

ANNUAL REPORT 2018/19

Independent Remuneration Panel

FOREWORD

This report of the Independent Remuneration Panel (the Panel) sets out our conclusions and recommendations on members' allowances for the period 1 April 2018 to 31 March 2019 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)

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 County Council at its meeting on 23 March 2017 also resolved "That the Panel should specifically review the level of allowances payable to the Chairman and Vice Chairman of the Council later in the year as part of their 2018-19 report."

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

The Process we have followed

The Panel met on four occasions from October 2017 until the conclusion of its review of members' allowances in January 2018.

We considered a range of comparative information in respect of allowances paid in comparable local authorities. We were also provided with a set of role descriptions for a number of the posts which currently receive SRAs.

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 forty-five responses. The questionnaire also offered Councillors the opportunity to meet with the Panel and we specifically invited all group leaders to meet with us. We met [in person or by telephone] with nine Councillors, including the Group Leaders, a Cabinet Member, Committee Chairmen and members with no SRA linked role. We also met and took into account the views of the Chief Executive.

Introduction

The prime role of the Panel 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, the Panel continues 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.

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.

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 this year 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. The Panel have reviewed these allowances as part of this year's review.

A number of issues were identified as common themes throughout the process. This 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. In addition, 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.

The Panel used this information to devise a new scale of SRA payments based on nine different levels, with allocation of posts to each level depending on factors such as the level

of personal public accountability linked to the post and the level of professional support provided by officers.

In addition, in line with normal practice, the level of allowances are proposed to be increased by 1% in line with the employee pay award for 2017-18, where the recommendation is to retain a similar level of allowance. Overall, the recommendations were contained within an envelope of the current cost plus 1%, as the Panel felt that any change to the total Members' Allowances payable was a matter for the Council.

The Panel's proposals are set out below, and summarised at Appendix B:

Leader, Deputy Leader and Cabinet Members

There were no issues raised regarding the allowances paid at any of these levels and analysis of comparative information suggested that these allowances were broadly at a reasonable level. It is, therefore, recommended that these SRAs remain at the same relative levels:

Leader	Level 1	£36,488.98	(100% of Leader)
Deputy Leader	Level 2	£27,367.24	(75% of Leader)
Cabinet Member	Level 3	£18,244.49	(50% of Leader)

Cabinet Support Member

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, Cabinet Support Members are paid 67% of the allowance paid to full Cabinet Members, which also seems high given their limited accountability compared with the Cabinet Member themselves. It is the Panel's view that the allowance for a Cabinet Support Member should be revised to 50% of a Cabinet Member's Allowance as follows:

Cabinet Support	Level 5	£9,122.25	(25% of Leader)
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Community Cabinet Support Member

This is a new role acting as a conduit between the County Council and District/Borough areas. The Panel's view is that the SRA should be set at 50% of a Cabinet Support Member, but be subject to further review as the role develops:

Community Cabinet Support	Level 7	£4,561.13	(12.5% of Leader)
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Select Committee Chairmen

Currently, the Health Scrutiny Chair is paid more than other scrutiny chairs but, as stated above, the level of payment to all scrutiny chairs has been criticised as being too low relative to Cabinet Support Members.

The Panel understands these roles to have a significant degree of public accountability, and to perform a key role in ensuring value for money. It therefore recommends that the SRA for all Scrutiny Chairs should be at the same level as a Cabinet Support Member:

Opposition Roles

Currently the majority opposition group are granted three Shadow Cabinet roles with SRAs attached. The Panel considered 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.

The Panel's view is that the current level of the Opposition Leader's allowance should remain at the same level as a Cabinet Member (Level 3).

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

In discussion with the Council Leader, it was proposed that the 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).

Opposition Leader	Level 3	£18,244.49	(50% of Leader)
Opposition Deputy Leader	Level 6	£6,385.57	(17.5% of Leader)
Opposition Select Committee Vice-Chairman	Level 8	£1,824.44	(5% of Leader)

Civic

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 them to meet the expenses of their offices at an amount that the Council believes to be reasonable.

The Panel 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, the position is largely ceremonial and does not hold any budgetary responsibility, or service accountability. The view of the Panel was 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 and has limited responsibilities and accountability. The Panel's view was that an allowance at the same level as the Regulatory committee chairmen would be a more accurate reflection of the responsibilities of the role.

Chairman	Level 4	£14,595.59	(40% of Leader)
Vice-Chairman	Level 7	£4,561.13	(12.5% of Leader)

Basic Allowance

The Panel notes 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.

The Panel have allowed for an increase in the basic allowance in line with the NJC pay award for staff in 2017/18 (1%).

Basic Allowance	£9,406.34
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Summary

Full details of the Panel's recommendations are set out in Appendix B. The total cost of the proposed scheme is £932,616.72. The proposed scheme can therefore be met within the control total of £940,558.71, which is made up of the 2017-18 scheme cost of £931,246.25, plus £9,312.46 for inflation in line with the 1% NJC pay award for 2017-18.

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

Level	Amount £	Roles Covered
1	36,488.98	Council Leader
2	27,367.24	Council Deputy Leader
3	18,244.49	Cabinet Member, Opposition Leader
4	14,595.59	Council Chairman
5	9,122.25	Cabinet Support, Scrutiny Chairs
6	6,385.57	Opposition Deputy Leader
7	4,561.13	Community Cabinet Support Members, Regulatory Chairs, AMPG Chairs, Council Vice-Chairman
8	1,824.44	Select Committee Vice-Chairs, Opposition Select Committee Vice-Chairs
9	912.22	Regulatory Vice-Chairs
	2,777.73	Police and Crime Panel Chair
	9,406.34	Basic Allowance

Travel Allowances

The Panel are aware of the increased use in electric and hybrid vehicles. For these vehicles, the Panel propose that mileage 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 2018/19.

Other allowances

Subsistence allowance

We make no proposals for change to subsistence allowances

Meetings Allowance

The Panel 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 (1%). Therefore the new allowance is proposed to be £607.01 per annum.

Carers/Dependents Allowance

Having taken advice on this, the Panel recommend that the allowance for Carer / Dependents Allowance is increased to a maximum figure of £15.57 per hour

CONCLUSION

The Panel has considered the proposals that have been made to it and the comparative information and made the recommendations described above for consideration by the County Council.

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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Proposed Members' Allowances 2018-19

Position	Current 2017-18		Level	Proposed 2018-19 (Including 1% Inflation)		Difference £
	£	%		£	%	
Executive						
Leader	36,127.70	100.0	1	36,488.98	100.0	+361.28
Deputy Leader	27,096.28	75.0	2	27,367.24	75.0	+270.96
Cabinet Member	18,063.85	50.0	3	18,244.49	50.0	+180.64
Cabinet Support Member	11,922.04	33.0	5	9,122.25	25.0	-2,799.79
Community Cabinet Support	2,980.51	8.2	7	4,561.13	12.5	+1,580.62
Scrutiny						
Health Scrutiny Chair	7,560.86	20.9	5	9,122.25	25.0	+1,561.39
Scrutiny Chair	6,872.04	19.0	5	9,122.25	25.0	+2,250.21
Health Scrutiny Vice-Chair	2,750.23	7.6	8	1,824.44	5.0	-925.79
Scrutiny Vice-Chair	2,405.82	6.7	8	1,824.44	5.0	-581.38
Overview						
APMG Chair	5,961.02	16.5	7	4,561.13	12.5	-1,399.89
Regulatory						
Planning Chair	6,872.04	19.0	7	4,561.13	12.5	-2,310.91
Audit and Standards Chair	4,124.84	11.4	7	4,561.13	12.5	+436.29
Pensions Chair	4,124.84	11.4	7	4,561.13	12.5	+436.29
Planning Vice-Chair	2,405.82	6.7	9	912.22	2.5	-1,493.60
Audit Vice-Chair	1,374.61	3.8	9	912.22	2.5	-462.39
Pensions Vice-Chair	1,374.61	3.8	9	912.22	2.5	-462.39
Police and Crime						
Police and Crime Chair	2,750.23	7.6		2,777.73	7.6	+27.50
Opposition						
Shadow Leader	18,063.85	50.0	3	18,244.49	50.0	+180.64
Shadow Deputy Leader	6,141.81	17.0	6	6,385.57	17.5	+243.76
Shadow Scrutiny Vice-Chair	1,806.55	5.0	8	1,824.44	5.0	+17.89
Civic						
Chairman	17,356.85	48.0	4	14,595.59	40.0	-2,761.26
Vice-Chairman	8,675.90	24.0	7	4,561.13	12.5	-4,114.77
Basic Allowance						
Basic Allowance	9,313.21			9,406.34		+93.13