

CITY OF WOLVERHAMPTON COUNCIL

REPORT OF THE INDEPENDENT REMUNERATION PANEL ON COUNCILLORS' ALLOWANCES

Date: March 2020

Independent Remuneration Panel

The City of Wolverhampton Council (“the Council”) Independent Remuneration Panel “the Panel) was established under the Local Authorities (Members’ Allowances) (England) Regulations 2003 to provide advice and recommendations to the Council on amounts to be paid under its Councillors’ Allowances scheme. Members of the Panel are appointed by the Council and are independent members of the local community.

The Panel has reviewed the existing Councillor Allowance Scheme approved by the Council in January 2018 and recommends that the scheme should remain in place save that it is recommended that some changes are made to the Special Responsibility Allowances should the proposed changes be made to the Council’s Governance Structure. In addition we have made a number of other recommendations.

This report is required by the Local Authorities (Members’ Allowances) (England) Regulations 2003. In conducting this review, the Panel has had regard to the 2006 `Statutory Guidance on Members Allowances.

The Council is required to have regard to our recommendations in deciding what allowances to pay Councillors. Additionally, the Council must also publish our recommendations and conclusions, together with the approved scheme.

Sylvia Parkin, Miceal Barden and Reverend David Wright

The Independent Remuneration Panel

9 March 2020

1.0 Panel Membership

1.1 The Panel is composed of three members:

- Sylvia Parkin – Deputy Lieutenant
- Mr Miceal Barden – Dean of the Faculty of Arts, Business and Social Sciences, Wolverhampton University
- Reverend David Wright – Rector of St. Peters Church Wolverhampton

2.0 How the Panel Approached the Review

2.1 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 City of Wolverhampton Council. Details of the current schedule of the allowances are included at **Annex 1**.

- **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 other three Black Country authorities.

3.0 Scope of the Report

- 3.1 The report sets out the Panel's recommendations to enable the Council to agree a revised Councillors' Allowances Scheme.
- 3.2 These recommendations take account of the Council's current political composition and political management arrangements. Recommendations should be applied from the start of the 2020 - 2021 municipal year.
- 3.3 The Panel reviewed the Council's scheme of Councillors Allowances and Expenses in accordance with the provisions of the Regulations and its terms of reference covered:

Review of Special Responsibility Allowances:

- *Review whether a Special Responsibility Allowance for the Chair of the Cabinet Advisory Group should be introduced*
- *Review whether a Special Responsibility Allowance for the lead reviewer of the Select Committee Reviews should be introduced*
- *Review whether a rule regarding receipt of SRAs from other authorities should be introduced*

4.0 Background Information – City of Wolverhampton Council

- 4.1 The City of Wolverhampton Council has 60 Councillors representing 20 wards. The current political composition of the Council is:

Party	Number of Seats
Conservative	11
Labour	48

- 4.2 The Council operates a Leader and Cabinet model of governance. The Cabinet is currently made up of the Leader of the Council, Deputy Leader of the Council and eight other Cabinet Members (although we understand that although two posts are currently vacant it is intended that the Cabinet will continue to made up of 10 members). Each of the 10 members of the Cabinet has a specific portfolio of responsibilities.
- 4.3 The Council currently has six themed Scrutiny Panels and an overarching Scrutiny Board whose role is to hold the executive to account, contribute to policy development, carry out reviews and monitor the performance of the Council.
- 4.4 The Council also appoints a number of other Committees to exercise its regulatory functions and other functions that are not the responsibility of the executive.

5.0 Proposed Governance Structure

- 5.1 The Council is currently reviewing its Governance Structure to ensure they are more effective and that non-executive Councillors are more engaged in the decision-making and policy formulation process.
- 5.2 As part of the current proposals we understand that it is proposed that there would continue to be a Scrutiny Board with the number of scrutiny panels reduced from six to two. The Panel were provided with an overview on the role of the Scrutiny Board and the Scrutiny Panels going forward.
- 5.3 As part of the proposed change to its Governance Structure the Council will introduce Cabinet Advisory Groups. The Cabinet Advisory Group (CAG) is intended to provide and make recommendations on key policy areas. These are effectively working groups on key cross cutting areas. The CAG chair will have a pivotal role in leading these groups and will at times represent the Council on external forums.
- 5.4 As part of the proposals it is intended that the Council introduces Select Committee Reviews. The Select Committee will be carrying out detailed reviews of key areas of focus for the Council on behalf of the Scrutiny Board. The findings will be reported to Scrutiny Board and ultimately to Full Council.

6. Special Responsibility Allowances

- 6.1 Each local authority may make provision in its scheme for the payment of special responsibility allowances (SRA) for those councillors who have significant responsibilities over and above the generally accepted duties of a councillor.
- 6.2 The responsibilities remunerated under Wolverhampton's current Scheme of Allowances are:

Leader
Deputy Leader
Leader of the Main Opposition Group
Deputy Leader of the Main Opposition Group
Cabinet Member
Chair – Scrutiny Board
Chair – Scrutiny Panel
Chair – Planning Committee
Chair – Licensing Committee
Chair – Pensions Committee
Chair – Audit Committee

Vice-Chair – Scrutiny Board and Panels
Vice-Chair – Planning Committee
Vice-Chair – Licensing Committee
Vice-Chair – Pensions Committee
Vice-Chair – Audit Committee

Leader of a Minority Opposition Group *

Councillor Champions

“Special Responsibility Allowance for the Leader of a Minority Opposition Group to be paid only if a Minority Opposition Group comprises five or more Councillors”

- 6.3 In reviewing the SRAs, the Panel carefully considered the national guidance which explains that they may be paid to those councillors of the council who have significant additional responsibilities over and above the generally accepted duties of a councillor. The guidance states that it does not necessarily follow that particular responsibilities given to a particular councillor is a significant additional responsibility for which a special allowance should be paid. Such duties may not lead to a significant extra workload for any one particular councillor above another and that they should be recognised as time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which an SRA should be recommended.
- 6.4 The Panel noted that its responsibility is limited to considering whether any roles should be remunerated under the scheme, not the content and structure of any roles which the Council may choose to establish.
- 6.5 The Panel reviewed evidence about the time commitment and responsibilities involved and considered benchmarking information. It was noted that most of the roles remunerated by Wolverhampton are remunerated by other comparator authorities and the levels of allowances paid by Wolverhampton are at or around the average or significantly higher for certain roles.
- 6.6 The Panel was specifically asked in its terms of reference to consider whether the role of Chair of a Cabinet Advisory Group or the Chair of Select Committee should be remunerated.
- 6.7 The Panel reviewed evidence about the time commitment and responsibilities likely to be involved for the new roles. The Panel was informed that the CAG Chair/Select Committee Chairs will be required to carry out activities that involve an amount of time greater or equal to the other categories of SRAs already paid.
- 6.8 The Panel noted that comparator authorities did not appear to have equivalent roles. However, the Panel was informed that authorities that had equivalent roles remunerated the role.
- 6.9 The Panel were advised that any changes to SRAs needed to remain within existing budget provisions.
- 6.10 The Panel were also asked to consider whether a rule should be introduced regarding receipt of SRAs from other authorities where that SRA is received as a result of the Councillor being appointed by the Council to that role (which provides the other SRA). This would ensure that there was not doubling up of SRAs.
- 6.11 Like many other authorities, Wolverhampton's scheme recommends that only one SRA can be claimed by those councillors who hold two or more different roles each entitled to an SRA and the Panel supported maintaining this approach.

6.12 The Panel took the view that the scheme should be amended to introduce the additional SRAs and the additional rule. It noted that the overall cost to the Council will not increase. It noted that there were a number of areas where the levels of allowances seemed out of step with other comparable authorities, generally significantly lower than those other authorities, and with the introduction of the new allowances it would be appropriate for a route and branch review of the Scheme to take place in 2020/2021 ready for approval in early 2021.

6.13 The Panel made the following recommendations:

Recommendation 1: That, should the changes to the Governance structure proceed, then the Chair of a Cabinet Advisory Group be remunerated at £10,000.

Recommendation 2: That, should the changes to the Governance structure proceed, the Chair of a Select Committee Review be remunerated at £2,500.

Recommendation 3: That the Councillor Allowance Scheme be amended to state '*If a Councillor receives an SRA from the Council and also receives an SRA from another authority or public body to which he or she was nominated by this Council then the SRA from this Council will be discounted by the amount of the SRA from that other authority or public body.*'

Recommendation 4: That apart from the recommendations above the current scheme should continue and that the Independent Remuneration Panel undertake a root branch review of the Councillor Allowance Scheme in January 2021.

Details of the proposed schedule of allowances are included at **Annex 2**.

ANNEX 1**Schedule of Basic and Special Responsibility Allowances**

Basic Allowance (All Councillors) – £9,531.00

Description	From 07.05.18
Special Responsibility Allowance (SRA)	
Leader	25,000
Deputy Leader	20,000
Leader of the Main Opposition Group	15,000
Deputy Leader of the Main Opposition Group	2,500
Cabinet Member	15,000
Chair – Scrutiny Board	15,000
Chair – Scrutiny Panel	10,000
Chair – Planning Committee	15,000
Chair – Licensing Committee	15,000
Chair – Audit Committee	10,000
Chair – Pensions Committee	10,000
Vice-Chair – Scrutiny Board and Panels	2,500
Vice-Chair – Planning Committee	5,000
Vice-Chair – Licensing Committee	5,000
Vice-Chair – Audit Committee	2,500
Vice-Chair – Pensions Committee	2,500
Councillor Champion	2,500
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	20,000
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	5,000

ANNEX 2**Schedule of Basic and Special Responsibility Allowances**

Basic Allowance (All Councillors) – £9,531.00 (to be increased by any percentage increase in pay agreed for local government employees)

Description	From 07.05.20
Special Responsibility Allowance (SRA)	
Leader	25,000
Deputy Leader	20,000
Leader of the Main Opposition Group	15,000
Deputy Leader of the Main Opposition Group	2,500
Cabinet Member	15,000
Chair – Scrutiny Board	15,000
Chair – Scrutiny Panel	10,000
Chair – Cabinet Advisory Group	10,000
Chair – Planning Committee	15,000
Chair – Licensing Committee	15,000
Chair – Audit Committee	10,000
Chair – Pensions Committee	10,000
Lead Reviewer (Chair) – Scrutiny Review (Select Committee)	2,500
Vice-Chair – Scrutiny Board and Panels	2,500
Vice-Chair – Planning Committee	5,000
Vice-Chair – Licensing Committee	5,000
Vice-Chair – Audit Committee	2,500
Vice-Chair – Pensions Committee	2,500
Councillor Champion	2,500
Ceremonial Mayor (inclusive of £2,500 clothing allowance)	20,000
Ceremonial Deputy Major (inclusive of £1,250 clothing allowance)	5,000