

**REPORT TO
SOLIHULL METROPOLITAN BOROUGH COUNCIL**

BY

THE INDEPENDENT REMUNERATION PANEL

**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION
FOR THE
FINANCIAL YEAR 2010/2011**

February 2010

FOREWORD

To the Chief Executive, Solihull Metropolitan Borough Council

On behalf of the Solihull Metropolitan Borough Council Independent Remuneration Panel, I present the report and recommendations for the payment of Members' Allowances for the year from 1 April 2010 until 31 March 2011. This report is required by the Local Authorities (Members' Allowances) (England) Regulations 2003.

BERNARD SPITTLE OBE

Chairman
February 2010

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**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION FOR THE FINANCIAL
YEAR 2010-11**

1. Introduction

- 1.1.1 The current Independent Remuneration Panel (IRP) was appointed by Solihull Metropolitan Borough Council (SMBC) in January 2008 for the purpose of the Local Authorities (Members' Allowances) (England) Regulations 2001.
- 1.1.2 The members of the IRP are shown in Appendix 3 (page 12).
- 1.1.3 The Local Authorities (Members' Allowances) (England) Regulations 2003 enable allowances schemes to make provision for Councillors' Basic and Special Responsibility Allowances, pensions, travelling and subsistence allowances and co-optees allowances and it falls to the IRP to make recommendations about these matters.
- 1.1.4 The IRP reported to the Council in March 2009 making recommendations for the period 1st April 2009 to 31st March 2010. The Council considered the IRP's recommendations and made a scheme for 2009-10.
- 1.1.5 The IRP has now reviewed the scheme for the year from 1st April 2010 to 31st March 2011, and a summary of the main recommendations is set out in Appendix 1 (page 9).

2. Scope of Report

- 2.1.1 This report gives the IRP's recommendations to enable the Council to make a new allowances scheme for 2010-11.
- 2.1.2 In accordance with the Regulations the IRP make formal recommendations in respect of each of the matters upon which they are required to make recommendations. These are as follows: -
 - (a) The responsibilities or duties in respect of which Special Responsibility Allowance, travelling and subsistence allowance and co-optees' allowance should be made available;
 - (b) The amount of the Basic and Special Responsibility Allowances, travelling and subsistence allowances and co-optees allowances;
 - (c) Whether dependants carers' allowances should be payable and if so, the amount;

- (d) Whether future adjustments of allowances should be determined in accordance with an index and for how long that index should apply (the maximum being 4 years);
- (e) Which Members of the Council are to be entitled to receive pensions in accordance with a scheme under Section 7 of the Superannuation Act 1972 and whether the Basic or Special Responsibility Allowance or both are included as amounts in respect of which pensions are payable.

3. Consultation

- 3.1.1 The IRP invited all Members of the Council to submit their views on the current Members Allowances Scheme via a questionnaire. Thirteen Members returned questionnaires, compared with twenty five responses returned in the review for 2008-09.
- 3.1.2 The IRP invited the Leaders of each of the political Groups on the Council to a meeting to discuss the Scheme. Other Members of the Council also had the opportunity to meet the IRP to present their views on the current Members Allowances Scheme. The IRP is grateful for the valuable information provided by all those Members who participated in the consultation, and has carefully considered the points made.
- 3.1.3 As in previous years the IRP collected comparative information from other West Midlands local authorities regarding their allowance levels and scheme details, and also made reference to the 2008 Local Government Analysis and Research (LGAR) survey of all local authorities in England.

4. Basic Allowance

- 4.1.1 The IRP has consistently expressed the view that the Basic Allowance for Members of Solihull MBC is too low compared with similar authorities in the West Midlands and nationally. Although there have been increases in the Basic Allowance in recent years, the Solihull Basic Allowance still remains among the lowest in the country for metropolitan boroughs.
- 4.1.2 The IRP is aware of the difficult financial circumstances likely to be faced by the Council again during the forthcoming year and for the foreseeable future, and is aware that any increase in the levels of Members Allowances would add to that burden.
- 4.1.3 However the IRP recognises the value of the work Councillors do and would like to work towards seeing the gap closed between the Solihull Basic Allowance and that of other metropolitan councils.
- 4.1.4 The IRP notes that the Retail Price Index (RPIX) annual rate of inflation was 2.4% for the year to December 2009 and proposes that the Basic Allowance should be increased by 2.4% and set at £7,872.

5. Special Responsibility Allowances (SRA)

- 5.1.1 The 2003 Regulations specify the categories of special responsibilities, which may qualify for Special Responsibility Allowances. Special Responsibility Allowances may be paid to those Members of the Council who have significant additional responsibilities over and above generally accepted duties of a Councillor.
- 5.1.2 The responsibilities which the IRP has previously identified are: -
- (a) The Leader of the Council
 - (b) The Deputy Leader of the Council
 - (c) Each Cabinet Member
 - (d) The Chairmen of the Scrutiny Boards
 - (e) The Chairman of the Planning Committee
 - (f) The Vice-Chairman of the Planning Committee
 - (g) The Chairman of the Licensing Sub-Committee (Licensing of Hackney Carriages etc.)
 - (h) The Group Leaders of the Opposition Groups
 - (i) The Chairman of the Governance Committee
 - (j) Members of the Fostering and Adoption Panels
 - (k) Opposition spokespersons (Shadowing Cabinet Portfolios) (One per political group per portfolio)

6. Leader's Allowance

- 6.1.1 The increases in the Leader's Allowance agreed by the Council for 2008-09 and 2009-10 go some way to closing the inappropriate differential that previously existed between the Solihull Leader's Allowance and the average for metropolitan councils. Whilst the IRP believes the Leader's Allowance is still relatively low, responses to the 2009 Members' survey questionnaire indicated little support for further changes to the level of the Leader's Allowance in 2010-11.
- 6.1.2 The IRP therefore proposes that the current Leader's Allowance be frozen at £19,200 for 2010-11.
- 6.1.3 The IRP is aware that from May 2010 the Council will adopt a new political leadership model with a new style 'strong' Leader and Cabinet. The impact of this change is not known and the IRP propose to review

7. Cabinet Portfolio Holders

- 7.1.1 The IRP has considered the roles of Cabinet Portfolio holders and acknowledges that some portfolios require Members to carry greater responsibility than others. The IRP notes the statutory roles of the Lead Members for Children's Services and Adult Care but found there was no compelling view from the consultation exercise to justify proposing differential rates for different portfolio holders.
- 7.1.2 For the 2010-11 year the IRP recommends that all Cabinet Portfolios should continue to have an equal Special Responsibility Allowance, which for 2010-11 should be frozen £7,688.

8. Other Special Responsibilities

- 8.1.1 The IRP considered the views, expressed in some questionnaire responses, on the range of roles designated as special responsibilities. Reference was made to the work carried out by the Group Spokespersons and Vice-Chairmen of Scrutiny Boards, Members of the Planning Committee and Members participating in Scrutiny Task and Finish Groups as being particularly time-consuming activities for many Members. However the responses to the survey questionnaire did not indicate a high level of support for creating additional Special Responsibility Allowances.
- 8.1.2 The IRP is aware that a large proportion of Members take on different roles which can be time-consuming in nature, and this work is essential to the effective operation of the Council's business.
- 8.1.3 The IRP is mindful of the Government guidance on Members' Allowances Schemes issued in July 2003 which makes the point that if the majority of Members of a Council receive a Special Responsibility Allowance the electorate may rightly question whether this is justified.
- 8.1.4 The IRP is of the view that involvement in time-consuming activity in one role or another appears to be the norm for most Members of the Council, and that Special Responsibility Allowances should be available to those Members who take on *significant responsibilities*, not just additional workload.
- 8.1.5 The IRP recommends that Special Responsibility Allowances should continue to be allocated to Opposition Spokespersons of political groups, based on one Spokesperson per group to shadow each Cabinet Portfolio and subject to the Political Group having at least the same number of Members as there are current places in the Cabinet.
- 8.1.6 The IRP is aware that in the period since the last review of Allowances, there has been a review of the structure and functions of the Planning

and Regulatory and Licensing Committees and the IRP has therefore given careful consideration to the Special Responsibility Allowances in respect of these Committees.

- 8.1.7 The IRP received written representations from the Chairman of the Licensing Committee. The IRP recognises that the Chairman of the Licensing Committee (for whom there is currently no Special Responsibility Allowance) is often called upon to chair meetings of the Licensing Act Panel. It is also acknowledged that the Licensing Committee will have an increased responsibility and workload during the coming year due to the requirement to deal with the licensing of a large Casino, although the scale of the additional workload is not clear.
- 8.1.8 For these reasons the IRP proposes that a Special Responsibility Allowance of £2,304 should be set for the Chairman of the Licensing Committee for 2010-11. This should be reviewed after one year to establish whether this allowance is correct depending on the actual responsibility and workload once the large casino licence application has been dealt with.
- 8.1.9 The IRP acknowledges that some Councillors may occupy two or more positions of special responsibility but continues to recommend that a Member may not receive more than one Special Responsibility Allowance.
- 8.1.10 The recommended designation and rates of Special Responsibility Allowances are as set out in Appendix 1 (see page 9).

9. Dependants Carers' Allowance

- 9.1.1 The IRP recommends that these continue to be paid in respect of the actual costs (supported by receipts) necessarily incurred but not exceeding the hourly rate for the National Minimum Wage (currently £5.80 from October 2009 for a person aged above 22 years) for child care, and not exceeding the Direct Payments rate paid by the Council for home care provision for other dependants. A maximum of 3 hours may be claimed in respect of any period of 24 hours.
- 9.1.2 The IRP considered the case for enabling co-opted members to have access to the dependants carers' allowance. It was noted that under the Regulations this allowance can only be made available to elected Members of the Council. The IRP believes it would be appropriate for the Council to reimburse co-opted members' costs at the same rates, using well-being powers, outside of the Members Allowances Scheme.

10. Travel/Subsistence Allowance

- 10.1.1 The IRP has to make recommendations as to the approved duties for which travelling and subsistence allowances are payable. Regulation 8 of the 2003 Regulations sets out the categories of duties which may be included in a scheme and the IRP considers that all these categories

are relevant and should properly be included in the scheme. A list of these duties is set out in Appendix 2 (see page 10).

- 10.1.2 As in previous years, Members have commented that they feel the rate of travelling allowance is too low. The IRP acknowledges that the Solihull MBC rate is low. However, the IRP feels that the rate should continue to be linked to the travel allowances paid to the Council's staff.
- 10.1.3 The IRP therefore recommends that the travel allowance for Councillors should remain the same as the locally agreed rates payable to Council staff, and that they be changed as appropriate, as and when the staff rates are changed.
- 10.1.4 The IRP makes no recommendations as to whether rail travel should be by first class travel. The IRP accepts that there will be occasions when first class rail travel should be used and that for other occasions standard class travel is appropriate.
- 10.1.5 The IRP considers that the Council should continue to include in their scheme a provision which enables a claimant to be entitled to claim subsistence allowance in respect of actual expenditure which has been reasonably and necessarily incurred having regard to the nature of the meeting. In practice the IRP understands that subsistence claims will be made only where Councillors attend meetings that are not held in the Civic Suite.
- 10.1.6 The IRP believes it is appropriate for the scheme to provide that Members who require an overnight stay should, where practicable, have their accommodation pre-booked by the Council's Officers in accordance with arrangements which would apply to the Council's senior officers and which represent best value. Guidance for Members on Claiming Travelling and Subsistence Allowances is now available.

11. Co-optees' Allowance

- 11.1.1 The Council currently has co-opted members on the Standards Committee and the Education, Children and Young People Scrutiny Board, all of which are required by law. In addition the Council has co-opted members on the Housing Scrutiny Panel and the Health, Social Care and Partnerships Scrutiny Board, and there are general powers enabling persons to be co-opted to Scrutiny Boards and Task and Finish Groups.
- 11.1.2 The IRP is required to make recommendations as to the responsibilities or duties which should qualify for co-optees allowances. As a general principle, the IRP considers that co-opted members attending committees or boards in a purely representative capacity (being nominated by other bodies) should not qualify for a co-optees allowance. The IRP recommends that they should be entitled to claim travelling and subsistence allowances at the rates payable to Members of the Council.

11.1.3 The IRP has in the past noted that there may be a case for considering payment of an allowance to co-opted members who are independent members serving on the Standards Committee. Changes in legislation mean that the Council's Standards Committee took responsibility for the local assessment of complaints from 2008 and the additional input from Committee Members has been monitored.

11.1.4 The evidence to date indicates that the extent of this commitment has increased significantly over the period since May 2008 and the IRP believes this commitment should be acknowledged by the payment of an annual allowance of £250. The IRP recommends that this allowance should not be made to Parish Councils representatives on the Standards Committee because as elected members of parish councils they potentially have access to the Parish Basic Allowance.

12. Index Adjustment

12.1.1 The IRP sought the views of the Group Leaders as to whether it would be appropriate for their recommendations to be subject to index linking in respect of Basic and Special Responsibility Allowances. The response to this was that there may be merit in doing so; however the IRP would not wish to lose the flexibility to recommend increases above the rate of inflation in the endeavour to raise the level of allowances in the future to that more in keeping with similar authorities.

12.1.2 The IRP considers that linking of travel allowances to staff travel allowance is appropriate based on locally agreed rates, and have recommended that travel allowances for Members should be changed as and when the locally agreed rates change.

13. Pensions

13.1.1 The IRP has previously considered which Councillors should be entitled to receive pensions. The IRP does not see any merit in recommending that pension entitlement should be restricted to only some Councillors. All Councillors play a part in the governance of the Council and are entitled to receive remuneration by way of allowances. The IRP continues to recommend that all elected Councillors should be entitled to pensions under section 7 of the Superannuation Act 1972, and that the total remuneration, i.e. Basic and Special Responsibility Allowances should be used as the basis for calculating the "Career Average Pay".

14. Review

14.1.1 The recommendations in this report are made in relation to the allowances scheme which the Council must make under the 2003 Regulations for the financial year 2010-2011.

Summary of Recommended Basic and Special Responsibility Allowances

(Annual Rates)

Financial Year 2010/2011

Members Allowances Scheme	
Basic Allowance	£7,872
Special Responsibility Allowances	
Duty/Responsibility	
Leader of the Council	£19,200
Deputy Leader of the Council	£9,216
Cabinet Members	£7,688
Chairmen, Overview & Scrutiny Boards	£6,144
Chairman of Planning Committee	£6,144
Vice Chairman of Planning Committee	£3,072
Chairman of Licensing Sub-Committee	£3,072
Member of Adoption Panel and Fostering Panel	£1,536
Group Leader (10 or more Councillors)	£7,688
Group Leader (5-9 Councillors)	£3,840
Chairman of Governance Committee	£2,304
Chairman of Licensing Committee	£2,304
Spokesperson of a political group (Subject to the Political Group having at least the same number of Members as there are current places in the Cabinet)	£1,536
Co-opted Independent Member of the Standards Committee	£250

**APPROVED DUTIES FOR THE PURPOSE OF TRAVELLING
AND SUBSISTENCE ALLOWANCES**

(As approved by General Purposes Committee on 20 September 2004)

- 14.1.2 (a)(i) The attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (a)(ii) Attendance of a member at meetings of working parties and advisory groups constituted by the Council, or by or on behalf of the Cabinet (including any Cabinet Member);
- 14.1.3 (a)(iii) Attendance at seminars, training events and open days organised by or through the Council;
- 14.1.4 (a)(iv) Attendance at a meeting on Council premises with an officer of the Council for the purpose of receiving a briefing by officers on matters on business before any decision making body (including decisions by Cabinet Members) (excluding any meeting only for the purpose of raising matters on behalf of constituents);
- 14.1.5 (a)(v) Any specific duty on any occasion specifically approved by a Scrutiny Board, Committee, or Sub-Committee for the purpose of or in connection with the functions of that body.
- 14.1.6 (b) The attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and one or more local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provided that -
- (i) Where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
- (ii) If the authority is not so divided, it is a meeting to which at least two members of the authority have been invited;
- (c) The attendance at a meeting of any association of authorities of which the authority is a member;
- (d) The attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;
- (e) The performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;

- (f) The performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) The performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996, and
- (h) The carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

SOLIHULL INDEPENDENT REMUNERATION PANEL

Mr David Billingham

Human Resources Director

Mr Peter Llewellyn

Retired Company Director

Mr Bernard Spittle OBE

Retired former Chief Officer of Birmingham City Council.

Dr Nerys Williams

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