

**REPORT TO
SOLIHULL METROPOLITAN BOROUGH COUNCIL
BY
THE INDEPENDENT REMUNERATION PANEL**

**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION
FOR THE
FINANCIAL YEAR 2018/19**

September 2018

FOREWORD

To the Chief Executive and Members of Solihull Metropolitan Borough Council

The Solihull Metropolitan Borough Council Independent Remuneration Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 to provide advice and recommendations to the Council on amounts to be paid under its Members' Allowances scheme. Members of the Panel are appointed by the Council and are independent members of the local community.

The Independent Remuneration Panel has reviewed the Members' Allowances scheme and, on behalf of the Panel, I present the report and recommendations for the payment of Members' Allowances for 2016-17. This report is required by the Local Authorities (Members' Allowances) (England) Regulations 2003. In conducting this review, the Independent Remuneration Panel has had regard to the 2006 Statutory Guidance on Members Allowances.

The Council is required to have regard to our recommendations in deciding what allowances to pay Councillors. Additionally the Council must also publish our recommendations and conclusions, together with the approved scheme.

Russell Downing

Chairman of the Independent Remuneration Panel

September 2018

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RECOMMENDATIONS FOR COUNCILLORS' REMUNERATION

1. The Independent Remuneration Panel

- 1.1.1 The current members of the Independent Remuneration Panel (IRP) were appointed by Solihull Metropolitan Borough Council (SMBC) in October 2016 for the purpose of the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.1.2 The members of the IRP are shown in Appendix 1 (page 14).
- 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 has now reviewed the scheme and a summary of the main recommendations is set out in Appendix 2 (page 15). The Panel bases its report on evidence it has received on Councillor roles and responsibilities and submits its recommendations to the Council.
- 1.1.5 It is for the Council to decide on the Members' Allowances Scheme that is put in place, having regard to the Panel's recommendations.

2. Background Information - Solihull Metropolitan Borough Council

- 2.1.1 Solihull Metropolitan Borough Council has 51 Councillors representing 17 Wards. The Borough also has 2 town councils and 14 parish councils.
- 2.1.2 The current political composition as at August 2018 is:

Party	Number of Seats
Conservative	31
Green	11
Liberal Democrat	4
Independent	3
Labour	2
Total Members	51

- 2.1.3 The Council operates a Leader and Cabinet model of governance. The Cabinet is currently made up of the Leader and eight Cabinet Members and each Cabinet Member has a specific portfolio of responsibilities.
- 2.1.4 The Council appoints 5 Overview and Scrutiny Boards whose role is to hold the executive to account, to conduct in-depth policy reviews and contribute to policy development, and to monitor the performance of Council Services. Each Board is responsible for setting its own work programme for each civic year, taking into account the Council's strategic vision and priorities.

- 2.1.5 The Council also appoints a number of other Committees and Panels to exercise its regulatory functions and those functions which are not exercisable by the Executive.

3. Scope of Report

- 3.1.1 This report sets out the IRP's recommendations to enable the Council to make a new allowances scheme for 2018-19.
- 3.1.2 These recommendations take account of the Council's political composition and the political governance arrangements in place in the 2018 - 19 financial year.
- 3.1.3 In accordance with the Regulations the Independent Remuneration Panel makes 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).

4. Process and Methodology

- 4.1.1 The Panel considered a range of benchmarking information on allowances paid by other metropolitan authorities within the West Midlands. It also considered the allowances set by statistical 'nearest neighbour' authorities as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA), which are the most similar in size, demographic profile, functions and governance model to Solihull MBC.
- 4.1.2 The IRP invited the Leaders of each of the political groups on the Council to raise any aspects of the current Allowances Scheme they wished to bring to the attention of the IRP.
- 4.1.3 In response, the Panel were advised that there had been an indication that any increase in Members' Allowances should reflect the changes in staff pay since the last review of allowances, and also a request that the allowance of the Leader of the Council should be reviewed because at the time of the last review it had taken into account the role the Leader was undertaking as Chairman of the newly formed West Combined Authority, before the election of the Mayor.
- 4.1.4 The Panel received evidence about the political management arrangements of the Council, role profiles for each special responsibility undertaken by Members, and data relating to the frequency and duration of meetings of the Planning Committee and the Scrutiny Boards and the age and gender profile of the membership of the Council.

4.1.5 **Reducing Barriers to Becoming a Councillor**

4.1.6 The Independent Remuneration Panel reaffirms the principles of the Members' Allowances Scheme set out in previous reports, and the key factors which the Panel takes into account are:

- The promotion of a healthy democracy by minimising financial disadvantage as a barrier to people from a wide range of socio/economic backgrounds and age groups with a wide range of skills standing for election or serving as Councillors.
- The maintenance of the ethic of voluntary public service given freely and the need to reflect this within the Basic Allowance paid to all Councillors so that people do not stand for and remain on the Council primarily for financial reasons.

5. **Context**

5.1.1 The current allowance rates were set by the Council on 6th December 2016 after having regard to the report of the Independent Remuneration Panel dated October 2016.

5.1.2 The Panel is pleased to note that the recommendations it made in its October 2016 review were adopted in full by the Council. This followed a period of six years during which the allowances had been frozen at the rates set in 2010.

5.1.3 The Panel made a number of recommendations in 2016 to address anomalies in the Allowances Scheme and has received no evidence now to suggest that a fundamental restructuring of the allowances scheme would be appropriate in 2018.

5.1.4 The levels of most of the allowances paid in Solihull remain relatively low compared with similar authorities in the West Midlands and nationally. The Independent Remuneration Panel considers that at this stage the principal function of the review is to update allowances so that Solihull MBC does not fall further behind peers.

6. **The Basic Allowance**

6.1.1 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 their representative role in general; and (b) incidental costs, such as the use of their homes, telephone calls from their home landlines, calls on personal mobile phones etc.

6.1.2 The Panel acknowledges that the role of Councillors depends on a sense of social responsibility and public service and that they are motivated to a significant extent by a sense of public good. Nevertheless, those who decide to stand for election should not be required to make unreasonable sacrifices in their private lives.

- 6.1.3 The Panel notes that the level of Basic Allowance paid in Solihull is low compared with similar authorities in the West Midlands and nationally.
- 6.1.4 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. However the Panel is mindful of the ongoing financial pressures faced by the Council and the political sensitivities associated with spending on Members' allowances.
- 6.1.5 The Panel received information about the roles and responsibilities undertaken by Members and data relating to the frequency and duration of meetings, and was satisfied that there has been no significant change in the workload and level of commitment required since the last review of allowances.
- 6.1.6 In 2017/18 Council officers received a pay increase of 1% with a further 2% in 2018/19. If the Council applied the same percentage annual salary increases that staff have received it would produce a Basic Allowance of £9,061. The Panel believe that it would be appropriate to apply this level of increase to the Basic Allowance for the current year.
- 6.1.7 The Panel were advised that a national employee pay award of a further 2% will take effect from 1st April 2019 and recommend that this increase should also be applied to the Members Allowances Scheme from the same date, giving a Basic Allowance of £9,242 for 2019-20.

7. Special Responsibility Allowances (SRA)

- 7.1.1 The 2003 Regulations specify the categories of special responsibilities, which may qualify for Special Responsibility Allowances (SRA). 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.
- 7.1.2 The roles for which the Council currently sets Special Responsibility Allowances are: -
- The Leader of the Council
 - The Deputy Leader of the Council
 - Cabinet Members
 - The Chairmen of the Scrutiny Boards
 - The Chairman of the Planning Committee
 - The Chairman of the Licensing Committee
 - The Chairman of the Licensing Sub-Committee
 - The Chairman of the Governance Committee
 - The Co-opted Chairman of the Audit Committee
 - The Group Leaders of the Opposition Groups
 - Members of the Fostering and Adoption Panels
 - Opposition spokespersons (Shadowing Cabinet Portfolios - One per political group per portfolio)
- 7.1.3 The Panel noted that the existing framework of allowances was established using a formula approach which took account of the differentials between the posts which attracted Special Responsibility Allowances.

7.1.4 In the absence of any specific requests to review this approach the Panel agreed this approach remains fit for purpose and is sufficiently robust not to justify deconstruction of the framework of allowances. The Panel therefore bases its recommendations for Special Responsibility Allowances on multiples of the Basic Allowance, using the ratios previously set.

7.1.5 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. The recommended designation and rates of Special Responsibility Allowances are as set out in Appendix 2 (see page 8).

8. Leader's Allowance

8.1.1 The Panel noted that in its previous review it had taken into account the role the Leader was undertaking at the time as Chairman of the newly formed West Combined Authority, before the election of the Mayor.

8.1.2 The Panel was advised that although this additional role was no longer in existence since the election of the Mayor for the West Midlands Combined Authority, the Leader of the Council had taken on the role of Portfolio Lead for Finance & Investments for the Combined Authority and had also been appointed as Deputy Mayor of the West Midlands, for which he received no additional remuneration.

8.1.3 The Panel is therefore of the view that the Leader of the Council's allowance should continue to be set as a multiple of 2.5 times the Basic Allowance.

9. Dependants' Carers' Allowance

9.1.1 The Panel views this Allowance as one of the enablers for Members from diverse backgrounds to stand for Council, and recommends that the Dependants' Carers' Allowance should remain in place.

9.1.2 The Panel has previously acknowledged that the care costs for a dependent child are generally less than the cost of care for a dependant adult and concluded that two rates are required. The IRP recommends that the maximum hourly rates continue to be indexed to the government's national living wage applicable to the age of the carer for childcare, and the Council's own hourly rate for Home Care Assistance for care of other dependants.

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 3 (see page 9).

10.1.2 The Panel acknowledges that the current Solihull MBC mileage 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 Panel 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 proposes no change to the provision in the Allowances scheme which enables a claimant to claim Subsistence Allowance to cover expenses incurred where the Councillor was undertaking approved duties. Expenses should be reimbursed in respect of actual expenditure which has been reasonably and necessarily incurred having regard to the nature of the meeting. In practice the Panel 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.

11. Index Adjustment

- 11.1.1 The IRP considered whether it would be appropriate for their recommendations to be subject to index linking in respect of Basic and Special Responsibility Allowances.
- 11.1.2 The conclusion was that although there may be merit in doing so 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.
- 11.1.3 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 Councillors should be changed as and when the locally agreed rates change.

12. Review

- 12.1.1 The recommendations in this report are made in relation to the allowances scheme which the Council may make under the 2003 Regulations for the financial year 2018 - 2019.

SOLIHULL INDEPENDENT REMUNERATION PANEL MEMBERS

Mr David Billingham

David is a Fellow of the Chartered Institute of Personnel and Development. He has over 30 years' experience in Human Resources including a number of years as a consultant with Price Waterhouse and as Human Resources Director for Serco Local Government & Commercial. Most recently he was interim Human Resources Director for the Defence Infrastructure Organisation, part of the Ministry of Defence and is currently interim Director of HR Transformation for Mitie plc. David is a resident of Solihull Borough and has been a member of the Independent Remuneration Panel since 2007.

Mr Russell Downing (Chairman)

Russell is an Independent Controls Engineer for Building Management Systems, and is currently an Associate to one of the UK's lead technology integration companies. He has over 30 years' experience working for information and control technology companies. Holding many leading positions he is extensively trained in enforcing company compliance procedures in line with UK and European law. He is a resident of Solihull Borough and joined the Independent Remuneration in 2016. He is currently Chairman of the Panel.

Mrs Patricia Smith

Patricia is a retired resident of Solihull and a non-executive director and vice-chair of Solihull Community Housing, where she is Chair of the Audit Committee.

She was previously chair of the Colebridge Trust and was involved in its inception. Although no longer playing an active role she maintains a real interest in its ongoing development, and she was also involved in Waterloo Woodwork and Community Transport. Patricia was appointed as a member of the Independent Remuneration Panel in 2016.

Dr Nerys Williams

Nerys is a Consultant Occupational Physician and non-executive director at Birmingham and Solihull Mental Health NHS Foundation Trust. She also works as an Associate for the General Medical Council. She is a resident of Solihull Borough and has been a member of the Independent Remuneration Panel since its inception in 2003.

APPENDIX 2

Summary of Recommended Basic and Special Responsibility Allowances

(Annual Rates)

Financial Years 2018 - 2019 and 2019 - 20

Members Allowances Scheme		2018-19	2019-20
Basic Allowance		£9,061	£9,242
Special Responsibility Allowances			
Duty/Responsibility	Multiple of Basic Allowance	£	£
Leader of the Council	2.5	£22,652	£23,105
Deputy Leader of the Council	1.2	£10,873	£11,090
Cabinet Members	1	£9,061	£9,242
Chairmen, Overview & Scrutiny Boards	0.8	£7,248	£7,393
Chairman of Planning Committee	0.8	£7,248	£7,393
Chairman of Licensing Committee or Licensing Sub-Committee	0.4	£3,624	£3,697
Chairman of Governance Committee	0.4	£3,624	£3,697
Co-opted Chairman of Audit Committee	n/a	£773	£788
Member of Adoption Panel and Fostering Panel	0.3	£2,719	£2,773
Group Leader (10 or more Councillors)	1	£9,061	£9,242
Group Leader (5-9 Councillors)	0.5	£4,531	£4,621
Group Leader (less than 5 Councillors)	0.25	£2,265	£2,311
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)	0.2	£1,812	£1,848
Spokesperson of a political group (Where the Group has less Members than the number of current places in the Cabinet)	0.1	£907	£925

APPENDIX 3

APPROVED DUTIES FOR THE PURPOSE OF TRAVELLING AND SUBSISTENCE ALLOWANCES

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

- (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);
- (a)(iii) Attendance at seminars, training events and open days organised by or through the Council;
- (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);
- (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.
- (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.