

Council – 25 February 2021

Members Allowances 2021

1. Summary of report

A review of Members Allowances 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 as to the Scheme to be implemented from April, 2021.

2. Recommendations

- 2.1 That the Council note and have regard to the recommendations of the Independent Remuneration Panel and thank the Panel for their work in producing their report.
- 2.2 That the Council consider and agree one, or a combination of the recommendations as set out in paragraph 3.7 below by the Independent Remuneration Panel for a scheme of allowances to be implemented from April 2021.
- 2.3 That the Council's Constitution be amended by the insertion of the new Scheme at Part 6.
- 2.4 That the Council's Monitoring Officer be authorised to advertise the new scheme of allowances and payments made hereunder as required by statute.

3. Background

- 3.1 The current scheme of Member Allowances was adopted by Council on 7th January 2019, this is included at Appendix 2 of this report. When the matter was last considered by Council in 7th January 2019, Council determined that whilst austerity, as interpreted by the Council, continued, the criterion for the annual updating of members allowances should be the NJC officers award except when Council staff agree to a lower percentage rise, freeze or reduction, in which case that figure should be applied equally to Member allowances.
- 3.2 The report of the Independent Remuneration Panel (IRP), drafted in December 2018, stated that it should not endorse maintaining the status quo or reducing members allowances. The IRP also reflected that it was right to explore and present options to increase members allowances as they had not increased since 2011. This had created a disparity between the level of allowances in Walsall with comparable authorities thus undervaluing the contribution of councillors in their roles. The Panel felt that even if the Council did not adopt any of the options to increase allowances in January, 2019, they may want to endorse one of them in principle, to be re-examined when austerity had come to an end. As it has now been 2 years since the review, an IRP was requested to consider the current position and benchmark Walsall with other Authorities.

- 3.3 The Independent Remuneration Panel consists of three members who are entirely independent of the council. They are Professor Stephen Leach; Richard Hood, Company Secretary and Independent Local Government Consultant, and Philip Tart, former Director of Resources and Transformation and Change (Monitoring Officer), Dudley MBC. The IRP were provided with full information concerning the Elected Members Allowance Scheme, and met 'remotely' or via telephone with all of the group leaders prior to finalising its report. Representations were also invited from all members of the council, either by phone or e-mail to the Chair. .
- 3.4 The panel met remotely in November and December 2020 and agreed that a more focussed review was more appropriate, as there had been little in the way of change in the Council's structure since the review completed in December, 2018. As a result, the Panel's report is also focussed, and should be considered in the context of the recommendations made in its 2018 report, which were accepted by the council at its meeting in January, 2019. The Panel's current report is set out at Appendix 1 herewith.
- 3.5 The Independent Panel's terms of reference are that they have 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.
- 3.6 In undertaking their review the Independent Remuneration Panel, were given full details of the Council's political arrangements; provided with elected member job descriptions; 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.
- 3.7 The summary recommendations of the panel are as follows:
1. The Basic Allowance should be increased from £11,146 to £11,938.
 2. The Council should give consideration as to whether it wishes to implement one of the three options recommended in 2019 by the Panel for increases in SRAs (updated in the IRP report at Appendix 1 herewith), which the Panel continues to regard as justifiable in principle.
 3. If it chooses not to implement any of these options at present, then the second Deputy Leader of the Council should be allocated an SRA of £15,124, equivalent to that of the first deputy; and the leader of the opposition's SRA should be increased from £7,579 to £9,879.
 4. If one of the three options is selected for implementation, the SRA paid to the second deputy leader should be as specified in Appendix One of the IRP report at Appendix 1 herewith and the SRA of the opposition leader should be dependent on the option selected. ((1) £11,572 (2) £11,752 (3) £12,581/£11,743, as applicable).
 5. If one of the three options is chosen for implementation, then the SRAs paid to the various positions specified should be as set out in Appendix One of the IRP report at Appendix 1 herewith.

6. The criterion for the annual updating of members allowances should continue to be the NJC award paid to officers in that year, unless the Council resolves not to apply any increase.
7. All other allowances including the allowances for mayor and deputy mayor and travel and subsistence and carers allowances should remain as at present.

4. Resource and Legal Considerations

- 4.1 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.
- 4.2 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.
- 4.3 The Independent Remuneration Panel must produce a report making recommendations as to the responsibilities and duties in respect of the items contained between s21 (1) (a) to (g) of the said regulations.
- 4.4 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.
- 4.5 The overall cost of implementing the recommended changes can be contained within existing Council budgets.

5. Member Interests

- 5.1 The decision as to whether a member has to declare an interest in business being transacted by a meeting is ultimately a matter for an elected member to decide upon even where they have sought advice. In relation to this report, the Monitoring Officer in January 2017 granted a dispensation for all elected members on their written request under section 31 (2) Localism Act 2011 on the basis that the number of persons prohibited from participating in this particular business would be so great proportion of the body transacting the business so as to impede the transaction the said business.

6. Financial Implications

- 6.1 The cost of the various proposals put forward by the Independent Remuneration Panel are set out in the IRP report at Appendix 1 within that report.

7. Citizen Impact

- 7.1 The whole process of determining Elected Members Allowances is based upon openness and transparency. The public have a right to know the level of allowances that Elected Members are entitled to in carrying out their duties effectively under the democratic process. The legislation requires that the Council publishes a scheme for Members Allowances to ensure the same can be scrutinised by the public, not

only in terms of the Scheme itself but also in comparison to neighbouring authorities, and the amount recommended by the Independent Remuneration Panel.

- 7.2 Remuneration should not be an incentive for services as a Councillor, nor should lack of remuneration be a barrier. The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as a local Councillor. Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage as a result of doing so. Councillors should be compensated for their work, as permitted by the law, and that compensation should have regard to the full range of commitments and complexities of their varying roles.
- 7.3 The changes proposed scheme by the Independent Remuneration Panel acknowledge different levels and complexities, and commitment to the roles undertaken by elected members.

8.0 Environmental Impact

- 8.1 The scheme recommended by the panel encourages elected members to use public transport in carrying out their duties wherever possible. Where this is not possible travel expenses incurred can be reclaimed or where Councillors use their cars outside of the West Midlands vehicle car mileage allowance rates can be claimed. This is recommended to be paid at the same rates applicable to officers and that scheme encourages use of more environmentally friendly vehicles.
- 8.2 Further, the scheme encourages elected members to become connected to broadband. In time this could help reduce the volume of paper circulated and reduce the number of queries members have to make for information as more will be available on the Council's intranet.

9.0 Performance and Risk Management Issues

- 9.1 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.

10. Equality Implications

- 10.1 None arising from this report.

11. Consultation

- 11.1 In accordance with statute the Council consults with and receives recommendations from the Independent Remuneration Panel, who have substantial information concerning Councillors allowances, on which they base their recommendations. All the political group leaders of the Council were invited to provide comments to the Independent Remuneration Panel for them to consider 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

Background Papers

Appendix 1 - Report of the Independent Remuneration Panel – February 2021.

Appendix 2 - Existing Members Allowance Scheme

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