

ANNUAL REPORT 2019/20

Independent Remuneration Panel

FOREWORD

This report of the Independent Remuneration Panel sets out our conclusions and recommendations on members' allowances for the period 1 April 2019 to 31 March 2020 for the consideration of Staffordshire County Council (the County Council).

The Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2001 to provide advice and recommendations to the County Council on amounts to be paid under its members' allowances scheme. Members of the Panel are appointed by the County Council and are independent members of the community. The County Council is required to have regard to our recommendations in deciding what to pay councillors. Additionally, the County Council must also publish our recommendations and conclusions, together with the approved scheme.

PANEL MEMBERSHIP

- **Les Trigg** (A retired local government finance professional. Currently a Town Council Clerk and member of NHS Clinical Commissioning Group and Academy Boards)
- **Tom Roach** (A retired HR professional with experience in the education sector and in the private sector – UK and Europe)
- **Christina Robotham** (A retired Staffordshire Headteacher)

For 2019/20 the Panel has increased its membership with the addition of two new members -

- **Annie Barrett** (A retired Staffordshire Deputy Headteacher)
- **Christopher Burden** (A student teacher)

TERMS OF REFERENCE

The Panel is required to gather information, to hear and consider evidence and to make recommendations to the County Council on:

- the amount of basic allowance to be paid to members
- those positions that should receive special responsibility allowances (SRAs), and the level of those allowances
- travel, subsistence and certain other allowances

The full terms of reference of the Panel are set out in **Appendix A**.

The Process we have followed

We met on six occasions from October 2018 until the conclusion of our review of members' allowances in February 2019.

We considered a range of comparative information in respect of allowances paid in comparable local authorities. Although the remuneration offered to elected members by

other authorities varies considerably, there was nothing in our consideration of comparative information that provided us with anything specific to investigate further in respect of Staffordshire members' allowances at this time.

In order to understand the views of the County Councillors themselves, we arranged for a questionnaire to be sent to all Councillors and we received thirty-five responses. We specifically invited group leaders to meet with us and the questionnaire also offered Councillors the same opportunity. We met with 5 Councillors, including the Group Leaders, a Select Committee Chairman and members with no SRA linked role.

Introduction

Our prime role has been to assess and recommend the allowances to be made available to elected members, representing the diversity of communities that make up Staffordshire now and into the future.

In formulating our recommendations, we have borne in mind:

- that the successful delivery of the various roles of members depends on a sense of corporate social responsibility and public service and that members are motivated to a significant extent by a sense of public good.
- the current economic climate and the continuing substantial financial constraints on the services which the County Council provides.

Nevertheless, those who decide to stand for election should not be required to make unreasonable sacrifices in their private lives. In this context, we continue to recognise that there is a substantial gap between the level of financial remuneration provided nationally to elected councillors and the commitment they are expected, or believe that they need to make, both in terms of time and responsibility, to fulfil the increasingly demanding roles in public life.

Proposals considered and recommendations

Following the County Council elections in May 2017, the Council implemented a number of changes to the approved scheme of allowances. The Panel supported those changes subject to review in the 2018/19 report once the new structure had time to settle in.

The Members' Allowance Scheme includes allowances paid to the Chairman and Vice-Chairman of the County Council. We reviewed these allowances as part of last year's review.

In preparation for our report last year, a number of common themes of issues were brought to our attention. These included a confusion with the complexity of the scheme and the number of different levels of allowance being paid, and a view that some of the differences in allowances paid between roles did not properly reflect differences in time commitment and responsibility/accountability. However, it was also identified that the new scheme had not yet had sufficient time to fully bed-in, which may limit the potential for a full re-assessment of SRAs.

Our report in respect of the period 1 April 2018 to 31 March 2019 proposed a substantial rebalancing of Special Responsibility Allowances to reflect those changes in arrangements in recent years. The County Council at its meeting on 22 March 2018 resolved "That, as the Council is minded that the new Executive arrangements are still relatively new and that it is at this point in time premature to make changes to the levels of remuneration, the consideration

of the other recommendations of the Panel be deferred for further consideration in their report for 2019/20.”

We note that we are now two years on from the 2017 elections. As you would expect the administration continue to evolve arrangements. There has been an increase in Cabinet membership, a reduction in Cabinet Support members and a shift from 4 All Party Member Groups to 2 All Party Working Groups.

We have used this and previous information to devise a new scale of SRA payments based on 10 different levels, with allocation of roles to each level depending on factors such as the level of personal public accountability linked to the role and the level of professional support provided by officers. Whilst time commitment is also a factor and was considered it was not given as great a weighting as accountability.

In addition, in line with normal practice, the level of allowances are proposed to be increased by 2% in line with the employee pay award for 2018-19.

Our recommendations include increases in some SRAs for some roles and a reduction for others. Overall, the recommendations are contained within an envelope of the current cost plus 2%, as we felt that any change to the total Members’ Allowances payable was a matter for the Council.

Our proposals are set out below:

Leader, Deputy Leader and Cabinet Members

We were not made aware of any issues regarding the appropriateness of allowances being paid to members holding these responsibilities. Analysis of comparative information suggested allowances for these posts differed considerably across county councils but that the Staffordshire payments were reasonable when considered against them. It is, therefore, recommended that these SRAs remain at the same relative levels:

Leader	Level 1	£37,218.76	(100%)
Deputy Leader	Level 2	£27,914.58	(75% of Leader)
Cabinet Member	Level 3	£18,609.38	(50% of Leader)

Cabinet Support Member

In our investigations for the 2018 Report, the allowance paid to Cabinet Support Members was the most commonly remarked upon by other members, with the fact that it is higher than Scrutiny Chairmen being particularly singled out for comment. Currently, there is only one Cabinet Support Member. It is apparent from the information shared with us that the role requires a member to read extensively, understand issues, attend and occasionally chair meetings. This appears to reflect in many ways the relativity in responsibilities between the Chairman and Vice-Chairman of Committees and should be similarly reflected in their allowances with a recognition of the greater autonomy (the figure below representing 25% of a Cabinet Members’ remuneration). Without, therefore, diminishing the importance of the role to support a Cabinet Member (and the Cabinet Member’s appreciation of the same), the role has a limited accountability that leads us to conclude that the member should receive an allowance of: -

Cabinet Support Member	Level 7	£4,652.35	(12.5% of Leader)
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Select Committee Chairmen

Whilst preparing our 2018 Report, some County Councillors expressed the view that the level of payment to all Scrutiny chairmen was too low relative to other SRAs. In addition, currently the Health Scrutiny Chair is paid more than other scrutiny chairs which may no longer be an appropriate differentiation considering the accountability, breadth, depth and call upon time required of all chairmen.

We have not changed the view which we expressed in the 2018 Report. We understand these roles to have a significant degree of public accountability and perform a key role in ensuring value for money and the effectiveness of the Council in delivering for the residents of Staffordshire. We therefore continue to recommend that the SRA for all Scrutiny Chairs should be half the remuneration level appropriate for a Cabinet Member.

Scrutiny Chair	Level 5	£9,304.70	(25% of Leader)
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All Party Working Group Chairmen

The four All Party Member Groups [APMGs] introduced in 2017 have become the two All Party Working Groups [APWG]. They were, and are, member meetings with a potential for long term impact for the benefit of Staffordshire residents. APMGs had had little opportunity to show impact and level of accountability for our report in 2018. However, we understand that the four APMG chairman's roles have now become four joint chairman roles for the two new working groups.

We have had little in the way of feedback as to how this new arrangement is working in practice. In an endeavour to make a rational recommendation in respect of the new arrangement we considered that it would be appropriate to recommend that the SRA should reflect a chair/vice-chair relationship. As the joint chairs would need to be flexible between these roles depending on the topic, frequency of meetings and so forth we have amalgamated the allowance for a Cabinet Support Member and a vice-chair of a Select Committee and divided this amount between each pair of chairs. Thus, our recommendation therefore represents the same total cost as if each APWG had a chair and vice chair, in the more traditional way:

All Party Working Group Chair	Level 8	£3,256.64	(8.75% of Leader)
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Community Cabinet Support Members

The Community Cabinet Support Member is a relatively new role acting as a conduit between the County Council and District/Borough areas. We heard conflicting opinions in respect of this role. We heard that the role is developing and that greater responsibilities were expected in respect of ensuring the success of the Council's enablers. We also heard that the role could be, and is being, delivered between all members in a District/ Borough without a special responsibility allowance. In the Panel's view, whilst the administration expects the role to play a particular function that warrants remuneration for the impact it is expected to make then we conclude that an SRA is appropriate. On balance that responsibility appears to be different in nature but in line with the impact expected of APWGs and therefore propose the same level of remuneration.

Community Cabinet Support	Level 8	£3,256.64	(£8.75% of Leader)
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Member

Regulatory Committee Chairmen

The regulatory committees include Planning, Audit and Standards and Pensions. They each perform a crucial regulatory role on behalf of the Council, but have the benefit of closer levels of regular, wider and ongoing professional officer support than Scrutiny Committees. These committees are paid a variety of different allowances at present and we have not been able to identify any justification for the Chairman of the Planning Committee and the Select Committee Chairmen to receive the same level of remuneration or for the Planning chairman to receive a greater SRA than Audit and Standards or Pensions. In fact, our evidence suggests that the work load of the Planning Committee has diminished, with a number of meetings cancelled, and that the Audit and Standards role is now probably the most onerous of the three - though not to such an extent that the Panel's principle of paying each of the three chairs at the same level should be revised. We therefore recommend that all regulatory committee chairs should receive an allowance at the same level as recommended above for Cabinet Support Members.

Regulatory Committee Chair	Level 7	£4,652.35	(12.5% of Leader)
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Police, Fire and Crime Panel Chairman

We are aware that aspects of the governance arrangements in respect of Police and Fire have changed. The function of the Police, Fire and Crime Panel is 'to scrutinise the Police, Fire and Crime Commissioner, to promote openness in the transaction of Police and Fire and Rescue business and also to support the Commissioner in the effective exercise of their functions'. The impact of this is unknown at this time. However, we believe that this results in an increased breadth of responsibility and accountability as well as potentially affecting the workload for the Chairman. We therefore recommend an allowance that is the same as a Regulatory Committee Chairman at this time.

Police, Fire and Crime Panel Chair	Level 7	£4,652.35	(12.5% of Leader)
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Vice-Chairmen

We have questioned the level of SRAs paid to all Vice-Chairmen on a number of occasions in the past. The practice in respect of the expectations of vice-chairmen differs considerably between committees/panels, but the SRAs attached to the roles appear to be too high relative to those for chairman and for the duties they typically perform. We consider that the appropriate relativity is that the vice-chairman would receive 20% of the chairman's allowance.

We suggest that all scrutiny and regulatory Vice-Chairs are paid a fixed allowance. However, we would further suggest to the Council that the Chairman of the County Council in consultation with the Leader of the County Council can increase the allowance paid to the Vice-Chairmen of Committees to the level of the corresponding Chairman's allowance if they are required to take on the responsibilities of the Chairman for a sustained period and, in those circumstances, the Chairman's allowance will cease for the duration of their absence.

Vice-Chair (Scrutiny Committees)	Level 9	£1,860.93	(5% of Leader)
Vice-Chair (Regulatory Committees)	Level 10	£930.46	(2.5% of Leader)

Opposition Roles

Currently the majority opposition group are granted one Shadow Cabinet role. We consider the number of SRAs payable to be reasonable, given their total representation on the County Council at this time. It has been noted that the opposition have currently taken advantage of the opportunity afforded within the constitution to split the allowances available between a greater number of members. Thus, they have created three leads assigned to scrutiny committees, each paid one third of the shadow cabinet member SRA.

Our view is that the current level of the Opposition Leader's allowance should remain at the same level as a Cabinet Member (Level 3). This reflects the expectations of the Council from this role.

We have considered the SRAs payable to the Opposition Deputy Leader and the Shadow Cabinet Member and we recognise the responsibilities assigned to the Opposition Deputy Leader and believe that the role warrants an SRA equivalent to 35% of the Opposition Leader's as this reflects the expectations for the role to step up into the Opposition Leader role when required.

In discussion with the Council Leader in 2018, it was proposed that the then current (2017/18) arrangement of three opposition leads supporting Select Committees should be more formally recognised through the creation of three Opposition Select Committee Vice-Chairman from the single Shadow Cabinet SRA together with the Opposition Deputy Leader formally taking the Opposition Select Committee Vice-Chairmanship of the Corporate Review Select Committee. The Panel believe that the remuneration for the Opposition Select Committee Vice-Chairman should be the same as the Select Committee Vice Chairman (5% of Leader). Although not adopted from our report last year this remains our recommendation.

Opposition Leader	Level 3	£18,609.38	(50% of Leader)
Opposition Deputy Leader	Level 6	£6,513.28	(17.5% of Leader)
Opposition Select Committee Vice-Chairman	Level 9	£1,860.93	(5% of Leader)

Civic

One of the recommendations within our 2018/19 Report related to the allowances paid to the Chairman and Vice Chairman of the County Council.

These allowances are paid under sections 3 and 5 of the Local Government Act 1972. They are not SRAs but may be paid for the purpose of enabling the members holding these roles to meet the expenses of their offices at an amount that the Council believes to be reasonable.

We considered the role played by the Chairman and Vice-Chairman of the Council, the number of functions each attended, and the fact that all direct expenses of the roles are met by the Council in addition to the allowances paid.

Currently, the Chairman's allowance is only slightly less than that of a Cabinet Member, but while the Chairman undertakes an important, outward facing role, and must chair six meetings a year of the County Council the position is otherwise largely ceremonial and does not hold any budgetary responsibility, or service accountability. Our view is therefore that the

Chairman's allowance should be set at 80% of a Cabinet Member, rather than the current 96%.

The Vice-Chairman's allowance is currently 50% of the amount paid to the Chairman. The Vice-Chairman, however, may undertake only a very small percentage of the civic functions (depending on the wishes of the Chairman and the number of appropriate events available to attend) and has limited responsibilities and accountability. However, our view is that an allowance at the same level as the regulatory committee chairmen would be a more accurate reflection of the responsibilities of the role.

Nothing from consultation in respect of the 2019/20 Report has caused us to change our recommendation.

Chairman	Level 4	£14,887.50	(40% of Leader)
Vice-Chairman	Level 7	£4,652.35	(12.5% of Leader)

Basic Allowance

We note that the basic allowance is intended to recognise:

- (a) the time commitment of all councillors, including calls on their time for meetings with officers, constituents and attending political group meetings; and
- (b) incidental costs, such as the use of their homes, telephone calls and meetings with constituents.

We have allowed for an increase in the basic allowance in line with the NJC pay award for staff in 2018/19 (2%) as this is included within the Council's constitution but make no recommendation to increase the allowance further than that.

Basic Allowance	£9,594.47
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Summary

Assuming that our recommendations are accepted by the County Council, the total cost of the proposed scheme would be £950,296.74. The proposed scheme can, therefore, be met within the control total of £972,023.49, which is made up of the 2018-19 scheme cost of £952,964.21, plus £19,059.28 for inflation in line with the 2% NJC pay award for 2018-19.

The proposed scheme contains 10 levels of SRA, and a revised basic allowance as follows:

Level	Amount £	Roles Covered
	9,594.47	Basic Allowance
1	37,218.76	Council Leader
2	27,914.58	Council Deputy Leader
3	18,609.38	Cabinet Member; Opposition Leader
4	14,887.50	Council Chairman
5	9,304.70	Select Committee Chairman
6	6,513.28	Opposition Deputy Leader
7	4,652.35	Cabinet Support Member; Regulatory Chairman; Council Vice-Chairman; Police, Fire and Crime Panel Chairman
8	3,256.64	All Party Working Group Chairman; Community Cabinet Support Member

9	1,860.93	Select Committee Vice-Chairman; Opposition Select Committee Representatives/Vice-Chairman
10	930.46	Regulatory Vice-Chairman

Travel Allowances

We are aware of the increased use in electric and hybrid vehicles. For these vehicles, we propose that millage allowance can be claimed at the same rate per mile as motor vehicles as currently written in the allowance scheme. This fits in-line with the Office for Low Emission Vehicles which states that electric and hybrid cars are treated in the same way as petrol and diesel cars for the purposes of Approved Mileage Allowance.

We make no other proposals for change to travel allowances paid to members for 2019/20.

Other allowances

Subsistence allowance

We make no proposals for change to subsistence allowances.

Meetings Allowance

We recommend that the “meeting allowance” paid to Appointed Members (i.e. faith and parent representatives on the Prosperous Staffordshire Select Committee or any independent members / persons serving the County Council), be increased by the same percentage as that made to the basic allowance (2%). Therefore, the new allowance is proposed to be £619.15 per annum.

Whilst it was raised with us that members attending outside bodies should receive an allowance for attending meetings this suggestion came at such a late stage that we were unable to pursue the practical implications of this suggestion. If it is a wish of the Council for us to consider this further for our report in 2020 we will do so.

Carers/Dependents Allowance

We make no proposals for change to Carers/ Dependents allowances.

Having completed our task for this year, we would like to express our thanks to the Members and Officers of the County Council for all their help and support in producing this report.

**CHAIRMAN and Members of the
Independent Remuneration Panel on Members’ Allowances**

TERMS OF REFERENCE

1. To meet annually, on agreed dates prior to the commencement of the County Council's financial year, and at such other times as required on agreed dates, as the County Council propose to amend, revoke or replace their Members' Allowance Scheme.
2. In their considerations, to have particular regard to (i) the previous reports and recommendations of the Independent Remuneration Panel (ii) the DETR's Guidance on Members' Allowances; (iii) the relevant Regulations referred to in the Guidance and those Regulations made in respect of the provision of pensions and pensionable remuneration for certain members of local authorities (iv) information submitted by the Chief Executive; and (v) such other information commissioned by the Panel, through the Chief Executive relevant to the Panel's Terms of Reference.
3. To make recommendations to the County Council as to the amount of basic allowances that should be payable to its elected members.
4. To make recommendations to the County Council about the categories of members who should receive a special responsibility allowance and as to the amount of such an allowance.
5. To make recommendations as to whether the County Council's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined.
6. To make recommendations to the County Council on which of their members, by designation, should be entitled to pensionable remuneration.
Quote from Constitution: As of 1 April 2014 new councillors will not be able to join the Local Government Pension Scheme. Any members who have joined the scheme before 31 March 2014 will be allowed to continue their membership for their **current** term of office (renewal on re-election will not be permitted).
7. To make recommendations to the County Council on travel and subsistence allowances for members and the level, or levels, of "meetings allowance" for appointed and co-opted members of County Council Committees.
8. To note, in their considerations and recommendations, that the County Council must have due regard to the recommendations of the Panel in any decision to maintain, amend, revoke or replace their Members' Allowance Scheme, but that ultimately, the determination of the Scheme is a matter for the County Council.
9. To note that the Panel's reports and recommendations, as made from time to time, will be publicised, as soon as reasonably practicable, in at least one local newspaper, be made available for inspection by the public at County Buildings and be published on the County Council's website.

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