



Standards Committee

2 December 2013

Report title	Report of the Independent Remuneration Panel		
Originating service	Democratic Support		
Accountable employee(s)	John Wright	Democratic Support Manager	
	Tel	01902 55(5048)	
	Email	John.wright@wolverhampton.gov.uk	
Report to be considered by	Special Advisory Group Committee	18 November	
	Council	18 December	

Recommendation(s) for action or decision:

The Standards Committee is recommended to:

1. Consider the report of Independent Remuneration Panel and the recommendation of the Special Advisory Committee and make a recommendation to the Council.

1.0 Purpose

- 1.1 To consider the report of the Independent Remuneration Panel on a review of councillors allowances and the recommendation of the Special Advisory Group thereon.

2.0 Background

- 2.1 Local councils are required by The Local Authorities (Members' Allowances) (England) Regulations 2003 to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances and associated matters that are paid to Councillors. On 19 November 2009 the Standards Committee approved the establishment of an Independent Remuneration Panel. The current membership of the Panel

Mr Philip Farmer – Member of the public

Mr Peter Holmes M.B.E. – Member of the public

Mr David Seager – Representing the Rector of St. Peters Church Wolverhampton

Rev Nick Watson– Representing the Bishop of Wolverhampton

Mr David Seager is the Chair and Mr Peter Holmes is the Vice Chair.

- 2.2 The previous report of the Panel was considered by Council on 15 December 2012
- 2.3 During 2013 the Panel has been carrying out a further review of Councillors allowances. The Panel has now completed its review and a copy of the Panel's report is attached at appendix 1.
- 2.4 In carrying out its review the Panel was keen to ensure that the review was comprehensive and encompassed all aspects of the allowances scheme. The Panel endeavoured to carry out the review in an impartial manner and to base its conclusions and recommendations on the evidence they received. Throughout the review the aim of the Panel has been to produce an allowances scheme that is fair and equitable and which is appropriate for needs of this Council. The Panel were clear that they did not approach the review with cost cutting in mind as this was not what they had been asked to do.
- 2.5 The Panel has used a range of sources of evidence and in particular took account of the evidence and in particular considered the allowances paid to Councillors of the fifteen similar sized councils in this Councils CiPFA family group. The latter analysis showed that in comparison with other councils the Basic Allowance paid by this Council is the fourth lowest but that this Council pays more Special Responsibility Allowances than other Councils and those Special Responsibility Allowances are frequently at a higher level than other councils pay.
- 2.6 The Panel consider that the recommendations they have made will bring this Council's allowances scheme in line with those of comparative sized councils and will be appropriate for the needs of this Council.

3.0 Recommendations of the Special Advisory Group

3.1 The Special Advisory Group considered the report of the IRP on 18 November 2013. It recommended the following:

“That Standards Committee and full Council be recommended to approve a Members Allowance Scheme incorporating the following:

1. The Basic Allowance to remain at £8,980
2. For the municipal years 2014/15 – 2017/18 the Basic Allowance be increased at the same rate as any pay increases awarded to employees.
3. SRA's be paid to councillors holding the following posts:

From 4 June 2014

Leader of the Council	£25,000
Deputy Leader of the Council	£20,000
Leader of the Opposition	£15,000
Deputy Leader of the Opposition	£2,500
Leader of a Minority Opposition Group	£2,500
Portfolio Holders	£15,000
Chair of the Scrutiny Board	£15,000
Chair of a Scrutiny Panel	£10,000
Chair of the Planning Committee	£15,000
Chair of the Petitions Committee	£10,000
Chair of the Licensing Committee	£15,000
Chair of the Audit Committee	£10,000
Chair of the Pensions Committee	£10,000
Chair of the Human Resources Appeals Panel	£2,500
Vice Chair of Scrutiny Board	£2,500
Vice Chairs of Scrutiny Panels	£2,500
Vice Chair of Planning Committee	£5,000
Vice Chair of Petitions Committee	£2,500
Vice Chair of the Licensing Committee	£5,000
Vice Chair of Audit Committee	£2,500
Vice Chair of the Pensions Committee	£2,500
Member Champion	£2,500
Mayor	£20,000
Deputy Mayor	£5,000

4. No change be made to the current Dependant Carers' Allowance.
5. No change be made to the current Travelling and Subsistence Allowances.
6. That no change be made to the current Co-optees Allowances.

4.0 Financial implications

- 4.1 The implications of the adoption of the IRP's proposals are set out in the table below.
- 4.2 The approved budget for member's allowances is £1.0 million in 2013/14. The table compares the approved budget with the total cost of the current allowances if they were all to be paid. When a councillor undertakes more than one special responsibility they are only paid for one additional allowance. Taking this in to account the total cost of allowances in 2013/14 is expected to be in line with the approved budget.
- 4.3 The table details the proposals of the IRP. If all the allowances proposed by the IRP were to be paid then the total cost would be £985,000 generating a saving of £21,000 when compared to the approved budget.

	Approved Budget 2013/14 £000	Cost of current allowances if all were to be paid £000	Cost of the IRP proposals if all were to be paid £000
Basic Allowances Special	538	539	600
Responsibilities Allowance	468	507	385
Total	1,006	1,046	985
Variance from budget		40	(21)

[CN/11112013/W]

5.0 Legal implications

- 5.1 Regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003 requires that each council **must** establish an independent remuneration panel. This regulation also specifies who can and cannot be on such a panel.
- 5.2 Regulation 4 requires that
(1) *An authority shall -*
(a) *make a scheme in accordance with these Regulations which shall provide for the payment of an allowance in respect of **each year** to each member of an authority, and the amount of such an allowance shall be the same for each such member ("basic allowance"); and*
(b) *pay basic allowance and any other allowance permitted by these Regulations only in accordance with such a scheme.*
- 5.3 Regulation 21 requires that an independent remuneration panel shall produce a report making recommendations on -
(a) the responsibilities or duties in respect of which the following should be available -

- (i) special responsibility allowance;
- (ii) travelling and subsistence allowance; and
- (iii) co-optees' allowance;
- (b) the amount of such allowances and the amount of basic allowance;
- (c) whether dependants' carers' allowance should be payable to members of an authority, and the amount of such an allowance;
- (d) whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated;
- (e) whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;
- (f) which members of an authority are to be entitled to pensions; and
- (g) whether basic allowance or special responsibility allowance, or both, are amounts in respect of which such pensions are payable

A copy of the report must be sent to the Council.

- 5.4 Regulation 22 requires that once an authority receives a copy of a report made to it by an independent remuneration panel in it shall, as soon as reasonably practicable -
- (a) ensure that copies of that report are available for inspection by members of the public at the principal office of the authority, at all reasonable hours; and
 - (b) publish in one or more newspapers circulating in its area, a notice which -
 - (i) states that it has received recommendations from an independent remuneration panel in respect of its scheme;
 - (ii) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of that authority;
 - (iii) states that copies of the panel's report are available at the council's offices for inspection by members of the public at such times as may be specified in the notice; and
 - (iv) specifies the address of the council offices at which such copies are made available.

The regulation also requires that the Council "*shall supply a copy of a report made by an independent remuneration panel in accordance with regulation 21 to any person who requests a copy and who pays to the authority such reasonable fee as the authority may determine*".

- 5.5 A public notice setting out details of the Remuneration Panel's report was published in the Express and Star on 12 November 2013.
- 5.6 Regulation 19 requires that before a council makes or amends a scheme, the authority **shall have regard to the recommendations** made in relation to it by an independent remuneration panel.
- 5.7 Regulation 6 requires that "*An authority shall, as soon as reasonably practicable after the making or amendment of a scheme, make arrangements for its publication*". The regulation specifies that the following steps must be taken

- (a) copies of the scheme are available for inspection by members of the public
- (b) a notice must be published in a local newspaper which amongst other things
 - (i) states that the authority amended the scheme and specifies the period of time for which the scheme has effect;
 - (ii) describes the main features of the scheme and specifies the amounts payable in respect of each allowance mentioned in the scheme;
 - (iii) describes any responsibilities or duties specified in the scheme in relation to special responsibility allowance and travelling and subsistence allowance;
 - (iv) confirms that in making or amending the scheme, the authority complied with the duty to have regard to the recommendations of an independent remuneration panel;
 - (v) describes the main features of that panel's recommendations and specifies the recommended amounts of each allowance mentioned in its report for that authority;
 - (vi) states that copies of the scheme and copies of a record kept in accordance with regulation 15(1) and (2) are available at council's offices for inspection by members of the public; and
 - (vii) specifies where copies are available.

(WT/08112013/T)

6.0 Equalities implications

- 6.1 The Independent Remuneration Panel has borne 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.

7.0 Environmental implications

- 7.1 There are no environmental implications arising from this report.

8.0 Schedule of background papers

- 8.1 Local Authorities (Members' Allowances) (England) Regulations 2003

Wolverhampton City Council Constitution Scheme of Member Allowances

Department for Communities and Local Government. Guidance on Regulation for Local Authority Allowances

PUBLIC
[NOT PROTECTIVELY MARKED]

Wolverhampton
City Council



WOLVERHAMPTON CITY COUNCIL
REPORT OF THE
INDEPENDENT REMUNERATION PANEL
2013

Index

Section	Page
Section	Page
Introduction	3
Summary	4
The Terms of Reference	5
Panel Membership	5
How the Panel Approached the Review	6
Allowances Scheme - An Overview of Allowances	8
Basic Allowance	8
Leader of the Council	9
Deputy Leader of the Council	10
Leader Main Opposition	10
Deputy Leader Main Opposition	11
Leader Minority Opposition	12
Portfolio Holder	12
Scrutiny Board Chair	13
Scrutiny Panel Chairs	13
Planning Committee Chair	14
Licensing Committee Chair	14
Audit Committee Chair	15
Petitions Committee Chair	15
Pensions Committee Chair and Vice Chair	16
Human Resources Appeals Panel Chair	16
Vice Chair Scrutiny Board	17
Vice Chair Scrutiny Panel	17
Vice Chair Audit Committee	17
Vice Chair Planning Committee	18
Vice Chair Licensing Committee	18
Shadow Chairs	19
Shadow Portfolio Holder/Spokesperson	19
Member Champion	20
Mayor	20
Deputy Mayor	21
Dependants' Carers' Allowance	22
Travelling and Subsistence Allowances	22
Co-optees Allowances	22
Conclusion	22
Background Papers	23
Appendix A Current Members Allowances	24
Appendix B List of Recommendations	25
Appendix C Financial Implications	27

Introduction

The Independent Remuneration Panel was established in 2009 to review the Members Allowances Scheme for Wolverhampton City Council.

The Panel was established to report, with recommendations, on –

- the amount of Basic Allowance which should be payable to elected Members.
- the roles and responsibilities for which a special responsibility allowance should be payable and as to the amount of each such allowance.
- other miscellaneous expenses, such as travel allowances (including cars, cycles and public transport), dependant carer's allowance and a co-optees allowance.

The Panel is expected to report to the Council on a regular basis and this report makes recommendations for allowances to be paid from the beginning of the 2014/15 municipal year.

The Panel feel strongly that it is our role to represent the views of the wider population of the city and in coming to our recommendations we have aimed to come to conclusions that we feel are reasonable and acceptable. We have taken in to account

- The current economic situation and the impact that has on the Council's budgets
- The conclusions we came to in our previous report
- The response from Councillors to our previous report and in particular the decision to reduce special responsibility allowances by 6%
- The current members allowances schemes of those councils in the CIPFA family group and in particular the neighbouring Councils of Dudley, Sandwell, and Walsall

On behalf of the Panel I would like to make it clear that our recommendations are not made in order to save the Council money but to set allowances for councillors that seem fair and reasonable.

We would like to thank the councillors and officers who gave their time to assist the work of the Panel.

On behalf of the Panel I commend this report and its recommendations to the Council.



David Seager
Chair of the Independent Remuneration Panel

Summary

This report reviews the current Members Allowances Scheme and proposes changes to the scheme which should be implemented in the (2014/2015) municipal year.

The Panel has used a range of sources of evidence. In particular the Panel was grateful for the evidence they received in their face to face meeting with the current and former Mayor. In coming to its conclusions the Panel was aware of the financial pressures which the Council is facing and of the implications for staff pay of the Single Status process. The Panel has also paid particular attention to the average level of allowances paid by the three other Black Country Councils.

The Panel has recommended the changes set out below

Allowance	Current Allowance	Proposed Allowance
Basic Allowance	8,980	10,000
Leader	25,320	25,000
Deputy Leader	21,100	20,000
Leader of Opposition	16,880	15,000
Deputy Leader of the Opposition	5,570	2,500
Minority Group Leader	4,220	2,500
Portfolio Holder	16,880	15,000
Chair Scrutiny Board	16,880	15,000
Chair - Scrutiny Panel	12,660	10,000
Chair - Planning Committee	16,880	15,000
Chair - Petitions	12,660	10,000
Chair - Licensing Committee	12,660	15,000
Chair - Audit Committee	12,660	10,000
Chair - Pensions Committee	12,660	10,000
Chair - Human Resources Appeals	4,220	2,500
Shadow Portfolio Holder	4,220	0
Vice Chair - Scrutiny	5,570	2,500
Vice Chair - Planning Committee	5,570	5,000
Vice Chair - Petitions	4,220	2,500
Vice Chair - Licensing Committee	4,220	5,000
Vice Chair - Audit Committee	4,220	2,500
Vice Chair - Pensions Committee	4,220	2,500
Shadow Chair -Planning Committee	4,220	0
Shadow Chair - Licensing Panel	4,220	0
Shadow Chair - Pensions Committee	4,220	0
Members Champion	4,220	2,500
Mayor	18,880	20,000
Deputy Mayor	3,785	5,000

The Terms Of Reference

The terms of reference of the Panel are

“To consider and keep under review and, as when appropriate, to submit reports [containing recommendations] to the Council on

- ◆ *The amount of Basic Allowance payable to all members.*
- ◆ *The responsibilities or duties in respect of which Special Responsibility, Travelling, Subsistence and Co-optees’ should be available and the amounts of such allowances.*
- ◆ *Any arrangements for the withdrawal of Basic and/or Special responsibility allowance if a member is wholly or partially suspended.*
- ◆ *Whether Dependants’ Carers’ Allowance should be payable and the amount of such an allowance.*
- ◆ *Whether there is any backdating of allowances payable for the year in which an amend*
- ◆ *Whether there is any backdating of allowances payable for the year in which an amendment is made.*
- ◆ *Whether adjustments to the allowances are to be determined according to an index and if so, how long the index shall apply before review [maximum of four years].*
- ◆ *Which members of an authority are entitled to pensions in accordance with a scheme made under Section 7 of the Superannuation Act 1972.*
- ◆ *Whether Basic Allowance or Special responsibility allowance, or both, are treated as the amounts for which pensions are payable.*
- ◆ *Any proposals for the introduction of an Allowances Scheme for members of a Parish Council.*
- ◆ *The development of job specifications for roles and responsibilities and key accountabilities for the standard role of a Councillor and for those roles for which a Special responsibility allowance is or might be paid.”*

Panel Membership

The Panel is currently composed of four members

Mr Philip Farmer – Member of the public

Mr Peter Holmes M.B.E. – Member of the public

Mr David Seager – Representing the Rector of St. Peters Church Wolverhampton

Rev Nick Watson– Representing the Bishop of Wolverhampton

Mr David Seager is the Chair and Mr Peter Holmes is the Vice Chair.

How the Panel Approached the Review

The Panel chose the following means of gathering evidence.

- **Consideration of relevant legislation and guidance**

Councillor's allowances are paid in accordance with Local Government and Housing Act 1989 and the Local Government Act 2000. Section 18 of the 1989 Act, as amended by section 99 of the Local Government Act 2000 makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non councillors who are members of a council's committee or sub-committee.

The Local Authorities (Members' Allowances) (England) Regulations 2003 were made under these provisions. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme. Councils are required to establish an independent remuneration Panel which will provide the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. The Council must have regard to this advice from the Panel.

- **Consideration of the current scheme of allowances**

The Panel were required to review the range of allowances currently paid to members of Wolverhampton City Council. Details of the current schedule of the allowances are included at **Appendix A**.

- **Review of comparative allowances**

In looking at the allowances paid we sought to understand the level of allowances paid to councillors performing similar roles at similar sized Councils. As with the previous report we have used the Councils in the CIPFA family group and particular attention has been paid to the allowances paid by the three other Black Country authorities

- **Interviews with councillors**

In order to fully understand the roles and responsibilities of the Mayor and Deputy Mayor the Panel felt that most effective way of gathering evidence would be to meet the current and former post holders. We would like to thank Councillors Malkinder Jaspal and Mrs Mills and Lynn Bishop (Mayoral Administrator) for making time to meet the Panel.

- **Previous Recommendations**

The Panel reviewed the recommendations contained in its previous report (2011) In that report the Panel had felt that as it had been the Panel's first opportunity to review the allowances scheme the conclusions reached in that report should be

PUBLIC
[NOT PROTECTIVELY MARKED]

used as a benchmark against which further reviews should be measured. As part of that review the Panel had met a range of councillors and had undertaken a survey of councillors. The Panel considered whether any of the recommendations from the previous report which had not previously been adopted by the Council should be resubmitted.

- **Other factors**

In coming to its conclusions the Panel is aware of the financial pressures which the Council is facing and of the implications for staff pay of the Single Status process. The Panel would like to make it clear that its recommendations are not made in order to save the Council money but to set allowances for councillors that seem fair and reasonable in light of the allowances paid by other Councils and for the work undertaken at this Council.

Allowances Scheme

An overview of allowances

The Panel were aware that Sections 50 and 51 of the Employment Rights Act 1996 entitle a Councillor to take “a reasonable amount of time” off during working hours to attend meetings and other duties for the purpose of the discharging the local authority's functions.

The Panel want to be clear that the allowances must not be seen as salaries as this would raise issues about whether councillors are employees, and might be seen to constrain the nature of their work.

The allowances scheme should provide a basic level of remuneration to allow committed councillors to give their time to public service without incurring financial hardship as a result. We recognise the commitment given by councillors, and the outstanding efforts made by many in the service of their ward residents.

The Office of the Deputy Prime Minister (ODPM) Guidelines specify that some element of a Councillor's work is expected to be seen as voluntary and that time is not remunerated. According to the Councillors Commission the accepted public service discount norm for England is 30–33 per cent, but it can vary between 25 and 50 per cent. The Panel is of the opinion that in standing for public office candidates are putting themselves forward as the representative of the population who elect them. This is clearly a public service and therefore the allowance should reflect this.

Basic Allowance

Current Allowance	£8,980
Range of allowances paid by comparator councils	£6,130-12,872
Average allowance paid by comparator councils	£10,059
Average allowance paid by other Black Country Councils	£10,099

The Statutory Guidance on the Regulations for Local Authority Allowances (ODPM, 2003) asserts that the Basic Allowance is a recognition of the time and commitment spent by all councillors in carrying out their role and includes attendance at meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

The Panel had been disappointed that its previous recommendation to increase the Basic Allowance for councillors had not been adopted.

In our previous report we highlighted the fact that in 2010 when compared to the ‘family group’ of 15 other similar councils WCC paid the 3rd lowest Basic Allowance. The Panel continue to feel that it is important to recognise the importance of the work of councillors within their ward and their connection with the community they represent. The Panel remains of the opinion that the current

PUBLIC
[NOT PROTECTIVELY MARKED]

relatively low level of Basic Allowance does not properly reflect the time and effort members put in to the role.

The Panel is aware of the sensitivity of councillors being seen by the public as rewarding their own activity and that in a time of considerable financial pressure being placed on the Council, which may lead to reductions in services, any increase in Basic Allowance could be difficult to justify.

However not increasing the allowance each year means in effect a reduction in allowance by the rate of inflation. The Panel feels that in the longer term it will be necessary to increase the Basic Allowance to a level that is reasonable and which reflects the workload of each councillor.

The Panel were made aware that for the forthcoming year employees were likely to be offered a 1% pay increase. The Panel felt that it would be reasonable for any increases to the Basic Allowance to be linked to any increases to employee pay. If employees are given a 1% increase then the Basic Allowance should also rise by the same amount. If employees receive no increase the same should apply to the Basic Allowance. Further the Panel felt that in order to give some certainty going forward increases in Basic Allowance should be linked to the employee pay award for the next four years, until 2017/18

Recommendation

1. That the Basic Allowance be increased to £10,000
2. That for the municipal years 2014/15 – 2017/18 the Basic Allowance be increased at the same rate as any pay increases awarded to employees.

Special Responsibility Allowances

In the Panels previous report it was noted that an analysis of the allowances paid to Councillors of the fifteen similar sized councils in this Councils CIPFA family group showed that, in comparison with other councils, this Council pays more Special Responsibility Allowances than other Councils and those Special Responsibility Allowances are frequently at a higher level than other councils pay.

This continues to be the case and the Panel continue to be of the view that Special Responsibility Allowances should be realigned to more closely reflect the average level of allowances paid by other councils and the work undertaken by Councillors. The Panel does not believe that that the work carried out by Councillors at this Council varies significantly from that undertaken at other Councils.

Leader of the Council

Current Allowance (BA x 3-6%)	£25,320
Range of allowances where paid by comparator councils	£21,497 - £36,000
Average allowance where paid by comparator councils	£25,824
Average allowance where paid by other Black Country Councils	£25,459

PUBLIC
[NOT PROTECTIVELY MARKED]

The Leader plays a significant role as the political figurehead of council. Alongside the Mayor, who is the civic figurehead, and the Chief Executive, the Leader is the public face of the Council. The Leader represents the Council within the City and at many regional forums. The Leader chairs the Cabinet and can be considered the first among equals balancing the needs of the various portfolio holders.

The Panel acknowledges that this can be a very time consuming, demanding and pressurised role.

The Panel considers that the current allowance is close to the average paid by other councils and should continue to remain at a similar level. The proposed increase in the basic allowance will require an adjustment to the multiplier used to calculate the allowance.

Recommendation

3. The SRA for the Leader of the Council be basic allowance x 2.5 =£25,000.

Deputy Leader of the Council

Current Allowance	£21,110
Range of allowances where paid by comparator councils	£ 11,460 – 23,650
Average allowance where paid by comparator councils	£17,849
Average allowance where paid by other Black Country Councils	£17,603

The Deputy Leader of the Council is expected to support the work of the Leader. This ranges from work to enable the Cabinet to make effective decisions through to attending events on behalf of the Leader. The Panel considers this to a significant role in the efficient and effective running of the Council. In calculating the allowance the Panel recognises that as well as providing a supporting role to the Leader the Deputy Leader is a Cabinet Member and has to take on the responsibilities of a portfolio holder. The Panel felt that the demands of the role should mean that the allowance should be set between that of the Leader and of Cabinet Members. The Panel felt that the current allowance was high in comparison with average allowances paid by other Councils and therefore should be reduced.

Recommendation

4. The SRA for the Deputy Leader of the Council be basic allowance x 2 = £20,000

Leader Main Opposition

Current Allowance	£16,880
Range of allowances where paid by comparator councils	£3,070 – 15,185
Average allowance where paid by comparator councils	£8,687

PUBLIC
[NOT PROTECTIVELY MARKED]

Average allowance where paid by other Black Country Councils	£6,518
--------------------------------------------------------------	--------

In many ways the role of opposition leader is similar to that of the Leader of the Council. There are two main roles, as group leader, and as leading the opposition to the controlling group. In the latter role there is significant media contact for responses to proposals but forward or decisions taken by the controlling group.

The Panel recognises that this is a significant role which is important to the democratic functioning of the Council and is vital if opposition to the controlling group is to be effective.

However the significant difference between the Leader of the Council and the Leader of the Opposition is that the latter does not have to take responsibility for the decisions of the Council.

In the previous report the Panel noted that there is a considerable difference between the allowance paid by this Council and that of the comparator councils. The Panel remains of the opinion that the allowance should be set at a level which is equivalent to that of a Portfolio Holder and the Chair of the Scrutiny Board.

The Panel noted that Sandwell pays a allowance for this role which is dependent on the size of the group.

Recommendation

5. The SRA for the Leader of the Opposition be basic allowance x 1.5 = £15,000

Deputy Leader Main Opposition

Current Allowance	£5,570
Range of allowances where paid by comparator councils	£1,550-8,385
Average allowance where paid by comparator councils	£5,220
Average allowance where paid by other Black Country Councils	£4,968

In its previous report the considered that in comparison with role the Deputy Leader of the Council the role of the Deputy Leader of the Opposition is much more limited. The Deputy Leader of the Opposition has a role in supporting the work of the Leader of the Opposition. The Panel concluded that this is essentially a political role that contributed to the work of the opposition group rather than the effective decision making of the Council.

The previous report the Panel noted that of other comparative councils only 6 pay an allowance to the Deputy Opposition Leader.

The Panel have concluded that a small allowance should be paid for this role

Recommendation

6. The SRA for the Deputy Leader of the Opposition be basic allowance x 0.25 =£2,500

Leader Minority Opposition

Current Allowance (where payable)	£4,220
Range of allowances where paid by comparator councils	£2,799 -8,385
Average allowance where paid by comparator councils	£7,119
Average allowance where paid by other Black Country Councils	£6,518

The Panel welcomed the decision of Council to support the recommendation in the previous report to reduce the number of councillors in an opposition group from 6 to 5 before the Leader qualifies for an allowance.

It was noted that only 4 of the comparator councils pay an allowance for this role. The Panel felt that the allowance should be comparable to that of the Deputy Leader of the Opposition

Recommendation

7. The SRA for the Leader of a Minority Opposition Group be basic allowance x 0.25 =£2,500

Portfolio Holder

Current Allowance	£16,880
Range of allowances where paid by comparator councils	£5,000-16,083
Average allowance where paid by comparator councils	£12,344
Average allowance where paid by other Black Country Councils	£11,581

Working alongside the Leader of the Council the Portfolio Holder is responsible for providing the political lead on an area of the council's work. They have responsibility for ensuring that area of work is performing well. They have lead responsibility for some areas of council work. They are the spokesperson for the area of the Council's work that they represent and consequently have to deal with the media.

The Panel concluded that the allowance should be similar to that for the Leader of the Opposition

Recommendation

- 8 The SRA for Cabinet Members be basic allowance x 1.5 = £15,000

Scrutiny Board Chair

Current Allowance	£16,880
Range of allowances where paid by comparator councils	£4650-16,083
Average allowance where paid by comparator councils	£9,019
Average allowance where paid by other Black Country Councils	£7,467

The Panel continues to consider that the Scrutiny Board plays an important role in holding the Cabinet to account. and the Chair needs not only to have knowledge of the reports that are being considered by the Cabinet but also needs to have a detailed knowledge of the forthcoming work programme of the scrutiny panels.

The Panel was aware that at the December 2012 meeting of the Cabinet members had considered and approved a report on a review of the scrutiny processes within the Council. The changes came in to effect from the beginning of the 2013/14 municipal year.

The Panel acknowledges that each council will arrange its scrutiny function in a slightly different way and therefore direct comparisons with the work of other scrutiny chairs are more difficult to achieve. However it is noted that the allowance currently paid £16,880 significantly exceeds that paid by the other Back Country councils who pay the following allowances Dudley £6,975 Sandwell £8,751 Walsall £8,385.49

The Panel considers that the role of Scrutiny Board Chair should be as demanding and time consuming as that of a Cabinet Member

Recommendation

9. The SRA for the Chair of the Scrutiny Board be basic allowance x 1.5 = £15,000

Scrutiny Panel Chairs

Current Allowance	£12,660
Range of allowances where paid by comparator councils	£4,650-15,185
Average allowance where paid by comparator councils	£8,108
Average allowance where paid by other Black Country Councils	£4,467

The Panel noted that the allowance currently paid is significantly exceed those paid by the other Back Country councils who pay the following allowances which are as follows: Dudley £4,650 Sandwell £8,751 and Walsall £ 8,385.49. The Panel felt that the allowance should be reduced towards the average amount paid by other councils

Recommendation

10. The SRA for the Chair of a Scrutiny Panel be basic allowance x 1 = £10,000

Planning Committee Chair

Current Allowance	£16,880
Range of allowances where paid by comparator councils	£3,741-13,139
Average allowance where paid by comparator councils	£8,362
Average allowance where paid by other Black Country Councils	£9,705

The previous report of the Panel recognised that the Planning Committee is one of the meetings the public are most engaged with. It provides a statutory, quasi judicial, function deciding whether planning permission should be granted. The decisions can often be controversial which can mean frequent dealings with the media. It is a demanding role and involves several briefings, pre meetings and site visits. The Panel acknowledged the importance of this role to the functioning of the Council and the demands it puts on the Chair.

Recommendation

11. The SRA for the Chair of the Planning Committee be basic allowance x 1.5 =£15,000

Licensing Committee Chair

Current Allowance	£12,660
Range of allowances where paid by comparator councils	£2,556-12,649
Average allowance where paid by comparator councils	£7,349
Average allowance where paid by other Black Country Councils	£6,214

In its previous report the Panel recognised that the role of the Licensing Chair is very similar to that of the Planning Chair. The Committee and its sub committee carry out a statutory, quasi judicial, function in making decisions on the various licensing functions. The decisions can often be controversial. It is a demanding role and involves several briefings and pre meetings. The Panel acknowledged the importance of this role to the functioning of the council and the demands it puts on the Chair.

The Panel concluded that the allowance should match that of the Chair of the Planning Committee.

Recommendation

12. The SRA for the Chair of the Licensing Committee be basic allowance x 1.5 =£15,000

Audit Committee Chair

Current Allowance	£12,660
Range of allowances where paid by comparator councils	£2,000-10,723
Average allowance where paid by comparator councils	£5,907
Average allowance where paid by other Black Country Councils	£5,049

The Panel felt that the allowance for the Audit Committee chair should match that paid to other committee chairs

Recommendation

13. The SRA for the Chair of the Audit Committee be basic allowance x 1
=£10,000

Petitions Committee Chair

Current Allowance	£12,660
Range of allowances where paid by comparator councils	N/A
Average allowance where paid by comparator councils	N/A
Average allowance where paid by other Black Country Councils	N/A

As part of our previous review the Panel were informed that all Councils were required by statute to establish a means of responding to the petitions submitted by the public. This Council had been amongst the first in the country to put in place its arrangements and had decided to establish a Petitions Committee. At the time of the previous review the Committee had not been established for a significant enough length of time to enable the Panel to take a view on the workload of the Committee and therefore to be able to assess the responsibilities of the Chair and Vice Chair nor had there been the possibility of comparing allowances of the Chairs of Petitions Committees established by other Councils.

The Panel received information which showed that the Petitions Committee was meeting most months of the year and was hearing around two petitions at each meeting as well as monitoring the progress of responses being made to petitions it had previously heard. The Panel felt that this was an effective means of enabling the public to put their concerns direct to councillors and to feel that something effective may be done as a result of coming to the meeting.

The Panel have been unable to find any other Council which has established a Petitions Committee. Other Councils seemed, in the main, to refer petitions either to area committees or to scrutiny panels. This has meant that the Panel has been unable to compare the allowances paid with those of other Councils.

Consequently the Panel came to the view that this allowance should be remain at the same level as other committee chairs

Recommendation

- 14 The SRA for the Chair of the Petitions Committee be basic allowance x 1
=£10,000

Pensions Committee Chair and Vice Chair

Current Allowance Chair	£12,660
Current Allowance Vice Chair	£4,220
Average allowance where paid by comparator councils	N/A
Average allowance where paid by other Black Country Councils	N/A

It was noted that because of the way the local government pensions are organised there are often few chairs of Pension Committees to provide comparisons with.

The Panel felt that the allowance for the Pensions Committee chair should match that paid to other committee chairs.

In its previous report the Panel had recommended that the Vice Chair should not receive an allowance. The Panel now consider that that a small allowance should be paid for this role in order to match it with the allowances recommended for other Vice Chairs.

The Panel welcomed the acceptance by the Council and the Pensions Scheme of its previous recommendation that the Pensions Scheme should pay the cost of allowances for the Chair and Vice Chair of the Pensions Committee

Recommendation

15. The SRA for the Chair of the Pensions Committee be basic allowance x 1
=£10,000
16. The SRA for the Vice Chair of the Pensions Committee be basic allowance x 0.25 = £2,500

Human Resources Appeals Panel Chair

Current Allowance	£4,220
Range of allowances where paid by comparator councils	£5,241-10,121
Average allowance where paid by comparator councils	£7,164
Average allowance where paid by other Black Country Councils	N/A

The Panel were informed that whilst meetings of the Appeals Panel were scheduled throughout the year a number were cancelled. Consequently the Panel felt that a lower allowance should be paid.

Recommendation

17. The SRA for the Chair of the Human Resources Appeals Panel be basic allowance X 0.25 = £2,500

Vice Chair of Scrutiny Board

Current Allowance	£5,570
Range of allowances where paid by comparator councils	£1,234- 5,236
Average allowance where paid by comparator councils	£3,073
Average allowance where paid by other Black Country Councils	N/A

The Panel felt that a consistent approach should be taken to the allowances of the vice chairs of all Boards, Panels and Committees with the exception of those for Planning and Licensing

Recommendation

18. That the SRA for the Vice Chair of Scrutiny Board be basic allowance x 0.25 = £2,500

Vice Chair of Scrutiny Panel

Current Allowance	£5,570
Range of allowances where paid by comparator councils	£1,550-5,057
Average allowance where paid by comparator councils	£2,953
Average allowance where paid by other Black Country Councils	N/A

Recommendation

19. That the SRA for Vice Chairs of Scrutiny Panels basic allowance x 0.25 = £2,500

Vice Chair of Audit Committee

Current Allowance	£4,220
Range of allowances where paid by comparator councils	£1,234-2,578
Average allowance where paid by comparator councils	£1,787
Average allowance where paid by other Black Country Councils	N/A

The Panel felt that a consistent approach should be taken to the allowances of the vice chairs of all Boards, Panels and Committees

Recommendation

20. That the SRA for the Vice Chair of Audit Committee should be basic allowance x 0.25 = £2,500

Vice Chair of Planning Committee

Current Allowance	£5,570
Range of allowances where paid by comparator councils	£1,234-6,328
Average allowance where paid by comparator councils	£3,542
Average allowance where paid by other Black Country Councils	£4,119

Whilst the Panel felt that a consistent approach should be taken to the allowances of all Boards, Panels and Committees and that the Vice Chairs should all receive the same allowance the Panel considered that because of the high public profile of the decisions of the Planning Committee it placed additional pressures on the vice chair that would not be encountered by other vice chairs and therefore the allowance should remain at approximately its present level

Recommendation

21. That the SRA for the Vice Chair of Planning Committee should be basic allowance x 0.5 =£5,000

Vice Chair of Licensing Committee

Current Allowance	£4,220
Range of allowances p where aid by comparator councils	£1,234-6,328
Average allowance where paid by comparator councils	£3,298
Average allowance where paid by other Black Country Councils	£4,119

Whilst the Panel felt that a consistent approach should be taken to the allowances of all Boards, Panels and Committees and that the Vice Chairs should all receive the same allowance the Panel were aware that the Vice Chair of the Licensing Committee is expected to chair several Licensing Sub Committee meetings during the course of a year. These meetings are quasi-judicial and their outcomes have a direct effect on the livelihoods of residents of the City. The Panel felt this placed an additional burden on the Vice Chair of the Licensing Committee and therefore

Recommendation

22. That the SRA for the Vice Chair of the Licensing Committee should be basic allowance x 0.5 =£5,000

Shadow Chairs

Current Allowance	£4,220
Range of allowances where paid by comparator councils	N/A
Average allowance where paid by comparator councils	N/A
Average allowance where paid by other Black Country Councils	N/A

The Panel considered the allowances paid to the Shadow Chairs of the Planning, Licensing, Audit and Superannuation Committees.

As part of the previous review the Panel received evidence that the Shadow Chairs were the party spokespersons on those committees. The Council's Constitution required that Shadow Chairs be contacted for their approval on items of urgent business. The Panel concluded that in its opinion the minor role in the approval of urgent decisions did not warrant the paying of an allowance. Most significantly the Panel noted that these allowances were paid by none of the comparator councils. There was concern that for the majority of the time these roles seemed to be largely of a political nature, acting as the media contact on a particular area of the council's work. The Panel could not understand why there was a need for a spokesperson from a political group on supposedly non political committees such as Planning, Licensing and Audit. In our previous report we concluded that the position of Shadow Chair does not add structurally to the work of the Committee and therefore no allowance should be paid.

The Panel remain strongly of the view that there is no need for these allowances

Recommendation

23 That no SRA be paid to the Shadow Chairs

Shadow Portfolio Holders

Current Allowance	£4,220
Range of allowances where paid by comparator councils	N/A
Average allowance where paid by comparator councils	N/A
Average allowance where paid by other Black Country Councils	N/A

In the Panels previous report it was noted that the Shadow Portfolio Holder is the opposition spokesperson on a particular area of the councils work. Each matches the areas of responsibility of the cabinet members. Their role is to provide a lead on the constructive criticism of the controlling group's proposals. Within the opposition group the Shadow Portfolio Holder informs the other group members of

PUBLIC
[NOT PROTECTIVELY MARKED]

the policies proposed by the controlling group. Shadow Portfolio Holder is entitled to additional briefings with officers in order to facilitate the role. The Shadow Portfolio Holder has no decision making role and therefore no responsibility for decisions. Because the Shadow Portfolio Holder is the party spokesperson it is usual that they will be contacted by the media to comment on stories.

Previously we had noted that only two of the comparator councils paid allowances to Shadow Portfolio Holders and neither allowance exceeded £1,343, less than a third of the allowance paid by this Council. The Panel were aware that none of the other Black Country Councils pay an allowance for this role.

Recommendation

24. That no SRA be paid to the Shadow Portfolio Holders

Member Champion

Current Allowance	£4,220
Range of allowances where paid by comparator councils	N/A
Average allowance where paid by comparator councils	N/A
Average allowance where paid by other Black Country Councils	N/A

The Panel remain of the opinion that this wide ranging role should contribute to the Council's commitment to support equality and diversity within the city.

Recommendation

25. The SRA for the Member Champion be basic allowance x 0.25 = £2,500

Mayor

Current Allowance	£18,880 (including £2,500 clothing allowance)
Range of allowances where paid by comparator councils	£6,000 - 30,118
Average allowance where paid by comparator councils	£14,151
Average allowance where paid by other Black Country Councils	£22,559

The Panel met the Mayor and Deputy Mayor to gain a thorough understanding of the role. As well as being the Queens representative the Mayor is the first citizen of the City. The Mayor chairs meetings of the Council and if necessary may use his/her casting vote to decide on contentious matters. Whilst the Mayor has little decision making power the Mayor has a number of important roles. The Mayor is the civic leader of the Council. The Mayor is the public face of the Council and is often better known by the public than the Leader of the Council. The Panel felt that in the minds of many residents of the City there is confusion of the roles of Mayor and leader.

PUBLIC
[NOT PROTECTIVELY MARKED]

The Mayor on average attends between 400-450 events a year. The Panel was informed that increasingly the choice of which events to attend is dependent on what would give the best return for the city. Visitors and business leaders are often impressed by being welcomed in to the Mayors parlour and it is felt that this can help attract business to the City and set the seed for future investments that may take years to come to fulfilment.

The Panel were informed that there is an expectation that the Mayor will pay for tickets to charitable events and will donate to church collections and raffles and the cost of this is met from the allowance.

The allowance also contains an element to pay for clothing not only of the Mayor but also for the Mayoress/consort. The Panel feel that this allowance should be considered as part of the overall allowance.

The Panel also noted that the current allowance of £18,880 was less than that paid to the other Mayors in the Black Country. Their allowances are Dudley £22,946 Sandwell £23,000 and Walsall £21,530

The Panel felt that the work of the Mayor is important on many levels to the city and felt that the allowance should increase slightly to be equal to that paid to the Deputy Leader of the Council.

Recommendation

26 That the SRA paid to the Mayor be basic allowance x 2 = £20,000

Deputy Mayor

Current Allowance	£3,785 (including £1,250 clothing allowance)
Range of allowances where paid by comparator councils	£500 - 13,156
Average allowance where paid by comparator councils	£4,694
Average allowance where paid by other Black Country Councils	£6,442

The Panel recognised that the role of Deputy Mayor is also important but noted that the Deputy Mayor is likely to attend far fewer events during the year than the Mayor does

The Panel considered the current allowance paid to the Deputy Mayor of £3,714 which is lower than that paid to the other Deputy Mayors in the Black Country. Dudley currently pays £4,012, Sandwell £9,660 and Walsall £ 5653.

The allowance also contains an element to pay for clothing not only of the deputy Mayor but also for the Deputy Mayoress/consort. The Panel feel that this allowance should be considered as part of the overall allowance

PUBLIC
[NOT PROTECTIVELY MARKED]

The Panel felt that the role of the Deputy Mayor is important and that the allowance should increase slightly.

Recommendation

27 That the SRA paid to the Deputy Mayor be basic allowance x 0.5 = £5,000

Dependants' Carers' Allowance/ Travelling and Subsistence Allowances/ Co-optees Allowances

The Panel concluded that no change should be made to the current Carers', Travelling, Subsistence and Co-optees Allowances

Recommendation

28 That no change should be made to the current the Dependant Carers' Allowance

29. That no change should be made to the current Travelling and Subsistence Allowances

30. That no change be made to the current Co-optees Allowances

Conclusion

The Panel began this review aware that many of the recommendations in its previous report had not been accepted and implemented by the Council. The Panel sees itself as representing the citizens of the city seeking to suggest allowances that are reasonable, fair, in line with those paid by other authorities and reflect the demands place on councillors in carrying out their duties.

The research which supported the recommendations in our previous report showed that in comparison with other councils the Basic Allowance paid by this Council is the third lowest but that this Council pays more special responsibility allowances than other Councils and those special responsibility allowances are frequently at a higher level than other councils pay. Comparison with the other Black Country councils shows this still to be the case. The Council cut 6% from all the special responsibility allowances following the Panels previous report but the Panel is of the opinion that this does not address the issue of paying more allowances than other councils and at a higher rate. The Panel has reviewed its previous recommendations and taken them in to consideration when agreeing the recommendations in this report.

Appendix B sets out the list of all the recommendations the Panel is making

Appendix C sets out the financial implications of the implementation of the Panel's recommendations

The Panel considers its recommendations are evidence based, are fair and reasonable.

Background Papers

Dudley Metropolitan Borough Council Members Allowances Scheme

Local Government and Housing Act 1989 Section 18

Local Government Act 2000 Section 100

Local Authorities (Members Allowances) (England) Regulations 2003

Members Allowances Schemes from the following Councils

- Bolton
- Coventry
- Derby
- Dudley
- Gateshead
- Hull
- Middlesbrough
- Oldham
- Peterborough
- Rochdale
- Rotherham
- Salford
- Sandwell
- Stoke on Trent
- Walsall

New Council Constitutions: Guidance on Regulation for Local Authority Allowances

Office of the Deputy Prime Minister Guidance "Local Government Councillors and Civic Dignitaries in England Members Allowances

Wolverhampton City Council Constitution

Current Members Allowances 2013/14

	Multiple of Basic Allowance*	Current Allowance
Basic Allowance		8,980
Leader	3	25,320
Deputy Leader	2.5	21,100
Leader of Opposition	2	16,880
Deputy Leader of the Opposition	0.66	5,570
Minority Group Leader	0.5	4,220
Portfolio Holder	2	16,880
Shadow Portfolio Holder	0.5	4,220
Chair Scrutiny Board	2	16,880
Chair - Scrutiny Panel	1.5	12,660
Chair - Planning Committee	2	16,880
Chair - Petitions	1.5	12,660
Chair - Licensing Committee	1.5	12,660
Chair - Audit Committee	1.5	12,660
Chair - Pensions Committee	1.5	12,660
Chair - Human Resources Appeals	0.5	4,220
Shadow Chair -Planning Committee	0.5	4,220
Shadow Chair - Licensing Panel	0.5	4,220
Shadow Chair - Pensions Committee	0.5	4,220
Vice Chair - Scrutiny	0.66	5,570
Vice Chair - Planning Committee	0.66	5,570
Vice Chair - Petitions	0.5	4,220
Vice Chair - Licensing Committee	0.5	4,220
Vice Chair - Audit Committee	0.5	4,220
Vice Chair - Pensions Committee	0.5	4,220
Members Champion	0.5	4,220
Mayor **		18,880
Deputy Mayor **		3,785

***All special responsibility allowances are currently subject to the 6% reduction agreed by Council**

**** Includes clothing allowance**

List of Recommendations

1. That the Basic Allowance be increased to £10,000
2. That for the municipal years 2014/15 – 2017/18 the Basic Allowance be increased at the same rate as any pay increases awarded to employees.
3. The SRA for the Leader of the Council be basic allowance x 2.5 =£25,000
4. The SRA for the Deputy Leader of the Council be basic allowance x 2 = £20,000
5. The SRA for the Leader of the Opposition be basic allowance x 1.5 = £15,000
6. The SRA for the Deputy Leader of the Opposition be basic allowance x 0.25 =£2,500
7. The SRA for the Leader of a Minority Opposition Group be basic allowance x 0.25 =£2,500
8. The SRA for Portfolio Holders be basic allowance x 1.5 = £15,000
9. The SRA for the Chair of the Scrutiny Board be basic allowance x 1.5 = £15,000
10. The SRA for the Chair of a Scrutiny Panel be basic allowance x 1 = £10,000
11. The SRA for the Chair of the Planning Committee be basic allowance x 1.5 =£15,000
12. The SRA for the Chair of the Licensing Committee be basic allowance x 1.5 =£15,000
13. The SRA for the Chair of the Audit Committee be basic allowance x 1 =£10,000
14. The SRA for the Chair of the Petitions Committee be basic allowance x 1 =£10,000
15. The SRA for the Chair of the Pensions Committee be basic allowance x 1 =£10,000
16. The SRA for the Vice Chair of the Pensions Committee be basic allowance x 0.25 = £2,500
17. The SRA for the Chair of the Human Resources Appeals Panel be basic allowance X 0.25 = £2,500

PUBLIC
[NOT PROTECTIVELY MARKED]

18. That the SRA for the Vice Chair of Scrutiny Board be basic allowance x 0.25 = £2,500
19. That the SRA for Vice Chairs of Scrutiny Panels basic allowance x 0.25 = £2,500
20. That the SRA for the Vice Chair of Audit Committee should basic allowance x 0.25 = £2,500
21. That the SRA for the Vice Chair of Planning Committee should be basic allowance x 0.5 =£5,000
22. That the SRA for the Vice Chair of the Licensing Committee should be basic allowance x 0.5 =£5,000
23. That no SRA be paid to the Shadow Chairs
24. That no SRA be paid to the Shadow Portfolio Holders
25. The SRA for the Member Champion be basic allowance x 0.25 = £2,500
26. That the SRA paid to the Mayor be basic allowance x 2 = £20,000
27. That the SRA paid to the Deputy Mayor be basic allowance x 0.5 = £5,000
28. That no change should be made to the current the Dependant Carers' Allowance
29. That no change should be made to the current Travelling and Subsistence Allowances
30. That no change be made to the current Co-optees Allowances

Financial Implications Summary			
	Approved Budget 2013/2014	Cost if all allowances paid	IRP Proposals (if all allowances paid)
Basic Allowances	538,360	538,800	600,000
Special Responsibilities Allowance	467,810	507,455	385,000
Totals	1,006,170	1,046,255	985,000
Variance from budget		40,085	(21,170)
Allowances Funded By Pension Fund	21,100	21,100	12,500