



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Independent Remuneration Panel – Final Report on Members Remuneration – Outcome of Review	To be marked with an 'X' by Democratic Services after report has been presented
Meeting of:	Corporate Management Team 15 Feb 2023	X
	Leader and Deputy Leaders 21 Feb 2023	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group 1 & 2 March 2023	X
	Cabinet [DATE] / Council 20 March 2023	
	Audit Committee [DATE] / Scrutiny Community Regeneration Committee [DATE] / Scrutiny Environment and Health and Well Being Committee [DATE] / Scrutiny Value for Money Council Services Committee [DATE]	



Is this an Executive Decision:	NO	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	Is the Report Confidential: If so, please state relevant paragraph from Schedule 12A LGA 1972:	NO []

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date ...07/02/2023..... Signature

Chief Finance Officer: **Sal Khan**

Date ...07/02/2023..... Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 20th March 2023

REPORT TITLE: Independent Remuneration Panel – Final Report on Members Remuneration – Outcome of Review

PORTFOLIO: Andy O'Brien

HEAD OF SERVICE: Andy O'Brien

CONTACT OFFICER: Andrea Davies Ext. No. x1306

WARD(S) AFFECTED: All

1. Purpose of the Report

- 1.1. To consider the recommendations of the Independent Remuneration Panel on Members allowances.

2. Background

- 2.1. The Council is required to undertake a review of its Members' Allowances scheme by its Independent Remuneration Panel under the 4 year rule. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the '2003 Regulations') require all local authorities to establish and maintain a Panel that must be convened to provide advice on Members' allowances before a Council changes or amends its allowances scheme.
- 2.2. At the meeting of the Council held on 12th December 2022, the Council reappointed Dr Declan Hall, Mr Paul Laffey, Mr Simon Chapman and Mr Shaid Hussain to the Panel and agreed their terms of reference.
- 2.3. An Independent Remuneration Panel produced its first report on a Review of Members Allowances in November 2002. This was followed by further reviews in respect of Pensions, Travel and Subsistence and Co-optees Allowances (July 2003) and Pensions and Licensing Panel Members'

Allowances (February 2004), a fourth report (May 2007), a fifth report (March 2011) and supplementary report on a review of special responsibility allowances for the Chairmen of the Audit Committee and of the Relevant and Better Value Scrutiny Committee. The sixth report was produced in March 2015. The seventh report was produced in March 2019 and the supplementary report on Cabinet Support Members was produced in October 2019. A further report on the review of Special Responsibility Allowances for the Chairs of Scrutiny and Audit Committees was produced in February 2022.

3. Contribution to Corporate Priorities

- 3.1. The report contributes to all Corporate Priorities of the Council but specifically Value for Money Council Services.

4. Report

- 4.1. The report of the Independent Remuneration Panel is attached for consideration. The proposals from the Panel are set out in the Executive Summary of the report (pages 1 to 3) and it is recommended that these be adopted.
- 4.2. The main points arising out of the recommendations from the Panel are as follows:
- 4.2.1. No change to Basic Allowance (BA) and co-optees allowance;
 - 4.2.2. A decrease of £1,062 for the Special Responsibility Allowance (SRA) for the Leader of the Opposition from £8,858 to £7,796;
 - 4.2.3. No change to other SRAs;
 - 4.2.4. No change to Co-optees Allowances;
 - 4.2.5. Clarification for mileage claims - where a Member is claiming mileage allowance by travelling in a hybrid or electric vehicle then the standard HMRC rates are applicable;
 - 4.2.6. Dependent Carers Allowance (DCA) – clarification that 2 different categories of care be recognised and payable as follows:
 - Childcare – maximum hourly rate at National Living Wage (£10.42 from 1 April 2023);
 - Elderly/Disabled care – maximum hourly rate at eh median hourly rate charged by Staffordshire County Council Social Services Department for a Home Care Assistant;And that a claim can be made for an informal babysitter as long as the carer is not a member of the claimant's family, but receipts are still required.

- 4.2.7. Continuation of indexation – BA, SRA and Co-optees allowances indexed to the annual percentage salary increase for Local Government staff (At new spinal column 43);
- 4.2.8. Continuation Councillor attendance monitoring – withholding of the 12th monthly instalment of any BA and SRA monies due if the Councillor has not attended at least 75% of the meetings which they are due to attend by the end of the municipal year and withholding of both the 11th and 12th monthly instalment of any BA and SRA monies due if the Councillor has not attended at least 50% of the meetings which they are due to attend by the 10th month of the municipal year;
- 4.2.9. Clarification of Member attendance following changes made to the Constitution (Part 3a Section 7 of the Constitution - Substitutes) – where a Member appoints a substitute to attend a meeting on their behalf if they are unable to attend then the meeting attended by the substitute should be counted against their attendance target and for the Member sending a substitute that the relevant meeting is discounted against their attendance target:
- 4.2.10. Clarification of Member attendance following adoption of Parental Leave Policy:
- Where a Members is on parental leave then they are exempt from the attendance targets and their BA and SRA (If applicable) should continue to be paid in full;
 - Where a Member is filling in for another Members on parental leave and the Member on parental leave is in receipt of an SRA then the meetings attended by the Member filling in are counted towards their attendance targets.

5. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

- 5.1 The main financial issues arising from this Report are as follows:

Revenue	2023/24	2024/25	2025/26
Reduction in SRA for Leader of the Opposition (largely reflected in the MTFs 2023/24 onwards)	(1,062)*	(1,062)*	(1,062)*
*Subject to indexation as per 4.2.7			

6. **Risk Assessment and Management**

- 6.1. The main risks to this Report and the Council achieving its objectives are as follows:

6.2. **Positive** (Opportunities/Benefits):

6.2.1. The Council will be complying with the consolidated regulations for Local Authority Allowances and has been advised by independent people.

6.3. **Negative** (Threats):

6.3.1. Non-compliance with statutory regulation

6.4. The risks do not need to be entered in the Risk Register.

7. **Legal Considerations**

*This section has been approved by the following member of the Legal Team:
John Teasdale*

7.1. There are no significant legal issues arising from this Report.

7.2. The Council will be complying with the Local Authorities (Members' Allowances) (England) Regulations 2003.

8. **Equalities and Health**

8.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised.

9. **Data Protection Implications – Data Protection Impact Assessment (DPIA)**

9.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

9.2. Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

10. **Human Rights**

10.1. There are no Human Rights issues arising from this Report.

11. Sustainability (including climate change and change adaptation measures)

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A

12. Recommendation(s)

12.1. That the recommendations as detailed in the executive summary (page 1 to 3) of appendix 1 of this report be approved as follows:

The Panel recommends that the Basic Allowance and SRAs be paid as set out in the table below

ESBC IRP Recommendations Allowances Review February 2023					
Post	Basic Allowance	Special Responsibility Allowance	No's Payable	Maximum Payable Per Member	Sub Totals
All Members (37)	£5,242		37	£5,242	£193,954
Leader	£5,242	£19,489	1	£24,731	£19,489
Other Cabinet Members	£5,242	£8,858	5	£14,100	£44,290
Cabinet Support Member	£5,242	£4,429	1	£9,671	£4,429
Chair of Planning	£5,242	£7,441	1	£12,683	£7,441
Chair Licensing	£5,242	£6,495	1	£11,737	£6,495
Chairs of Scrutiny	£5,242	£3,897	3	£9,139	£11,691
Chair of Audit	£5,242	£3,897	1	£9,139	£3,897
Chair of Standards	£5,242	£1,557	1	£6,799	£1,557
Leader of Main Opposition Group	£5,242	£7,796	1	£13,038	£7,796
Leader of (Minority) Opposition Group (with at least 4 Members)	£5,242	£1,063	1	£6,305	£1,063

Sub Total Basic Allowance			37		£193,954
Sub Total SRAs			16		£108,148
TOTAL					£302,102

The Panel recommends the following

The Basic Allowance inclusive of costs

That the Basic Allowance continues to be deemed to cover costs such as broadband, personal telephone and printing costs.

Other SRAs considered I – Members on the Planning & Licensing Committees

That the Members of the Planning and Licensing Committees are not paid an SRA.

Other SRAs considered II – Chairs of Working Groups

That the Chairs of Working Groups are not paid an SRA.

Co-optees’ Allowances – the Standards (X 2 + 2) and Audit (X 2) Committees

That the Co-optees’ Allowance remains at £233 per annum, subject to any applicable indexation going forward.

Subsistence Allowances

That the current rates payable for the Subsistence Allowances and the terms and conditions by which they may be claimed are maintained.

Travel Allowances

That the mileage allowance is not paid automatically in retrospect.

That the current rates payable for the Travel Allowances and the terms and conditions by which they may be claimed are maintained, with the addition of following clarification:

Where a Member is claiming mileage allowance by travelling in a hybrid or electric vehicles then the standard HMRC rates are applicable

The Dependants’ Carers’ Allowance (DCA)

That the DCA is maintain but amended to include the following clarifications:

That two different categories of care are recognised and payable as follows:

- Childcare - maximum hourly rate at National Living Wage (£10.42 from 1 April 2023)
- Elderly/disabled care – maximum hourly rate at the median hourly rate charged by Staffordshire County Council Social Services Department for a Home Care Assistant
- That a claim can be made for an informal babysitter as long at the carer is not a Member of the claimant’s family, but receipts are still required.

Continuation of Indexation

That the following allowances are indexed:

- **Basic, Special Responsibility Allowances, Co-optees' Allowances:**
 - Indexed to the annual percentage salary increase for local government staff (at new spinal pay column 43)
- **DCA:**
 - Childcare - maximum hourly rate at National Living Wage (£10.42 from 1 April 2023)
 - Elderly/disabled care – maximum hourly rate at the median hourly rate charged by Staffordshire County Council Social Services Department for a Home Care Assistant
- **Travel Allowances:**
 - Mileage: indexed to the HMRC rates
 - Other Travel: actual costs subject to most cost effective provisions
- **Subsistence and Overnight Allowances (Outwith Borough Only):**
 - Subsistence & Overnight Allowances: indexed to the maximum rates payable under the Officers Subsistence Scheme.

The IRP also recommends that the refreshed authority for the indexation of allowances is to commence from 1st April 2023 and to run for 4 years, the maximum period permitted under the legislation at which point the Council is required to seek further advice from the IRP.

Maintaining the withholding Allowances system –with some amendments

That the current 2 tier system of withholding allowances, the 12th remuneration instalment withheld if 75% of meetings are not attended, and the 11th instalment withheld if 50% of meetings are not attended is maintained.

That the current definition of meetings to count against the attendance thresholds be maintained.

The Impact of Substitutes (Part 3a Section 7 of the Constitution)

That where a Member appoints a substitute to attend a meeting on their behalf if they are unable to attend then the meeting attended by the substitute should be counted against their attendance target and for the Member sending a substitute that the relevant meeting is discounted against their attendance target.

Adoption of a Parental Leave Policy

For clarification purposes regarding measuring attendance for a Member on parental leave the IRP recommends that

- Where a Member is on parental leave then they are exempt from the attendance targets and their Basic Allowance, and SRA if applicable, then the Member on parental leave should continue to be paid in full while the Member filling in shall also be paid the applicable SRA on pro rata temporary basis subject to the 1 SRA only rule;

- Where a Member is filling in for another Member on parental leave and the Member on parental leave is in receipt of an SRA then the meetings attended by the Member filling in are counted towards their attendance targets

Implementation

That recommendations regarding the indexation of the Basic Allowance, SRAs, Co-optees' Allowance, Travel and Subsistence Allowances and the DCA from 1st April 2023.

All other recommendations, to be implemented from the date of the Annual Council Meeting on 19th May 2023.

13. Background Papers

- 13.1. First Report on a Review of Members Allowances (November 2002);
- 13.2. Supplementary Report on Review of Pensions, Travel and Subsistence and Co-Optees Allowances (July 2003);
- 13.3. Supplementary report on Pensions and Licensing Panel Members' Allowances (February 2007);
- 13.4. Fourth Report on a review of Members Allowances (May 2007);
- 13.5. Fifth Report on a Review of Members Allowances (March 2011);
- 13.6. Supplementary Report on review of special responsibility allowances for the Chairmen of the Audit Committee and of the Relevant and Better Value Services Scrutiny Committee (May 2013);
- 13.7. Sixth Report on a Review of Members Allowances (March 2015);
- 13.8. Seventh Report on a Review of Members Allowances (March 2019).
- 13.9. Supplementary Report on review of Special Responsibility Allowances for Cabinet Support Members (October 2019)
- 13.10. Supplementary Report on Review of Special Responsibility Allowances for the Chairs of Scrutiny and Audit Committees (February 2022)

14. Appendices

- 14.1. Appendix 1: A Review of Members Allowances for East Staffordshire Borough Council the Eighth report by the Independent Remuneration Panel.