



COUNCILLORS' ALLOWANCES

Annual Report of the Birmingham Independent Remuneration Panel 2016-2017

APRIL 2017

ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL

2016-2017

BIRMINGHAM CITY COUNCIL

FOREWORD.....	3
RECOMMENDATIONS.....	4
MEMBERS' ALLOWANCES	5
1. Basic Allowance	5
Setting the 2017/18 Basic Allowance	5
2. Special Responsibility Allowances	6
3. Co-optees' Allowances	6
4. Carers' Allowances	6
5. Travel expenses and Subsistence Allowances	6
6. Next Year's Work Programme	7
 Appendix 1: Proposed Members' Allowances Rates (from May 2017)	 8
Appendix 2: Membership of the Independent Remuneration Panel	11

FOREWORD

The Independent Remuneration Panel met in January and February 2017 to review the basic allowance, in line with the principles set out in the full 'root and branch' review of the Members' Allowances Scheme completed two years ago. 2017/18 is also the last year before the new ward boundaries come into force and the number of councillors is reduced, and so the Panel agreed that a full review will be completed next year.

The Panel reviewed the evidence for the basic allowance – including a call for comments to all councillors – and has recommended that this remain unchanged for another year.

The Panel took no new evidence on Special Responsibility Allowances. However, following evidence from the Leader, the Panel understood that there is the possibility of some changes proposed at the City Council AGM in May.

The Panel will therefore reconvene to consider any Constitutional change in the new municipal year. The Panel expects that any changes to Special Responsibility Allowances will be applicable from the date of the Constitution changes.

I would like to thank all those councillors and officers who gave evidence for their valuable contributions; and to Ingrid Whyte, Senior Finance Officer & Purchasing Officer (Democratic Services) and Emma Williamson, Head of Scrutiny Services, for their help in producing this report.

This report will be the last report of two longstanding members of the Panel: Michael Tye and Subat Khan. I would like to thank them for their commitment and support over the last few years, and wish them all the best for the future.

Sandra Cooper,
Chairman
April 2017

RECOMMENDATIONS

1. The Basic Allowance remains unchanged at £16,267.
2. The Special Responsibility Allowances remain unchanged (as shown in Appendix 1)
3. The co-optee allowances remain unchanged (as shown in Appendix 1)
4. The independent carers' allowance (hourly rate) continues to be increased in line with the Living Wage, currently at £8.45 per hour; and that this allowance remains linked to the Living Wage in future years.
5. The professional care (hourly rate) continues to be raised in line with the Council's rate for a Care Assistant (Grade 2 post) taking the mid-range spinal point.
6. Travel expenses and Subsistence Allowances continue to reflect the Council's Scheme for officers.

MEMBERS' ALLOWANCES

1. Basic Allowance

As in previous years, the Panel has worked within the requirements of the Local Government Act 2000 and the accompanying Guidance and Regulations on members' allowances in making its recommendations for 2017/18.

The Panel reaffirms the principles of the Birmingham Councillors' Allowances Scheme set out in previous reports. The key factors which the Panel takes into account remain:

1. The promotion of a healthy democracy by reducing financial disadvantage as a barrier to people from a wide range of backgrounds and a wide range of skills standing for election or serving as Councillors.
2. The maintenance of an ethic of voluntary public service and the need to reflect this within the Basic Allowance (BA) paid to all Councillors.
3. Councillors should not expect nor receive a full-time salary.

Setting the 2017/18 Basic Allowance

The "root and branch" review of the basic allowance (October 2013) proposed that the ASHE (Annual Survey of Hours and Earnings), place of work by local authority area (Birmingham) for a full time male, is used to set the basic allowance.

Having reviewed the chosen comparator, the Panel has agreed to retain the link with ASHE.

	CURRENT RATE	ASHE 2016	
Gross min. time (3 days x 52 weeks)	156.00	156.00	days p.a.
x Baseline per day	132.93	140.5	
Gross Rate	20,737.08	21,918.00	
Less public service discount 25%	5,184.27	5,479.50	
TIME ELEMENT	15,552.81	16,438.50	
ADDITIONAL EXPENSES ELEMENT	715.00	715.00	
BASIC ALLOWANCE	16,267.00	17,153.50	

To retain the link with ASHE would mean an increase of £886.50. However, in considering whether to recommend such an increase, the Panel also take into account other factors.

Firstly, councillors were asked for their views. Five councillors responded and there was little support for a rise this year, though one suggested that the loss of the pension should be compensated. There were several comments about the forthcoming changes to ward boundaries and the reduction in the number of councillors in 2018. The Panel agreed that both these points would be considered in depth in their full review in 2017/18.

Alongside this, the Panel recognised that significant savings are still expected of the City Council.

The Panel again reviewed the current basic allowance alongside that for councillors in the core cities and in the West Midlands region, and found that Birmingham's basic allowance remains the highest amongst this comparator group.

Given the combination of these factors, the Panel is therefore recommending that the Councillors' Basic Allowance remains unchanged for this year. Next year, the Panel will undertake a full review to reconsider the allowance in light of the boundary changes and reduction in the number of councillors (see section 6).

2. Special Responsibility Allowances

The Panel took no new evidence on special responsibility allowances and were of the view that these should remain unchanged, in line with the basic allowance. However, should changes be made to the Constitution in May, the Panel will reconvene to consider any change in the new municipal year.

3. Co-optees' Allowances

The Panel took no new evidence on co-optee allowances and were of the view that these should remain unchanged, in line with the basic allowance.

4. Carers' Allowances

In 2012, the City Council agreed to adopt the Living Wage for all its employees, and subsequently extended this to externally-contracted care sector workers from October 2014.

In 2015, the Panel recommended that the Independent Carers' Allowance adopt the change from the National Minimum Wage to the Living Wage, currently at £8.45 per hour.

The Panel therefore recommends that this continues for 2017/18 and that this continues to track the Living Wage in the future.

The professional care (hourly rate) is based on the Council's rate for a Care Assistant. After making enquiries, the Panel found that the rate is now graded as a Grade 2 post and agreed to take the mid-range spinal point currently at £8.81 per hour (at time of writing).

5. Travel expenses and Subsistence Allowances

The Panel took no new evidence on travel expenses and subsistence allowances, and so is recommending that these reflect the Council's Scheme for officers. The Panel noted that

changes will be made to Council employees' contracts in the summer that will impact on this scheme, notably that subsistence will be claimed after 24 hours, with effect from 01 July 2017.

The Panel emphasised the need to ensure that the list of approved duties for which such expenses can be claimed is kept up to date and in accordance with all relevant legislation.

6. Next Year's Work Programme

Following the submissions received, the Panel has outlined its work programme for 2017/18. This will take the form of a full review which will include:

- A review of the core principles of the allowances scheme;
- Consideration of the effect of new ward boundaries, the reduction in the number of councillors and the resulting new role for councillors;
- Consideration of a maternity and sickness policy;
- Consideration of the effect of the removal of the councillors' pension.

If members of the council wish to raise any other issues with the Panel, then please contact Ingrid Whyte.

Appendix 1: Proposed Members' Allowances Rates (from May 2017)

Proposed Members' Allowances Rates (w.e.f. May 2017)

BASIC ALLOWANCE (per annum unless otherwise stated)

	£
Baseline per Day Rate	132.93
Basic Allowance	16,267.00
Time Element	15,552.00
Additional Expenses Element	715.00

SPECIAL RESPONSIBILITY ALLOWANCE (per annum unless otherwise stated)

Baseline per week (£1,125.30 discounted by 15%)	956.51
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STRATEGIC LEADERSHIP

Leader of the Council (rounded up)	50,000.00
Deputy Leader of the Council	40,000.00

STRATEGIC SHARED RESPONSIBILITY

Cabinet Member	25,000.00
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RESPONSIBILITY FOR CHAIRING KEY REGULATORY, OVERVIEW & SCRUTINY COMMITTEES

Chair of the Planning Committee	15,000.00
Chair of Licensing & Public Protection Committee	15,000.00
Leader of the Largest Qualifying Opposition Group	12,500.00
Chair of an Overview & Scrutiny Committee	12,500.00
Assistant Leaders	10,000.00
District Committee Chairs	7,500.00

OTHER ROLES WITH SPECIAL RESPONSIBILITY

Deputy Leader of the Largest Qualifying Group	7,000.00
Chair of the Audit Committee	5,000.00
Chair of the Trust and Charities Committee	5,000.00
Leader of Other Qualifying Opposition Groups	5,000.00
Deputy Leader of Other Qualifying Opposition Groups	2,500.00
Lead Opposition Spokesperson (Shadow Cabinet)	2,500.00
Political Group Secretaries	2,500.00

(A Qualifying Opposition Group is one with a minimum of 6 Members)

CO-OPTEE ALLOWANCES (*per annum*)

	£
Chair of the Standards Committee	1,000.00
Member of an Overview & Scrutiny Committee	831.00
Member of the Standards Committee	557.00

CARERS' ALLOWANCES

Independent care – hourly rate with effect from October 2016	8.45
Professional care with supporting documentation – hourly rate	8.81

TRAVEL EXPENSES AND SUBSISTENCE ALLOWANCES

Car, Motorcycle and Bicycle Allowance Rates are set in line with those paid to officers of the authority.

Day and Overnight Subsistence Allowances are set in line with those paid to officers of the authority or the inflation factor in the council's budget.

Car Mileage Rates

First 10,000 business miles in tax year	45p per mile
Each business mile over 10,000 in tax year	25p per mile
Supplement for official passenger	5p per mile

If car mileage is claimed for travel outside the West Midlands area, the payment will be the lesser of the value of the actual mileage claimed or the peak time standard rail fare.

Motorcycle Mileage Rates *24p per mile*

Bicycle Mileage Rates *20p per mile*

Other Travel Expenses

Rail Travel (supporting receipt required)	Standard Class Fare
Taxi, Tube and Bus Fares, Car Parking, Toll Charges (Supporting receipts if possible)	Actual Cost

If a travel pass is provided by the Council the recipient must make a contribution of 40% towards the total cost met by the Council. The recipient also forgoes the right to claim for travel allowances or expenses for duties undertaken in the area covered by the pass or to make use of transport services provided directly by the Council, unless the relevant travel service is not available, or there are health and safety reasons.

Benchmark Day Subsistence (excluding VAT)**£****(With effect from 1 July 2017 – only payable after 24 hours)**

Breakfast	4.48
Lunch	6.17
Tea	2.43
Evening Meal	7.64

Benchmark Overnight Subsistence (excluding VAT)

In London	97.09
Other locations outside London	85.13

The reasonable cost of meals taken, overnight accommodation and minor associated out-of-pocket expenses will be reimbursed, **subject to the provision of supporting receipts**. The validity of claims made will be judged against where the meal was taken or where the stay occurred, the total time spent on the duty and the relevant benchmark subsistence value.

Appendix 2: Membership of the Independent Remuneration Panel

Chair of the Panel

Sandra Cooper, Citizen Representative, Stirchley

Council Appointees

David Grainger

Stephen Shute

Citizen Representatives

Graham Macro, Sutton Coldfield

Subat Khan, Ward End

Michael Tye, Handsworth

Co-opted Members

Former Elected Member Malcolm Cornish

Honorary Alderman Peter Kane