

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

**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION
FOR 2023 - 2024**

March 2023

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 2023-24. 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 Statutory Guidance on Members Allowances.

The conclusion of this review was that although Solihull's Allowances are low compared with similar authorities, the Members Allowances Scheme remains fit for purpose. In reaching its conclusions, the Panel has been mindful of its guiding principle that it seeks to reduce financial barriers to being an elected Member while ensuring that the remuneration and expenses received by elected Members represents value for money.

The Council is required to have regard to our recommendations in deciding what allowances to pay Councillors. These recommendations seek to ensure that the Members' Allowances Scheme is fair, transparent and provides a clarity and consistency in terms of the positions eligible to receive allowances.

The Council must publish our recommendations and conclusions, together with the approved scheme.

The Panel is grateful for the assistance of Council Officers in support of the Panel's work.

Patricia Smith

Chairman of the Independent Remuneration Panel

March 2023

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**RECOMMENDATIONS FOR
COUNCILLORS' REMUNERATION**

1. SUMMARY OF RECOMMENDATIONS

1.1.1 The Independent Remuneration Panel has undertaken a review of the Solihull Metropolitan Borough Council Members' Allowances Scheme and makes recommendations for the period from April 2023 to 2024.

1.1.2 As a result of this review the Panel recommends that:

I.	The Basic Members' Allowance for 2023-24 be increased to £11,500.
II.	That the Special Responsibility Allowances be increased for 2023-24 by 3.5% or the level of the 2023-24 staff pay award once determined, whichever is the greater.
III.	That the Special Responsibility Allowance for the Independent Chair of the Audit Committee be increased to £4,229 with effect from 1 April 2023.
IV.	That the current policy for the Dependents' Carers' Allowance should remain in place and that the Council should authorise the Head of Legal & Democratic Services to consider exceptional claims for Dependents Carers Allowance on the individual merits of each case.
V.	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.
VI.	That claims for Subsistence Allowance should continue to be reimbursed in respect of actual expenditure which has been reasonably and necessarily incurred but that this provision should be reworded to expressly exclude claims for alcoholic drinks.
VII.	That the Solihull Metropolitan Borough Council Members' Allowances Scheme be reviewed again before the start of the 2024-25 financial year.

1.1.3 The remainder of this report presents the context and evidence for the Panel's recommendations.

2. The Independent Remuneration Panel

2.1.1 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.

2.1.2 The members of the IRP are shown in Appendix 1 (page 9).

2.1.3 The Local Authorities (Members' Allowances) (England) Regulations 2003 enable allowances schemes to make provision for Councillors' Basic and Special Responsibility Allowances, travelling and subsistence allowances and co-optees allowances and it falls to the IRP to make recommendations about these matters.

2.1.4 It is for the Council to decide on the Members' Allowances Scheme that is put in place, having regard to the Independent Panel's recommendations.

3. Background Information - Solihull Metropolitan Borough Council

3.1.1 Solihull Metropolitan Borough Council has 51 Councillors representing 17 Wards. The Borough also has 2 town councils and 14 parish councils, in respect of which the Independent Remuneration Panel may make separate recommendations about Parish Allowances.

3.1.2 The current political composition as at March 2023 is:

Party	Number of Seats
Conservative	28
Green	14
Liberal Democrat	5
Independent	4
Total Members	51

3.1.3 The Council operates a Leader and Cabinet model of governance. The Cabinet executive is currently made up of the Leader plus seven Cabinet Members, each of whom has a specific portfolio of responsibilities.

3.1.4 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. The Scrutiny Boards are responsible for setting their own work programmes for each civic year, taking into account the Council's strategic vision and priorities.

- 3.1.5 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.
- 3.1.6 The Council appoints independent co-opted (non-elected) members to serve on the Childrens Services, Education and Skills Scrutiny Board, the Remuneration Committee, and the Audit Committee. The Audit Committee's Terms of Reference require that one of the co-opted independent members must chair the Committee. With the exception of the Chair of the Audit Committee, these co-opted members are not remunerated under the Members' Allowances Scheme but they may claim travelling, subsistence and dependents carers' allowances.

4. Scope of Report

- 4.1.1 This report sets out the IRP's recommendations to enable the Council to make a new allowances scheme for the period from April 2023 to 2024. These recommendations take account of the Council's political composition and the political governance arrangements currently in place in the 2022-23 financial year.
- 4.1.2 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 the Special Responsibility Allowances, travelling and subsistence allowances, dependents carers' 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).

5. Information provided to the Panel

- 5.1.1 The Panel met three times between December 2022 and February 2023 and also liaised by email outside of the meetings. The Panel was provided with benchmarking data on allowances paid by other metropolitan authorities within the West Midlands region.
- 5.1.2 The Panel was advised that there had been no significant changes to the members' role profiles or the Council's political management arrangements since the last review of the Allowances Scheme.
- 5.1.3 The Panel 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. There were no issues raised for consideration by the Panel.

6. Context

- 6.1.1 Between 2010 and 2016 there was no movement in the level of allowances for Solihull Councillors. In that time the Council declined the increases suggested by the Independent Remuneration Panel and declined increases in line with Council staff pay awards. As a consequence, the real value of Solihull's allowances,

which were already amongst the lowest of all comparable sized Councils, fell further below that of comparative authorities.

- 6.1.2 The current allowance rates were set by the Council in April 2022 after having regard to the report of the Independent Remuneration Panel dated March 2022, which contained recommendations for 2022-23.
- 6.1.3 Although the Council accepted the Independent Remuneration Panel's recommendations for 2022-23, the levels of most of the allowances paid in Solihull remain low compared with similar authorities in the West Midlands.
- 6.1.4 Current comparisons show that every category of allowance in the Solihull MBC Members Allowances Scheme is below the average for comparable authorities within the West Midlands metropolitan area, with many of the Solihull's allowances being the lowest in the region.
- 6.1.5 The Independent Remuneration Panel continues to be of the view that the Solihull MBC Allowances should be broadly comparable to those of similar sized metropolitan authorities within the West Midlands.

7. Reducing Barriers to Becoming a Councillor

- 7.1.1 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. This point is particularly relevant in the current times of increased financial hardship due to the cost of living.
 - 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.
- 7.1.2 Anecdotal evidence provided to the Panel historically has suggested that a higher level of Basic Allowance would probably make the role of Councillor more attractive to new candidates and also that it would help attract younger people to become Councillors if the Basic Allowance was higher.

8. The Basic Allowance

- 8.1.1 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, and internet and phone provision etc. It is not intended to directly recompense for work undertaken or to fully compensate for loss of earnings.
- 8.1.2 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.

8.1.3 The Panel notes that the level of Basic Allowance paid in Solihull (currently £10,500) has once again fallen back to being the lowest of all the metropolitan councils in the West Midlands. The Panel remains committed to addressing the low Basic Allowance and would like to see the Solihull Basic Allowance move closer to the average for the West Midlands metropolitan councils.

8.1.4 The Panel therefore recommends that the Basic Allowance be increased to at least £11,500 for 2023-24 and that it should be reviewed again for the 2024-25 financial year.

9. Special Responsibility Allowances (SRA)

9.1.1 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 the generally accepted duties of a Councillor.

9.1.2 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 independent Chairman of the Audit Committee
- The Group Leaders of the Opposition Groups
- Members of the Fostering Panel
- Opposition spokespersons (Shadowing Cabinet Portfolios - One per political group per portfolio).

9.1.3 The Panel is aware that the original framework of Special Responsibility Allowances was established using a formula approach based on multiples of the Basic Allowance. The Panel agrees that although there has been a move away from this approach in recent years in order to concentrate on boosting the Basic Allowance, this approach has established a framework of allowances that generally reflects the differentials between the various special responsibility roles.

9.1.4 The Panel notes that all of Solihull's Special Responsibility Allowances are below the West Midlands average for comparable roles, and many are the lowest in the region. However the Panel has not received any representations to suggest that increasing the Special Responsibility Allowances above the rate of the staff pay award for 2023-24 would be justified.

9.1.5 The Panel therefore recommends that the Special Responsibility Allowances (with the exception of the Audit Committee Chair, which is covered in section 10 below) be increased in 2023-24 by 3.5% or the level of the staff pay award for 2023-24, whichever is the greater.

9.1.6 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 10).

10. Audit Committee Chairman's Allowance

- 10.1.1 The Panel was asked in 2022 to review the Special Responsibility Allowance for the Independent Chairman of the Audit Committee. Last year the Panel recommended that the allowance be set at £1,752 as an interim figure and agreed to consider this allowance further during the current year.
- 10.1.2 The Panel was presented with data to enable a comparison to be made with the Audit Committee Chair's allowance in the other West Midlands Metropolitan Authorities. The Panel notes that the allowances paid by comparable authorities across the West Midlands range from £4,698 to £10,000.
- 10.1.3 The Panel reviewed data which showed the number of meetings and the average amount of time spent in Audit Committee meetings each year. The Panel was also presented with the Terms of Reference of the Audit Committee, the CIPFA Guidance that sets out the role and functions of local authority Audit Committees, and a summary of the items considered by the Audit Committee over the past 12 months.
- 10.1.4 The Panel met with the Director of Resources and Deputy Chief Executive and discussed the Audit Committee's functions and the role of the Independent Committee Chairman.
- 10.1.5 The Panel noted that the role of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the Council's financial reporting and governance processes. The Committee is frequently called upon to scrutinise some of the most complex and sometimes sensitive audit and risk management matters which face the Council and the Panel is of the view that the allowance paid to the Chairmen should reflect this as well as the significant workload in keeping abreast of the Council's governance processes.
- 10.1.6 The Panel recognised that the role of Audit Committee Chair is broadly comparable with the role of Chair of Governance Committee and therefore recommends that going forward the Special Responsibility Allowance should be set at the same rate.

11. Dependents' Carers' Allowance

- 11.1.1 The Panel views this Allowance as one of the enablers for Members from diverse backgrounds to stand for Council, and recommends that the Dependents' Carers' Allowance should remain in place.
- 11.1.2 The Panel has previously acknowledged that the care costs for a child are generally less than the cost of care for a dependent 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 adult dependents.
- 11.1.3 The Panel notes that there may be circumstances in which exceptions need to be made, such as care for a disabled child who may need more complex care or

care for an adult with very complex needs, and recommends that authority be given to the Head of Legal & Democratic Services to consider exceptional claims on the individual merits of the case.

12. Travel/Subsistence Allowance

- 12.1.1 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 10).
- 12.1.2 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, including an allowance for bicycle use.
- 12.1.3 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.
- 12.1.4 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.
- 12.1.5 The IRP proposes a minor 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.
- 12.1.6 Expenses should continue to be reimbursed in respect of actual expenditure which has been reasonably and necessarily incurred having regard to the nature of the meeting, however the Panel recommends that this provision should expressly exclude claims for alcoholic drinks. In practice the Panel understands that subsistence claims will be made only where Councillors attend meetings that are not held in the Civic Suite.
- 12.1.7 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.

13. Index Adjustment

- 13.1.1 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.
- 13.1.2 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.

13.1.3 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.

14. Review

14.1.1 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 2023 - 24. The Panel recommends that the Allowances Scheme be further reviewed for the 2024-25 financial year.

SOLIHULL INDEPENDENT REMUNERATION PANEL MEMBERS

Mr David Billingham

A resident of Solihull, 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 Director of HR Transformation and interim Director of Talent & Development for Mitie plc. He is a current member of the UK Government's Armed Forces Pay Review Body and has been a member of the Independent Remuneration Panel since 2007.

Mrs Patricia Smith (Chairman)

Patricia is a retired resident of Solihull and a former non-executive director and vice-chair of Solihull Community Housing, where she was a member of the Audit and Risk 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 former non-executive director at Birmingham and Solihull Mental Health NHS Foundation Trust. She works as a civil servant and 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 Year 2023 - 2024

Basic Allowance	£11,500
Special Responsibility Allowances*	£ <i>Indicative*</i>
Leader of the Council	26,429
Deputy Leader of the Council	16,175
Cabinet Members	10,571
Chairmen, Overview & Scrutiny Boards	8,456
Chairman of Planning Committee	8,456
Chairman of Licensing Committee or Licensing Sub-Committee	4,229
Chairman of Governance Committee	4,229
Independent Co-opted Chairman of Audit Committee	4,229
Member of Fostering Panel	3,171
Group Leader (10 or more Councillors)	10,571
Group Leader (5-9 Councillors)	5,264
Group Leader (less than 5 Councillors)	2,644
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)	2,115
Spokesperson of a political group (Where the Group has less Members than the number of current places in the Cabinet)	1,058

* the Special Responsibility Allowances for 2023-24 to be increased by 3.5% or the level of the 2023 -24 staff pay award once determined, whichever is the greater. The figures above include a 3.5% increase.

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.