

# **CITY OF WOLVERHAMPTON COUNCIL**

## **REPORT OF THE INDEPENDENT REMUNERATION PANEL ON COUNCILLORS' ALLOWANCES**

Date: January 2018

## **Independent Remuneration Panel**

The City of Wolverhampton Council Independent Remuneration 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 Independent Remuneration Panel has reviewed the Councillors' Allowances scheme and, on behalf of the Panel, I present the report and recommendations for the payment of Members' Allowances for 2018/19- 2021/22. This report is required by the Local Authorities (Members' Allowances) (England) Regulations 2003. In conducting this review, the Independent Remuneration 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.

Reverend David Wright

Chair of the Independent Remuneration Panel

## **1. Panel Membership**

### **1.1 The Panel composed of three members:**

- Miss Habiba Amjad – Member of the public
- Mr Miceal Barden – Dean of the Faculty of Social Sciences, Wolverhampton University
- Reverend David Wright – Representing the Rector of St. Peters Church Wolverhampton

## **2. 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 Wolverhampton City 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 other Black Country authorities.

### **3. Scope of the Report**

- 3.1 The report sets out the Panel's recommendations to enable the Council to agree a new 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 2017 - 2018 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 allowances:

- Review the level of Basic Allowance;
- Review all Special Responsibility Allowances;
- Review of Dependent Carer's Allowance;
- Decide whether the level of allowances are to be determined according to an index and if so which and for how long
- Review Travelling and Subsistence Allowances
- Review Co-optees Allowances

### **4. 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:

<b>Party</b>	<b>Number of Seats</b>
Conservative	10
Labour	49
UKIP	1

- 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. 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. The Basic Allowance**

- 5.1 The basic allowance is intended to recognise the time commitment of all councillors for calls on their time including meetings with council employees, meetings with constituents, attendance at political group meetings and incidental costs such as the use of their homes.
- 5.2 The Panel noted that the national guidance states that it is important that some element of the work of councillors continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members and to ensure that despite the input required people are encouraged to come forward as elected members and that their service to the community is retained.
- 5.3 It is a requirement of the regulations that a basic allowance be paid to all councillors in an authority and paid at the same level for all councillors.
- 5.4 The basic allowance in Wolverhampton has been operating for some years. Between 1 April 2014 and 31 March 2017, any increase in the allowance was aligned to increases in the nationally agreed pay scales for local authority employees.
- 5.5 The Panel compared the basic allowance paid in Wolverhampton with those paid by neighbouring authorities in the region and authorities in the recognised groupings of comparable authorities. It also looked at local and regional wage rates and considered the element of public service discount expected in the role.
- 5.6 The Panel's view is that the level of the current basic allowance remains reasonable in balancing these aims and compares appropriately to local average pay levels. Benchmarking indicates that the level of the allowance is slightly lower in its comparator groups but the Panel has decided not to propose any change, other than to maintain the principle of increasing the allowance in line with any percentage increase for government employees.

**Recommendation 1: That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.**

## **6. Special Responsibility Allowances**

- 6.1 Each local authority may also 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 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.

- 6.6 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.

**Recommendation 2: That no change should be made to the current Special Responsibility Allowances.**

**7. Carers' Allowances**

- 7.1 The Panel concluded that no change should be made to the current carers' allowances.

**Recommendation 3: That no change should be made to the current Dependant Carers' Allowance.**

**8. Travel expenses and Subsistence Allowances**

- 8.1 The Panel concluded that no changes should be made to the current travel expenses and subsistence allowances.

**Recommendation 4: That no change should be made to the current Travelling and Subsistence Allowances.**

**9. Co-optees Allowances**

- 9.1 The Panel concluded that no change should be made to the current Co-optee allowances.

**Recommendation 5: That no change be made to the current Co-optees Allowances.**

**10. Recommendations of the Panel:**

1. That for the municipal years 2018/19 – 2021/22 the Basic Allowance be increased each year by any percentage increase in pay agreed for local government employees.
2. That no change should be made to the current Special Responsibility Allowances.
3. That no change should be made to the current Dependant Carers' Allowance.
4. That no change should be made to the current Travelling and Subsistence Allowances
5. That no change be made to the current Co-optees Allowances.

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

Basic Allowance (All Councillors) – £9,181

<b>Description</b>	<b>From 04.06.14</b>
<b>Special Responsibility Allowance (SRA)</b>	
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