


Sandwell Metropolitan Borough Council

17 October 2017

Subject:	Independent Remuneration Panel Review on Members' Allowances Scheme
Director:	Director – Monitoring Officer – Surjit Tour
Contribution towards Vision 2030:	
Exempt Information Ref:	There is no exempt information contained within this report
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DECISION RECOMMENDATIONS

That Council:

1. Considers the recommendations of the Independent Remuneration Panel following their review of the Members' Allowances Scheme;
2. Having taken into consideration the recommendations of the Panel, determine the Scheme of Members' Allowances in respect of Sandwell MBC for the municipal year 2017/2018 and until such time as the Independent Members' Remuneration Panel meets to review the Scheme.

1. PURPOSE OF THE REPORT

- 1.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2001, as amended, the Council must invite independent representatives of Sandwell to form a Panel to make recommendations on a suitable remuneration scheme for elected Members.

- 1.2 The Panel has the function of providing the Council with advice on its Members' Allowances Scheme and the nature and level of allowances to be paid. The Council must have regard to this advice when reviewing or amending its Scheme.
- 1.3 It is recommended that the Panel carry out a fundamental review of the Scheme at least every four years and an annual 'light touch' review is recommended. This particular review was a fundamental review of the Scheme and its constituent parts.
- 1.4 The Panel comprised of Mr Stewart Towe (Chair), Dr. Nand Srivastava and Ms Sylvia Parkin. Stewart is the Chairman of the Black Country Local Enterprise Partnership Board and Chairman and Managing Director of Hadley Group, an Engineering Group, with its Head Office and fourth manufacturing site in the borough of Sandwell. Dr Srivastava has been a resident of Sandwell for 41 years and is a retired senior consultant working in Public Health Medicine with special interest in palliative care services. He has been honoured with 'Member of the British Empire' by Her Majesty the Queen. Sylvia is a Deputy Lieutenant and a Lieutenancy ambassador for Sandwell. She was the Regional Employer Engagement Officer for the Wm RFCAs and negotiated with Employers on the terms and conditions for Employment of Reserve Military Personnel.
- 1.5 The Panel met on several occasions to undertake their work and during August 2017, the Panel met with various elected members who had expressed an interest in making representations to the Panel; they also met with the Leader, Councillor Steve Eling. Having considered this information alongside comparative data and benchmarking evidence, the Panel has produced this report, which sets out their considered recommendations for the Members' Allowances Scheme at Sandwell MBC.

2 IMPLICATION FOR SANDWELL'S AMBITION

- 2.1 This process incorporates all of Sandwell's ambitions as the role of elected Members, as leaders and decision-makers, underpins the Council's future vision.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 The Terms of Reference for the Panel include:

- To make recommendations to the authority as to the amount of basic allowance, which should be payable to elected Members; and
- To make recommendations to the authority about roles and responsibilities, for which a Special Responsibility Allowance (SRA) may be payable and the rate of such.

3.2 The Panel last reported to Council in 2012 therefore a fundamental review was deemed necessary.

3.3 The main factors, which were considered as part of the Panel's 2017 latest review are outlined below:

- 1) overall, the majority of members interviewed felt that the Members Allowance Scheme should remain frozen until staff had an appropriate pay rise and recognised the good work undertaken by staff during these times of austerity;
- 2) the Panel recognised how members appreciated the work undertaken by staff and how staff pay increases were limited by Government current restraints. Members were of the view that any adjustment made to elected members allowance scheme should not exceed staff salary increase;
- 3) the Panel felt that the members allowance scheme should be made attractive to all those who were eligible to stand as councillors whatever their age or family commitments;
- 4) whilst it was acknowledged that an allowance for childcare provision was included in the current scheme for members on Council duty, the Panel felt that it was not currently clear what would constitute a Council and non-Council duty as currently referred to within the scheme. The Panel was therefore recommending that the scheme be more specific on what would be covered and to raise awareness amongst members of this provision;
- 5) the Panel felt that a bike allowance/loan provision should be considered within the scheme to encourage members to use alternative environmentally friendly transport and to support the Council's health and wellbeing agenda by encouraging the use of cycling or other modes of transport, particularly with the advent of the West Midlands Combined Authority;

- 6) whilst many current members are retired or of a pensionable age, it was important for the Council to encourage younger members who may not have the same benefits/source of income as some of the older elected members. It was therefore felt that in order to encourage younger members, members basic allowance should keep pace with the level of inflation where possible, but should not exceed staff increases;
- 7) the Panel recommended that in the event of the incapacity of the Mayor, the Mayor's Allowance be made available, pro-rata, to the Deputy Mayor acting in their absence;
- 8) the Panel looked at the members' basic rate of allowance and noted that it had not changed since 2012. The Panel was of the view that a 1% increase in member's allowance should be recommended for approval for 2017-18, in line with the staff pay increase, to address the cost of living impact:
- 9) the Panel considered the findings of the review undertaken by the Leader's advisory group in March 2017 comprising of Councillors Khatun, P Hughes, Costigan, Gavan, Hevican, Sandars, Piper and Taylor. The advisory group had made recommendations to amend the Council's terms of reference for a number of Council committees and to make changes to a number of Special Responsibility Allowances (as set out in Appendix A). The Panel indicated their support to the proposed rates of allowances, which were calculated as a percentage of the rate of allowance paid to the Leader of the Council, in view of the significant additional responsibilities attached to some roles.
- 10) the Panel felt it was unreasonable for members to incur significant travel costs to attend those meetings where a member was appointed in the capacity as Council representative. The Panel therefore recommended that where members were involved with Outside Body responsibilities, in the capacity as a Council representative, those outside bodies be requested to recompense members where there is a travel cost incurred for attending meetings. This is particularly relevant due to the Council's involvement in the West Midlands Combined Authority and the significant travel arrangements that it may entail;
- 11) the Panel acknowledged that a transport plan for members who did not drive had been removed, however, they felt that there was a need to revisit this issue as there was still a need to compensate members for travel costs incurred whilst on Council business, particularly those members who did not drive.

4 THE CURRENT POSITION

- 4.1 At present, the current Scheme was approved at Annual Council on 16 May 2017; this decision held a caveat that any changes recommended by the Panel, and subsequently accepted by Council, would be amended retrospectively to the date of Annual Council 2017. The reason the Scheme was approved ahead of a Panel review was to recognise new positions for Members and to ensure they received remuneration in respect of additional duties from May 2017.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 4.1 All elected Members were invited to make representations, either personally or in writing, to the Panel.
- 4.2 The Panel has also consulted various guidance and benchmarked other similar authorities in relation to market rates for allowances for elected Members.

5 ALTERNATIVE OPTIONS

- 6.1 The Council must engage and support a Panel in independently reviewing its Members' Allowances Scheme; any failure to follow the legislative guidance would place the Council at risk of legal challenge.

6 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Member's Allowances are already funded from existing budgets;

7 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council has a statutory duty to support an independent review of its Members' Allowances scheme.

9. EQUALITY IMPACT ASSESSMENT

- 9.1 An equality impact assessment is not required for this proposal.

10. DATA PROTECTION IMPACT ASSESSMENT

- 10.1 All governance information policies have been complied with during this review and subsequent production of the report.

11. CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There is no requirement to engage crime and disorder policies or risk assessment methods as a result of this report.

12. SUSTAINABILITY OF PROPOSALS

12.1 The proposals contained within this report relate to the Members' Allowances Scheme, which will continue to operate in accordance with legislative requirements.

13. IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 There is no effect on Council owned or managed assets.

14. CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 In considering the Council's Scheme of Members Allowances, the Independent Remuneration panel have recommended that a 1% increase in member's basic allowance should be considered for approval with effect from May 2018 so that it is in line with the increase in staff pay.

14.2 The Panel also considered and accepted the Council's current Special Responsibility Allowances as set out in Appendix 1.

14.3 The Panel felt that a number of changes should be made to the Members Allowance Scheme relating to travel costs, childcare provision and an allowance to act in the absence of the Mayor.

15 BACKGROUND PAPERS

15.1 The following papers were relied upon as part of this review:

Benchmarking information for neighbouring authorities and family authorities;

Appointments to committees and outside bodies;

Report of the Leader's advisory group and the proposed changes to terms of reference and special responsibility allowances considered by Council in April 2017

16 APPENDICES:

Appendix 1 – Schedule of allowances 2017/18

Appendix 2 - Members Allowance Scheme 2017/17

Surjit Tour

Director – Monitoring Officer