

Report title	Report of the Independent Remuneration Panel	
Referring body	N/A	
Councillor to present report	Councillor Ian Brookfield	
Wards affected	All Wards	
Cabinet Member with lead responsibility	Councillor Ian Brookfield Leader of the Council,	
Accountable director	David Pattison, Director of Governance	
Originating service	Governance	
Accountable employee	Jaswinder Kaur	Democratic Services Officer
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Report to be/has been considered by	N/a	

Recommendations for decision:

The Council is recommended to:

- a) Consider and approve, reject or approve alternative proposals for each of the following recommendations made by the Independent Remuneration Panel:

Recommendation 1: That, should the changes to the Constitution proceed, then the Chair of Governance and Ethics Committee be remunerated at £10,000.

Recommendation 2: That, should the changes to the Constitution proceed, then the Vice Chair of Governance and Ethics Committee be remunerated at £2,500.

- b) Delegate authority to the Monitoring Officer to amend the Scheme of Councillor Allowances according to the decisions taken by Council for inclusion in the Council's Constitution.

1.0 Purpose

- 1.1 To consider the report of the Independent Remuneration Panel attached as Appendix 1 on a review of Councillor's Allowances and make recommendations to Council.

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. The IRP has been appointed by Council and constitutes:
- Sylvia Parkin – Deputy Lieutenant
 - Mr Miceal Barden – Dean of the Faculty of Arts, Business and Social Sciences, Wolverhampton University
 - Reverend David Wright – The Rector of St. Peters Church Wolverhampton
- 2.2 The previous report of the Panel was considered by Council on 31 January 2018. The scheme of allowances currently in place lasts until 2022.
- 2.3 **Legal Framework for Member Allowances** -The law relating to member allowances changed by virtue of the Local Government Act 2000 (LGA 2000). The LGA 2000 introduced s.99 which altered the law on member allowances replacing s.15 of the Local Government and Housing Act 1989 with a new provision which essentially provides that the details of what can be paid through member allowances scheme is to be set out in subordinate legislation.
- 2.4 The main provision in subordinate legislation is the Local Authorities (Members' Allowances) (England) Regulations 2003. These Regulations have had some amendments, a copy of the current version (as amended), is available from the Monitoring Officer on request.
- 2.5 **Key Provisions in the Law** - The law on member allowances is rigid as to what can and cannot be paid to members in terms of allowances. In short it provides that each authority must have a scheme for payment of member allowances approved each year before 1 April. The schemes can allow for a number of categories of allowance that an authority can chose to pay to its members, these are:
- a. Basic Allowance
 - b. Special Responsibility Allowance
 - c. Carers Allowance
 - d. Travelling and Subsistence Allowance

In deciding what level to set these allowances the authority must take into account the recommendations of that authority's Independent Remuneration Panel (the Panel).

- 2.6 The rules make specific provision about each of these payments to members of the authority. It is important to note that only these payments can be made and no other for the role as a member.

Basic Allowance – the rules provide that each member should be paid a basic allowance in respect of their functions along with any other allowance provided for by the scheme. It also provides that if a member is in office for part of the year he/she is to get a proportionate payment.

The allowance is not intended to serve as a salary rather it is intended to be a small contribution to recognise the significant time commitment of all Councillors including calls on their time of meetings, and other council work and a contribution towards the incidental costs of being a councillor such as use of their homes, telephone calls and meetings.

Special Responsibility Allowance – a scheme may provide for a special responsibility allowance to be paid (in addition to the basic allowance) to members with certain (specified) roles, these include the leader of a political group, deputy leader of a political group, members of cabinet/leader (and deputy leader) of the Council, chairmen of committees/sub-committee or someone who is required to carry out such other activities as require the member an amount of time greater or equal to the other categories.

Carers' Allowance – a scheme may provide for the payment to members in respect of expenses for care of children or dependents for attending certain meetings.

Travelling and Subsistence Allowance – a scheme may provide for the payment of an allowance in respect of travelling and subsistence in respect of travel undertaken in connection with or relating to certain specified duties such as attendance of Council/Committee meetings or other functions specified by the authority.

There is no existing Government guidance on the issue – the only guidance is old, i.e. from 2003 and can be found here:

<http://webarchive.nationalarchives.gov.uk/20120920031946/http://www.communities.gov.uk/documents/localgovernment/pdf/157440.pdf>

- 2.7 **Length of a scheme** - Whilst the scheme needs to be made for each year the law provides that a Council may choose to set a scheme for a period of years (subject to being re-approved each year by Council) with an annual adjustment by reference to an index, where it does so it may set the scheme for a period of no more than 4 years without going back to the Panel.

The Council scheme was set in 2018 for a period of 4 years and is approved each year as part of the Council's Constitution. It is proposed that a detailed review will take place later in 2021 so that it is ready for when the current scheme expires in 2022.

- 2.8 **Claims by a certain date** - Where payments are made under the Carers' or Travelling and Subsistence Allowances the scheme must provide a date for these payments to be claimed by.

2.9 **Publicity for schemes** - There are also detailed rules concerning publicity for the making or amendment of a scheme including advertising it in the local paper and also in relation to the recommendations of the Panel.

2.10 **Independent Remuneration Panel** – The Panel is a critical part of the process. The Panel is designed to ensure that there is independent oversight as to how much the allowances are set at. The responsibilities are set out at Regulation 21, the relevant parts of which we repeat below:

(1) An independent remuneration panel shall produce a report in relation to the authority or authorities in respect of which it was established, making recommendations:

(a) as to 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) as to the amount of such allowances and as to the amount of basic allowance;

(c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;

(d) as to 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 in accordance with regulation 10(6);

(e) as to 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.

2.11 **Current Scheme for City of Wolverhampton Councillors** - The current scheme provides for:

- A basic allowance
- Special responsibility allowances
- Carers/Dependents allowances
- Travel allowances

The overall budget for member allowances, inclusive of provision for employers national insurance and pension fund contributions, is currently just under £998,000.

2.12 Independent Remuneration Panel has convened to consider whether the minor amendment proposed should be made to the current scheme and in particular on the levels of the Special Responsibility Allowances (SRA) as a result of the introduction of the Governance and Ethics Committee.

- 2.13 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 the needs of this Council.
- 2.14 The Panel has used a range of sources of evidence and in particular considered the allowances paid to Councillors of the Black Country, West Midlands Metropolitan Councils and similar sized councils in this Councils CiPFA family group.

3.0 Financial implications

- 3.1 The overall budget for members allowances, inclusive of provision for employers national insurance and pension fund contributions, is currently just under £998,000. Should the Independent Remuneration Panel recommendations be approved, subject to changes in the Governance structure proceeding, it is anticipated that the costs of the amended member allowance scheme can be accommodated within existing budget provision. [CN/19052021/Y]

4.0 Legal implications

- 4.1 Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) require the Council to review members' allowances at least once every four years for the purpose of agreeing how it will index link its scheme of allowances. The Council must have regard to the recommendations made by the IRP and determine whether and how these are implemented. The Council must also have regard to the recommendations made by the IRP before it amends any part of the current Councillor' Allowances Scheme. [DP/19052021/A]

5.0 Equalities implications

- 5.1 The appropriate remuneration for Councillors will contribute towards increasing the diversity of experience, age and background of local authority Councillors.

6.0 Any other implications

- 6.1 There are no other implications arising from the recommendations of the report.

7.0 Schedule of background papers

- 7.1 Governance Committee, 23 April 2021, Changes to the Constitution.

8.0 Appendices

- 8.1 Appendix 1 - Report from the Independent Remuneration Panel