case of alcoholic drinks, only expenditure for reasonable refreshment or business purposes will be reimbursed.

6. Membership of the Local Government Pension Scheme

- 6.1 The Council has determined that all members of the Council are entitled to a pension in accordance with the Local Government Pension Scheme Regulations.

- 6.2 The Council has determined that both the basic allowance and the special responsibility allowance shall be treated as amounts in respect of which such pensions are payable.

Note: Each member will need to decide whether he/she wishes to join the contributory Local Government Pension Scheme. The Scheme is the subject of Regulations made under Section 7 of the Superannuation Act 1972. Separate guidance has been issued by the West Midlands Pension Fund.

7. Co-optees' Allowance

- 7.1 The Council has determined not to pay any allowance to co-optees (i.e. a person who, not being an elected member of the Council, has been appointed to membership of a Standing Body of the Council) or persons or representatives of external organisations (i.e. a person who, not being an elected member of the Council, has been invited to attend a Standing Body of the Council) in respect of attendance at meetings.
- 7.2 Co-optees and persons or representatives of external organisations will be entitled to travel and subsistence allowance.
- 7.3 Travel and subsistence within the West Midlands County area – co-optees and persons or representatives of external organisations will be paid on the same basis as that applying immediately before the coming into operation of this Scheme.
- 7.4 Travel and subsistence outside the West Midlands County area – co-optees and persons or representatives of external organisations will be paid allowances on the same basis as elected members as set out in section 5.3 of this Scheme.

8. Withholding Allowances

- 8.1 If a member has been suspended from membership of the Council then his/her basic allowance, any SRA and all travel and subsistence allowances will be withheld during the period of suspension. If a member has been partially suspended e.g. prevented from exercising particular functions or having particular responsibilities, then his/her basic allowance will not be withheld but travel and subsistence allowances and any SRA related to the suspended duties and responsibilities will be withheld.
- 8.2 Where payment of any allowance has already been made in respect of any period during which the member concerned has been suspended or ceased to be a member of the Council or is in any other way not entitled to receive the allowance in respect of that period, then any such allowances will be repaid by the member.

Note: References to suspension and partial suspension refer to the provisions of Part III of the Local Government Act 2000 and any Regulations made thereunder.

9. Forgoing of Allowances

- 9.1 A Member may forgo all or any part of any allowances to which they are entitled under this Scheme. Notice in writing must be given by the Member to the Chief Legal and Procurement Officer.

10. Backdating of Allowances

- 10.1 If this Scheme is amended and any amendment is made which affects an allowance payable for the year in which the amendment is made then the entitlement to such allowance as amended may apply (if the Council so determines) with effect from the beginning of the year in which the amendment is made.

11. Annual Adjustments of Allowance levels

- 11.1 Basic and Special Responsibility Allowances for the period 1 April 2010 until 31 March 2011 will be paid in accordance with the levels of Allowances approved for the period 1 April 2009 – 31 March 2010 as set out in the Schedule to this Scheme.
- 11.2 The implementation of this variation will not of itself be deemed to be an amendment of the Scheme requiring a recommendation from the independent remuneration panel.

12. Tax and National Insurance treatment of Members' Allowances

- 12.1 For tax and national insurance purposes members (councillors and non-councillors) are treated in the same way as any other individual who holds an office or is an employee. Guidance received by the Council will be made available to members who should also contact their tax office for advice as necessary.

13. Amendments and Revocation of the Scheme

- 13.1 Before the beginning of each year the Council will make a Scheme as required by the Regulations for the payment of allowances in respect of the year.
- 13.2 The Scheme may be amended at any time but may only be revoked with effect from the beginning of a year.

14. Claims and Payment

- 14.1 Claims for dependants' carers' allowance, travelling and subsistence allowances must be claimed within one month of the date on which entitlement to the allowance arose.
- 14.2 Unless otherwise agreed payment of basic allowance and SRA's will be made monthly in advance.

15. Records of Allowances

- 15.1 The Council will keep a record of payments made by it in accordance with the Scheme. The record will contain the information required by the Regulations.

15.2 As soon as reasonably practicable after the end of a year to which the Scheme relates the Council will publish details in accordance with the Regulations of allowances paid.

16. Publicity

16.1 The Council will as soon as reasonably practicable after the making of this Scheme or any amendment thereto make arrangements for publication as required by the Regulations.

17. Schedule of Basic and Special Responsibility Allowances

Basic Allowance (All Members) - With effect from 01.04.10 - £8,980

Description	01.04.09
Special Responsibility Allowance (SRA)	£
Leader	26,942
Deputy Leader	22,452
Leader of the Main Opposition Group	17,961
Deputy Leader of the Main Opposition Group	5,927
Leader of Minority Opposition Group *	4,490
Member of the Executive	17,961
Chair - Scrutiny Board	17,961
Chair - Scrutiny Panel	13,472
Chair - Planning Committee	17,961
Chair - Licensing Committee	13,472
Chair - Audit Committee	13,472
Chair - Superannuation Committee	13,472
Chair - Human Resources Appeals Panel	4,490
Chair - Petitions Committee	13,472
Vice-Chair - Scrutiny Board and Panels	5,927
Vice-Chair - Planning Committee	5,927
Vice-Chair - Licensing Committee	4,490
Vice-Chair - Audit Committee	4,490
Vice-Chair - Superannuation Committee	4,490
Shadow Chair - Planning Committee	4,490
Shadow Chair - Licensing Committee	4,490
Shadow Chair - Audit Committee	4,490
Shadow Chair - Superannuation Committee	4,490
Shadow Portfolio Holder/Spokesperson	4,490
Member Champion	4,490
Ceremonial Mayor (inclusive of £2,500 Clothing Allowance)	20,461
Ceremonial Deputy Mayor (inclusive of £1,250 Clothing Allowance)	4,213

(Note: Where a Member undertakes duties which entitle him/her to more than one SRA under the Scheme, he/she shall receive only the higher allowance)

* (only paid where minority group comprises 10% or more of the Council)