

ANNUAL REPORT OF THE INDEPENDENT REMUNERATION PANEL

2017-2018

BIRMINGHAM CITY COUNCIL

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FOREWORD

The Independent Remuneration Panel met in late 2017 and early 2018 to review the basic allowance, in line with the principles set out in the full 'root and branch' review of the Member Allowances Scheme completed three years ago.

The Panel reviewed the evidence for the basic allowance, including that given by councillors in an open session in December 2017, and has recommended an increase of 2% for the coming year. The Panel will review the basic allowance again in the 2018/19 year, after the new ward arrangements have been in operation. Co-optees' allowances should also increase by 2%, in line with the Basic Allowance.

The Panel received limited new evidence on Special Responsibility Allowances and recommends that these remain unchanged. Following advice that the intention is to remove the roles of Assistant Leaders (subject to agreement by City Council), the Panel did not review these roles and does not expect that this SRA will form part of the Member Allowances Scheme in the new municipal year. As in previous years, should further changes be made to the Constitution in May, the Panel will reconvene to consider any change in the new municipal year.

In addition, the Panel was asked to consider whether a maternity/paternity/adoption leave policy should be introduced. After taking evidence from councillors, and reviewing practice elsewhere, the Panel agreed to recommend that such a policy should be implemented; and that that policy should include provision for maternity/paternity/adoption leave.

I would like to thank all those councillors and officers who gave evidence for their valuable contributions; and to Ingrid Whyte, Senior Finance & Purchasing Officer (Democratic Services) and Emma Williamson, Head of Scrutiny Services, for their help in producing this report.

Sandra Cooper,
Chair
March 2018

MEMBERS' ALLOWANCES

1. Basic Allowance

As in previous years, the Panel has worked within the requirements of the Local Government Act 2000 and the accompanying Guidance and Regulations on members' allowances in making its recommendations for 2018/19.

The Panel reaffirms the principles of the Birmingham Councillors' Allowances Scheme set out in previous reports. The key factors which the Panel takes into account remain:

1. The promotion of a healthy democracy by reducing financial disadvantage as a barrier to people from a wide range of backgrounds and a wide range of skills standing for election or serving as Councillors.
2. The maintenance of an ethic of voluntary public service and the need to reflect this within the Basic Allowance (BA) paid to all Councillors.
3. Councillors should not expect nor receive a full-time salary.

Setting the 2018/19 Basic Allowance

The "root and branch" review of the basic allowance (October 2013) proposed that the ASHE (Annual Survey of Hours and Earnings), place of work by local authority area (Birmingham) for a full time male, is used to set the basic allowance.

Having reviewed the chosen comparator, the Panel has agreed to retain the link with ASHE. Applying the ASHE rate would result in an increase of £1,731 (approx. 10%). However, in considering whether to recommend such an increase, the Panel also took into account other factors.

	CURRENT RATE	ASHE 2017	PROPOSED RATE	
<i>Gross min. time (3 days x 52 weeks)</i>	156.00	156.00	156.00	<i>days p.a.</i>
<i>x Baseline per day</i>	<u>132.93</u>	<u>147.72</u>	<u>135.70</u>	

In November 2017 the Panel met with the Group Secretaries and, in December 2017, the panel held an open session for all councillors. The majority of councillors the Panel spoke to were in favour of an increase: the suggestions ranging from a 2% rise to a 23% rise. Most, however, were in favour of a modest rise, perhaps in line with that of council officers.

The main reason for this was to reflect the anticipated increased workloads with the reduction of the number of councillors and introduction of one and two member wards in May 2018. Other reasons for an increase cited included: the loss of the councillor pension scheme; the reduced support available to members from the council and the need to attract younger councillors. Councillors also suggested that additional allowances for licensing or scrutiny members should be considered to reflect the increased workloads expected with the reduction in the number of councillors to carry out these and other council governance responsibilities. Another suggestion was that travel and other expenses are converted into an increased allowance for all councillors, as it was reported that there is some reluctance amongst members to claim these, as these are published annually. Members also raised the disparity in allowances for sitting on outside bodies.

The Panel also asked members whether the current assumption of three days a week for council work was correct; the majority concurred that it was.

Finally, the Panel again reviewed the current basic allowance alongside that for councillors in the core cities and in the West Midlands region, and found that Birmingham's basic allowance remains amongst the highest in this comparator group.

Given the combination of these factors, the Panel is therefore recommending that the Councillors' Basic Allowance increase by 2%. There have been a number of years with no increases, and in the light of this the recommended 2% is considered to be modest and appropriate.

The Panel will review the basic allowance in the 2018/19 year, after the new ward arrangements have been in operation, and will take further evidence from councillors.

2. Special Responsibility Allowances (SRA)

The Panel received limited evidence on special responsibility allowances and were of the view that these should remain unchanged, in line with the basic allowance.

The Panel notes the removal of the posts of District Committee Chairs from the Constitution and that these will no longer be part of the Members Allowance Scheme.

The Panel had intended to review the posts of Assistant Leaders in this municipal year; however we have been advised of the intention to remove these roles (subject to agreement by City Council). Our expectation therefore is that this SRA will not form part of the Member Allowances Scheme in the new municipal year.

Should further changes be made to the Constitution in May, the Panel will reconvene to consider any change in the new municipal year.

3. Co-optees' Allowances

The Panel took no new evidence on co-optee allowances and was of the view that these should remain in line with the basic allowance. Therefore the Panel recommends an increase of 2% for co-optees allowances.

4. Carers' Allowances

In 2012, the City Council agreed to adopt the Living Wage for all its employees, and subsequently extended this to externally-contracted care sector workers from October 2014.

In 2015, the Panel recommended that the Independent Carers' Allowance adopt the change from the National Minimum Wage to the Living Wage, currently at £8.75 per hour.

The Panel therefore recommends that this continues for 2018/19 and that this continues to track the Living Wage in the future.

The professional care (hourly rate) is based on the Council's rate for a Care Assistant. After making enquiries, the Panel found that the rate is now graded as a Grade 2 post and agreed to take the mid-range spinal point currently at £8.81 per hour (at time of writing).

5. Travel expenses and Subsistence Allowances

The Panel considered the proposal that travel and subsistence allowances form part of the Basic Allowance; but decided against this change. The Panel therefore recommends that these continue to reflect the Council's Scheme for officers.

The Panel emphasised the need to ensure that the list of approved duties for which such expenses can be claimed is kept up to date and in accordance with all relevant legislation.

6. Parental Leave Policy

At the start of the year, the Panel undertook to consider submissions with regards to a maternity policy.

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however, an election is held during Members' parental leave and they are not re-elected, or decide not to stand for re-election, the basic allowance will cease from the date when they are no longer a Member.

Similarly, Members entitled to a Special Responsibility Allowance will also continue to receive this allowance during parental leave in line with the City Council employee policy (i.e. for weeks 1 to 6, 90% of the SRA, and weeks 7 to 18, 50% of the SRA). If, however, an election is held during Members' parental leave and they are not re-elected, or decide not to stand for re-election, or are removed from the post which attracts the SRA, the SRA will cease from the date when they are no longer a Member or no longer hold the post.¹

The Panel expects that any replacement to cover the period of absence is appointed by Council or the Leader of the Executive (or in the case of a party group position, the party group) then that individual will be entitled to claim an SRA for that period of absence.

The policy should also mirror the City Council's policy with regards to shared maternity/paternity rights.

The Panel will review this in light of any future evidence.

¹ Legal advice was obtained in determining these recommendations.

Appendix 1: Proposed Members' Allowances Rates (from May 2018)

BASIC ALLOWANCE (per annum unless otherwise stated)

£

16,592.00

SPECIAL RESPONSIBILITY ALLOWANCE (per annum unless otherwise stated)

CO-OPTEE ALLOWANCES (*per annum*)

£

CARERS' ALLOWANCES

Appendix 2: Membership of the Independent Remuneration Panel

Chair of the Panel

Sandra Cooper, Citizen Representative, Stirchley

Council Appointees

David Grainger

Sajid Shaikh

Citizen Representatives

Graham Macro, Sutton Coldfield

Jacqui Francis, Kings Norton

Rose Poulter, Moseley and Kings Heath (Deputy Chair)

Co-opted Members

Former Elected Member Malcolm Cornish

Honorary Alderman Peter Kane