

<b>Report to:</b>	<b>COUNCIL BUSINESS MANAGEMENT COMMITTEE</b>
<b>Report of:</b>	<b>CITY SOLICITOR</b>
<b>Date of Meeting:</b>	<b>22 MARCH 2016</b>
<b>Subject:</b>	<b>ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL</b>
<b>Wards affected:</b>	<b>N/A</b>


<b>1.</b>	<b>Purpose of report:</b>
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. A full copy of the Independent Remuneration Panel's Annual Report is attached.

<b>2.</b>	<b>Decision(s) recommended:</b>
2.1	<p>That the Council's Business Management Committee:</p> <ul style="list-style-type: none"><li>• Receives the annual report of the Independent Remuneration Panel;</li><li>• Recommends the following motion to the City Council: The recommendations made by the Independent Remuneration Panel on Page 4 of its Annual Report be accepted and implemented with effect from 24 May 2016.</li></ul>

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<b>3.</b>	<b>Relevant background/chronology of key events.</b>
3.1	<p>An Independent Remuneration Panel (IRP) was established by the City Council at its meeting on 2nd July 2001. The main features are:</p> <ul style="list-style-type: none"> <li>• Eight members of the panel made up of four Citizen Reps; two appointed and two co-opted;</li> <li>• Panel members are appointed for a mixture of three and four year periods;</li> <li>• An allowance is paid to each panel member.</li> </ul>
3.2	The 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.
3.4	The Panel's main recommendation is for the Basic Allowance to be frozen once again at its current level, £16,267, for 2016-17.
3.5	Having just completed the 'Root and Branch' review (April 2015 report, with a supplementary report published in October 2015), the Panel took no new evidence on Special Responsibility Allowances. However, following evidence from the Leader, the Panel understood that there may be some changes proposed at the City Council AGM in May.
3.6	The Panel will therefore retain the recommendations made in the October 2015 report for the present time and will 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.
3.7	A member of the Panel will attend and present the report at Committee, and at Council, if required.

<b>4.</b>	<b>Compliance and Financial Issues:</b>
4.1	The annual review has been conducted in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003.
4.2	One of the key objectives of the Allowances Scheme is to 'promote a healthy democracy by removal of financial disadvantage as a barrier to people from a wide range of backgrounds and with a wide range of skills standing for election or serving as Councillors'.

<b>Signature:</b>

<b>Chief Officer:.....</b> <b>STUART EVANS, CITY SOLICITOR</b>



## **COUNCILLORS' ALLOWANCES**

### **Annual Report of the Birmingham Independent Remuneration Panel 2015-2016**

**APRIL 2016**

# **ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL**

**2015-2016**

## **BIRMINGHAM CITY COUNCIL**

FOREWORD.....	3
RECOMMENDATIONS.....	4
MEMBERS' ALLOWANCES .....	5
1. Basic Allowance.....	5
Setting the 2016/17 Basic Allowance .....	5
2. Special Responsibility Allowances.....	6
3. Co-optees Allowances .....	7
4. Carers' Allowances .....	7
5. Travel expenses and Subsistence Allowances .....	7
 Appendix 1: Proposed Members' Allowances Rates (from May 2016) .....	8
Appendix 2: Membership of the Independent Remuneration Panel .....	11

## **FOREWORD**

The Independent Remuneration Panel met twice in January 2016 to review the basic allowance. This follows the full 'root and branch' review of the Members' Allowances Scheme, completed last year.

The Panel reviewed the evidence for the basic allowance and – through a combination of factors – has recommended that this remain unchanged for another year.

As a full review of Special Responsibility Allowances (SRA) was undertaken last year, the Panel took no new evidence on Special Responsibility Allowances. However, following evidence from the Leader, the Panel understood that there may be some changes proposed at the City Council AGM in May.

The Panel will therefore retain the recommendations made in the October 2015 report for the present time and will 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.

Sandra Cooper,  
Chairman  
April 2016

## **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 £8.25 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 2016/17.

Whilst there has been a great deal of change over the last year, 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 2016/17 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. The Panel noted that on the figures for 2015 this would mean an increase of 1.98%.

	<b>CURRENT RATE</b>	<b>ASHE APRIL 2015</b>	
<i>Gross min. time (3 days x 52 weeks)</i>	156.00	156.00	<i>days p.a.</i>
<i>x Baseline per day</i>	132.93	135.74	
<i>Gross Rate</i>	20,737.08	21,175.44	
<i>Less public service discount 25%</i>	5,184.27	5,293.86	
<b>TIME ELEMENT</b>	<b>15,552.81</b>	<b>15,881.58</b>	
<b>ADDITIONAL EXPENSES ELEMENT</b>	<b>715.00</b>	<b>715.00</b>	
<b>BASIC ALLOWANCE</b>	<b>16,267.00</b>	<b>16,596.58</b>	

However, the Panel also noted that inflation was at 0% (at the time of writing).

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

The Panel reviewed the current basic allowance alongside that for councillors in the other core cities, 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.

## **2. Special Responsibility Allowances**

In April 2015, City Council accepted the Panel's recommended new approach for calculating Special Responsibility Allowances (see Table 1). The Panel recognised that the Leader's role takes the most responsibility assessed at 100% and all the other roles are then taken as a relative percentage of the Leader's role.

City Council also accepted the Panel's recommendation that "the ASHE 2013 for all Industries and Services Male Full Time (top 10%) table 4.1a for the United Kingdom would be the most appropriate comparator to be used for the Leader's role in order to reflect the transferable skills of the role".

Having just completed the 'Root and Branch' review (April 2015 report, with a supplementary report published in October 2015 report), the Panel took no new evidence on Special Responsibility Allowances. However, following evidence from the Leader, the Panel understood that there may be some changes proposed at the City Council AGM in May.

The Panel will therefore retain the recommendations made in the October 2015 report for the present time and will 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.

*Table 1*

Bands	Level Of Responsibility	Title/Description
1	75% to 100%	Strategic Leadership with overall responsibility for decision making for the direction and running of Council Services
2	50% to 74%	Strategic responsibility within Cabinet and also individual responsibility as delegated by the Constitution
3	15% to 49%	Responsibility for Chairing key Regulatory and Overview and Scrutiny Committees in order to meet regulatory requirements and where required hold the Executive to account
4	5% to 14%	Other roles with Special Responsibilities



### **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 £8.25 per hour.

The Panel therefore recommends that this continues for 2016/17 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 £8.73 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 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.

## **Appendix 1: Proposed Members' Allowances Rates (from May 2016)**

### **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
Executive Member for Local Services	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**

	<b>£</b>
Independent care – hourly rate with effect from October 2015	8.25
Professional care with supporting documentation – hourly rate	8.73

### **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.

<b>Benchmark Day Subsistence (excluding VAT)</b>	<b>£</b>
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