

Council – 15th April 2024

Members Allowances 2024

1. Aim

To consider the findings and recommendations of the Independent Remuneration Panel.

2. Summary

A review of Members Allowances Scheme has been undertaken by an Independent Remuneration Panel. The findings of the review, along with recommendations, are provided in detail, to enable Council to make a determination on changes to the existing Scheme.

3. Recommendations

- 3.1 That, Council note and thank, the work of the Independent Remuneration Panel in producing their report.
- 3.2 That, Council consider each recommendation as set out in 4.7 and resolve to accept or reject any of the proposals.
- 3.3 That, subject to agreeing the payment of allowances the Council decide what, if any, backdating it wishes to apply.
- 3.4 That, subject to 3.2 above, the Director of Governance be authorised to amend the Council's Constitution in respect of Part 6, Members Allowances and publish the new scheme in accordance with Local Authorities (Member Allowances) (England) Regulations 2003.

4. Report Detail - Know

- 4.1 The current Member Allowances Scheme was adopted by Council on 25th February 2021, and is included at Appendix 2 of this report.
- 4.2 In November 2023, Council agreed to formally appoint independent members to the Independent Remuneration Panel (IRP) to consider specific issues raised in relation to the creation of a new Cabinet Support Assistant role and changes to other specific roles.
- 4.2 The Independent Remuneration Panel consists of three members who are entirely independent of the Council. They are Richard Hood, Company Secretary and Independent Local Government Consultant, and Philip Tart, former Director of Resources and Transformation and Change (Monitoring Officer), Dudley MBC, and Indra Cheema (retired teacher). The IRP were provided with full information concerning the Elected Members Allowance Scheme and met all of the current group prior to finalising their report.

- 4.3 Representations were also invited from all Members of the Council, either by phone or e-mail to the Chair. Four elected members attended the panel and made representations in relation to the scheme. The Panel concluded their analysis with substantial comparator information and drafted their findings report as set out at **Appendix 1** herewith.
- 4.4 The Panel's terms of reference allow for unfettered discretion to make recommendations upon the scheme of allowances for Elected Members. The Council has discretion as to whether or not to accept the recommendations made in whole or in part.
- 4.5 In undertaking their review the Independent Remuneration Panel were given full details of the Council's current political arrangements, provided with elected member job descriptions and provided with tabulated analysis of members allowance schemes for authorities in the Black Country, West Midlands, and those of our relevant CIPFA family of authorities.
- 4.7 The summary recommendations of the Panel are as follows:

i) Cabinet Support Assistants

The Panel recommends that the Cabinet Support Assistant include a special responsibility allowance, which is pegged at 10% to that of the Cabinet Portfolio Holder at £18,641. The Cabinet Support Assistant role is in addition to and does not affect the level of current allowances paid to the Cabinet Portfolio Holder role.

ii) Independent Chair of the Audit Committee

The Panel recommends that an annual allowance of £5,882 be payable to the Independent Chair of the Audit Committee that being equal to the special responsibility allowance paid to the Chair of the Standards Committee.

iii) Membership Allowances for Independent Members serving on both Standards and Audit Committees

The Panel recommends that an annual payment of £750 be payable to any independent member serving on either of the Standards or Audit Committees, with the exception of the Independent Chair of Audit Committee with the aforementioned annual allowance.

iv) Portfolio Lead Allowance Leader of the Council in respect of West Midlands Combined Authority (WMCA)

The Panel recommends that as a recognition of the additional responsibilities of the West Midlands Combined Authority role as Portfolio Lead, the Leader of the Council's current special responsibility allowance be increased by £2,000.

v) Annual Uplift

The Panel recommends that annual updating of Member Allowances should remain linked to the employees' pay award except where council staff agree a

lower percentage rise, freeze or reduction. In circumstances, where the employees' pay award is a fixed value, rather than percentage, the annual updating will be actual percentage of increase received at scale point 43.

- 4.8 The changes proposed to the scheme by the Panel acknowledge different levels and complexities, and commitment to the roles undertaken by elected members.

5. Legal implications

- 5.1 The power to have a Members Allowance Scheme is conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 made under the Local Government and Housing Act 1989 and the Local Government Act 2000.
- 5.2 Under Part 4 of the above regulations the Council has to have regard to the recommendations made in relation to its Members Allowance Scheme by an Independent Remuneration Panel.
- 5.3 The Independent Remuneration Panel must produce a report making recommendations as to the responsibilities and duties in respect of the items contained between Section 21 (1) (a) to (g) of the said regulations.
- 5.4 There is a requirement for the local authority to publicise the recommendations made by the Independent Remuneration Panel as soon as reasonably practicable after receiving a report from the Panel setting out the panel's recommendations.

6. Consultation

- 6.1 In accordance with statute, the Council is required to consult with and receive recommendations from the Independent Remuneration Panel, who have substantial information concerning Councillors allowances, on which they base their recommendations.
- 6.2 All the political group leaders of the Council were invited to provide comments to the Independent Remuneration Panel for them to be considered as part of their deliberations in reviewing the current scheme of allowances. Individual Elected Members were also invited to make representations to the Independent Remuneration Panel.

7. Internal Financial Implications

- 7.1 The cost of the various proposals put forward by the Independent Remuneration Panel are set out in **Appendix 1**.

8. Property implications

- 8.1 There are no property implications to consider.

9. Health and wellbeing implications

9.1 There are no known health and wellbeing implications.

10. Reducing Inequalities

10.1 The Members Allowance scheme provides encouragement for wider and more inclusive political representation.

11. Staffing implications

11.1 There are no staffing implications to consider.

12. Climate Impact

12.1 There are no climate impact implications to consider.

13. Decide

13.1 That, the Council decide whether to accept, amend or reject the recommendations of the Independent Remuneration Panel as set out in Appendix 1.

14. Respond

14.1 For Council to consider, approve, and implement the recommendations of the Independent Remuneration Panel.

15. Review

15.1 The Council is obliged to adopt a new Members Allowance Scheme every year. However, where an index is applied to the scheme, the Council can rely upon that index for up to 4 years without the need to review the scheme.

If the Council fails to adopt a new scheme (even if it is to re-adopt the existing scheme) before the existing one expires, then the Council will be unable to pay its members allowances thereafter until a new scheme is adopted. The Council will follow the legislative guidance as set out in reviewing the Members Allowance Scheme.

Appendices

Appendix 1 - Report of the Independent Remuneration Panel – February 2024

Appendix 2 - Existing Members Allowance Scheme

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