

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 4th March 2019

REPORT TITLE: Independent Remuneration Panel – Final Report on Members Remuneration (Outcome of Review)

PORTFOLIO: Andy O'Brien

HEAD OF SERVICE: Andy O'Brien

CONTACT OFFICER: Andrea Davies Ext. No. x1306

WARD(S) AFFECTED: all

1. Purpose of the Report

- 1.1. To consider the recommendations of the Independent Remuneration Panel on Members allowances.

2. Background

- 2.1. The Council is required to undertake a review of its Members' Allowances scheme by its Independent Remuneration Panel under the 4 year rule. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the '2003 Regulations') require all local authorities to establish and maintain a Panel that must be convened to provide advice on Members' allowances before a Council changes or amends its allowances scheme.
- 2.2. At the meeting of the Council held on 2nd December 2018, the Council appointed Dr Declan Hall, Mr Paul Laffey, Mr Simon Chapman and Mr Shaid Hussain to the Panel and agreed their terms of reference.

An Independent Remuneration Panel produced its first report on a Review of Members Allowances in November 2002. This was followed by further reviews in respect of Pensions, Travel and Subsistence and Co-optees Allowances (July 2003) and Pensions and Licensing Panel Members' Allowances (February 2004), a fourth report (May 2007), a fifth report (March 2011) and supplementary report on a review of special responsibility allowances for the Chairmen of the Audit Committee and of the Relevant and

Better Value Scrutiny Committee. The sixth report was produced in March 2015.

3. Contribution to Corporate Priorities

- 3.1. The report contributes to all Corporate Priorities of the Council – but specifically:
VFM07 - Review Payment of Fees for the Independent Remuneration Panel (March 2019)

4. Report

- 4.1. The report of the Independent Remuneration Panel is attached for consideration. The proposals from the Panel are set out in the Executive Summary of their report (pages 1 to 4) and it is recommended that these be adopted.
- 4.2. The main points arising out of the report are as follows:
- 4.2.1. No change to Basic allowance (BA) and co-optee allowances;
 - 4.2.2. No change to Special Responsibility Allowance (SRA) for the Leader, Leader of the Opposition, Deputy Leaders, Chairman of the Planning Committee;
 - 4.2.3. The two-tier SRAs paid to the Leader/Leader of the Opposition and Deputy Leaders to be discontinued and maintained as current, regardless of the size of the Executive;
 - 4.2.4. An increase of £1,065 for the SRA payable to the Chairman of the Licensing Committee to £5,855;
 - 4.2.5. An increase of £446 for the SRA payable to the Chairman of the Standards Committee to £1,404;
 - 4.2.6. An increase of £1,596 for the SRA payable to the 2 Chairmen of the Scrutiny Committees to £3,513;
 - 4.2.7. An increase in Councillor attendance threshold - Withholding of the 12th monthly instalment of any BA and SRA monies due if the Councillor has not attended at least 75% of the meetings which they are due to attend by the end of the municipal year;
 - 4.2.8. Introduction of withholding of both the 11th and 12th monthly instalment of any BA and SRA monies due if the Councillor has not attended at least 50% of the meetings which they are due to attend by the 10th month of the municipal year;
 - 4.2.9. Clarification to be inserted to the Members Allowances Scheme on the Dependents' Carers Allowance;

- 4.2.10. Basic, Special Responsibility Allowances and Co-Optees' Allowances to be indexed to the annual percentage salary increase for local government staff (Spinal column point 49) to be implemented from 1st April 2019 and to run for 4 years.

5. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

- 5.1. The main financial issues arising from this report are as follows:

Revenue	2019/20	2020/21	2021/202
Increase in Members allowances budget: <i>(largely reflected in the draft MTFs 2019/20 to 2023/24)</i>			
(increase in SRAs for Licensing Chairman, Standards Committee Chairman and Scrutiny Chairman (x2))	£4,703	£4,703	£4,703
Plus indexation (estimated)	£5,574	£7,106	£7,284

6. **Risk Assessment and Management**

- 6.1. The main risks to this Report and the Council achieving its objectives are as follows:

- 6.2. **Positive** (Opportunities/Benefits):

6.2.1. The Council will be complying with the consolidated regulations for Local Authority Allowances and will be advised by independent people.

- 6.3. **Negative** (Threats):

6.3.1. Non-compliance with statutory regulation.

- 6.4. The risks do not need to be entered in the Risk Register.

7. **Legal Considerations**

This section has been approved by the following member of the Legal Team: Angela Wakefield

- 7.1. There are no significant legal issues arising from this Report.

The Council will be complying with the Local Authorities (Members' Allowances) (England) Regulations 2003.

8. Equalities and Health

8.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9. Human Rights

9.1.1. There are no Human Rights issues arising from this Report.

10. Sustainability (including climate change and change adaptation measures)

10.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

11. Recommendation(s)

That the recommendations detailed in the executive summary of appendix 1 of this report be approved, as follows:

The Panel recommends that the Basic Allowance and SRAs are paid as set out in the table below

Post	Basic Allowance	Special Responsibility Allowance	Maximum Payable Per Member
All Members (39)	£4,724		£4,724
Leader (1)	£4,724	£17,566	£22,290
Deputy Leaders (6)	£4,724	£7,984	£12,708
Chairs of Scrutiny Committees (2)	£4,724	£3,513	£8,237
Chair of Planning (1)	£4,724	£6,707	£11,431
Chair Licensing (1)	£4,724	£5,855	£10,579

Chair of Standards (1)	£4,724	£1,404	£6,128
Leader (Main) Opposition Group (1)	£4,724	£7,984	£12,708
Leader (Minority) Opposition Group (with at least 4 Members - 0)	£4,724	£958	£5,682

The Panel also recommends the following

Basic Allowance inclusive of costs

That the Basic Allowance continues to be deemed to cover costs such as broadband, personal telephone and printing costs.

Discontinuation of variation for the SRAs paid to Executive Members and Opposition Leader

That the 2-tier SRAs paid to the Leader and Deputy Leaders and Opposition Leader is discontinued and maintained as set out in table above regardless of the size of the Executive.

Maintaining threshold of 10% for SRA for Leader of a Minority Group

That the threshold for the SRA to be payable for a Leader of a Minority Opposition Group is maintained at 10%

SRAs considered but not recommended

The Panel gave consideration to but is not recommending a SRA for the following posts:

- Deputy Leader of the Opposition
- Appointments to outside bodies
- The Mayor

Co-optees' Allowances – Standards (2+2) and Scrutiny (Audit & VFM - 2) Committees

That the Co-optees' Allowance remains at £220 per annum.

Travel and Subsistence Allowances

That the current rates payable for the Travel and Subsistence Allowances and the terms and conditions by which they may be claimed are maintained.

The Dependants' Carers' Allowance (DCA)

That the Dependants' Carers' Allowance is maintained and the following changes/clarifications are inserted into the allowances scheme:

- That the DCA can only be claimed upon the production of relevant receipt
- That where the DCA is claimed the carer cannot be a member of the claimants' family.

Continuation of Indexation

That the following indices are maintained to be reapplied from 1st April 2019 and to run for four years:

- **Basic, Special Responsibility Allowances, Co-optees' Allowances:**
 - Indexed to the annual percentage salary increase for local government staff (at new spinal column 43) to be implemented from 1 April 2019 and to run for 4 years.
- **DCA:**
 - at relevant hourly rate for a home help as charged by Staffordshire County Council for the elderly and/or disabled element and the applicable National Living Wage for age of carer for the child care element
- **Travel Allowances:**
 - **Mileage:** indexed to the HMRC rates
 - Other Travel: actual costs subject to most cost effective provisions
- **Subsistence and Overnight Allowances (Outwith Borough Only):**
 - Subsistence: indexed to the maximum rates payable under the Officers Subsistence Scheme.
 - Overnight Allowances: indexed to the NJC index unless directly provided by the Council.

Increasing attendance threshold to 75% for withholding 12th instalment

That the attendance threshold for withholding of a Members' 12th instalment be increased from 70% to 75%. Where a Member has not attended 75% of all scheduled meetings by the end of any municipal year their 12th remuneration instalment should be withheld.

Introducing a second attendance threshold at 50% attendance

That where a Member has not attended 50% of their scheduled meetings by the end of the 10th month of the municipal year then the 11th and 12th instalment of their Basic Allowance and any SRA payable should be withheld.

Clarification of what constitutes an attendance at a meeting

That the Members' Allowances scheme is clarified by adding that "to qualify as an attendance at a meeting a Member shall attend all of that meeting, until the expiry of the meeting (i.e. up to 3 hours from the beginning of the meeting)"

Attendance at Planning Meetings and site visits

That the Members' Allowances scheme is amended to clarify that where a Member on the Planning Committee does not attend the preceding site visits but does attend the subsequent Planning Committee meeting then no attendance will be recorded. Furthermore, where a Member attends both the site visits in the morning and Planning Committee meeting in the afternoon then they will have been deemed as attending two meetings.

Implementation

The Panel further recommends that its recommendations contained in this report are implemented as follows:

- Recommendations regarding the Basic Allowance, SRAs, Co-optees' Allowance, Travel and Subsistence Allowances, the DCA and refreshed authority on indexation from 1st April 2019.
- Recommendations regarding attendance – extending the current attendance monitoring framework and clarifications on what counts as an attendance – from the date of the Annual Council Meeting on 17th May 2019.

12. Background Papers

- 12.1. First Report on a Review of Members Allowances (November 2002)
- 12.2. Supplementary report on Review of Pensions, Travel and Subsistence and Co-optees Allowances (July 2003)
- 12.3. Supplementary report on Pensions and Licensing Panel Members' Allowances (February 2007)
- 12.4. Fourth Report on a Review of Members Allowances (May 2007)
- 12.5. Fifth Report on a Review of Members Allowances (March 2011)
- 12.6. Supplementary Review of a review of special responsibility allowances for the Chairmen of the Audit Committee and of the Relevant and Better Value Scrutiny Committee (May 2013)
- 12.7. Sixth Report on a Review of Members Allowances (March 2015)

13. Appendices

13.1. A Review of Members' Allowances for East Staffordshire Borough Council, the seventh report by the Independent Remuneration Panel.