

Birmingham City Council

Council Business Management Committee

31 MAY 2022



Subject: Annual Report of the Independent Remuneration Panel

Report of: City Solicitor

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Does the report contain confidential or exempt information? ☐ Yes ☒ No

If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:

1 Executive Summary

1.1 This report summarises the recommendations of the Independent Remuneration Panel following the annual review of the City Councillors' Allowances Scheme and sets out the proposed motion to be considered by the City Council.

1.2 A full copy of the Independent Remuneration Panel's Annual Report is attached.

2 Recommendations

2.1 That the Council's Business Management Committee:

- Receives the annual report of the Independent Remuneration Panel;
- Recommends the following motion to the City Council:

The recommendations made by the Independent Remuneration Panel on Page 3 of its Annual Report be accepted and implemented with effect from 24 May 2022 (2022/23 Municipal Year).

3 Background

3.1 An Independent Remuneration Panel (IRP) was established by the City Council at its meeting on 2nd July 2001. There are now eight members of the panel made up of four Citizen Representatives; two appointed and two co-opted members. An allowance is paid to each panel member.

- 3.2 The 2021/22 Annual Report of the IRP is attached to this report. Committee is reminded that the council must have full regard to the recommendations within the report.
- 3.3 The Panel has worked consistently within the requirements of the Local Government Act 2000 and the accompanying Statutory Guidance and Regulations on Councillors' allowances.

4 2021/22 Report and Recommendations

- 4.1 In 2019 the City Council accepted the Panel's recommendation to bring the Basic Allowance (BA) back in line with the Annual Survey of Household Earnings (ASHE) comparator. Previously, allowances paid to Councillors had fallen behind those rates of the comparator used at the time. In this year's report, the Panel confirms its recommendation to increase the basic allowance, re-establishing the link to the comparator agreed in 2013, bringing the Basic Allowance back to parity with ASHE and, that the Special Responsibility Allowance (SRA) remains unchanged.
- 4.2 The Panel is recommending that the City Council increases the BA to £18,876, following a slight decrease in the applicable ASHE rate. This represents an increase of approximately 1%, bringing the BA back to parity with ASHE. The ASHE 2021 comparator rate, used for the Leader's SRA, also decreased. However, if applied would result in decrease from £56,579.00 to £55,877.00. The Panel is recommending that the Leader's Special Responsibility Allowance (SRA) remains unchanged. Evidence was received and considered, by the Panel, detailing how the role of the Chief Whip had evolved over the past 4 years, with the plan for the role to expand even further. The Panel also recommends a new SRA of £2,829.00 for the role of Chief Whip and the updating of the Members' Allowance Scheme accordingly. The Panel believes this a fair and equitable approach to setting the BA and SRAs in 2022 which incorporates the City Council's commitment to the catch-up element, whilst acknowledging the unprecedented economic and social circumstances faced by residents, communities and the City Council.
- 4.3 The report also notes several issues raised by Councillors which although falling outside the Panel's remit are recorded here as having relevance but are for others to follow up.
- 4.4 A member of the Panel will attend and present the report at Committee, and at Council, if required.

5 Appendices

- 5.1 Appendix 1: Annual Report of the Birmingham Independent Remuneration Panel 2021-2022