

WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE

31 JANUARY 2020

REPORT SUMMARY SHEET

REPORT OF THE INDEPENDENT REMUNERATION PANEL

Purpose

To receive and consider the recommendations of the Independent Remuneration Panel.

Summary

1. The full report of the Panel is set out at Appendix 1.
2. The Panel was guided by the following general principles:
 - The Panel would make recommendations that recognised, and were consistent with, the allowances schemes of the constituent authorities;
 - *The Panel would take account of the financial and economic climate but in doing so the Panel would take into consideration the importance of ensuring allowances were fairly set to enable engagement from across all the communities of the constituent authorities.
3. The Panel was particularly asked to consider whether additional roles should be identified as appropriate for allowances, in particular:
 - Chair of Scrutiny
 - Chair of Audit
 - Independent Audit Committee member
 - Independent Chair of the Hearings Sub Committee
4. In determining their recommendations, the Panel recommended there should be a more detailed review commencing soon when they would wish to revisit their recommendations in the light of more evidence including evidence from interviews with the Mayor, Deputy and other members of WECA.

Recommendations

That the committee consider the recommendations of the Independent Remuneration Panel, which are as follows:

Recommendation 1: Chair of Overview and Scrutiny to receive an annual allowance set at 5% of the Mayoral Allowance, £3,100 to take effect from 1st January 2020.

Recommendation 2: Chair of Audit Allowance to receive no allowance.

Recommendation 3: Independent Member of Audit to receive an annual allowance set at 1% of the mayoral allowance, £650.

Recommendation 4: Independent Chair of the Hearings Sub Committee to receive an allowance of £256 per day when participating in a Hearing.

Recommendation 5: The Panel recommends that WECA looks to appoint separate individuals for the Independent roles at recommendations 3 and 4 given the different skill base required.

Recommendation 6: The Panel reiterates the point made in their review of September 2019 that there should be a more detailed review when they would wish to revisit the recommendations of both the September report and this report together with interviews with the Mayor, Deputy and Chairs of Overview and Scrutiny and Audit. This full report to be considered at the annual meeting of the West of England Combined Authority scheduled for June 2020

Contact officer: Shahzia Daya

Position: Director of Legal Services

Email: Shahzia.Daya@westofengland-ca.gov.uk

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
COMMITTEE**

DATE: 31 JANUARY 2020

REPORT TITLE:

REPORT OF THE INDEPENDENT REMUNERATION PANEL

DIRECTOR: SHAHZIA DAYA, DIRECTOR OF LEGAL SERVICES

AUTHOR: SHAHZIA DAYA, DIRECTOR OF LEGAL SERVICES

Purpose of Report

- 1 To receive and consider the recommendations of the Independent Remuneration Panel.

Recommendation

That the committee consider the recommendations of the Independent Remuneration Panel, which are as follows:

Recommendation 1: Chair of Overview and Scrutiny to receive an annual allowance set at 5% of the Mayoral Allowance, £3,100 to take effect from 1st January 2020.

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Recommendation 6: The Panel reiterates the point made in their review of September 2019 that there should be a more detailed review when they would wish to revisit the recommendations of both the September report and this report together with interviews with the Mayor, Deputy and Chairs of Overview and Scrutiny and Audit. This full report to be considered at the annual meeting of the West of England Combined Authority scheduled for June 2020

Background / Issues for Consideration

- 2 The full report of the Independent Remuneration Panel is set out at Appendix 1
- 2.1 The Panel was guided by the following general principles:
- The Panel would make recommendations that recognised, and were consistent with, the Allowances schemes of the constituent authorities;
 - The Panel would take account of the financial and economic climate but in doing so the Panel would take into consideration the importance of ensuring Allowances were fairly set to enable engagement from across all the communities of the constituent authorities.
- 2.2 The Panel was provided with the following information:
- The statutory framework of the combined authority;
 - The previous IRP Report of September 2019;
 - Terms of Reference and meeting frequency information for the Audit and Scrutiny Committees;
 - Benchmarking information from other combined authorities, Core Cities and SW Authorities;
 - Relevant Survey results from a survey of current members undertaken to inform the review in September
 - Notes from the Chair of the Audit and the Overview and Scrutiny Committees.
- 2.3 The Panel was asked to consider whether additional roles should be identified as appropriate for allowances, in particular:
- Chair of Scrutiny
 - Chair of Audit
 - Independent Audit Committee member
 - Independent Chair of the Hearings Sub Committee
- 2.4 In determining their recommendations, the Panel recommended there should be a more detailed review commencing soon when they would wish to revisit the recommendations set out above in the light of more evidence including evidence from interviews with the Mayor, Deputy Mayor and other members of WECA.

Consultation

- 3 The Panel took account of survey and individual responses as set out in their full report at Appendix 1.

Public Sector Equality Duties

- 4 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and

those who do not.

4.1 The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

4.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

4.3 There are no specific implications in relation to this report.

Finance Implications:

5 Members allowances are funded through an approved drawdown of the Investment Fund each year as part of the Mayoral budget setting. 2019/20 in-year budget monitoring will be adjusted following the approval of the recommendations within this report. Likewise, budget setting for 2020/21 will incorporate the recommendations as approved.

Advice given by: Malcolm Coe.

Legal Implications:

6 The Panel has undertaken its work in line with the Local Government (Members Allowances) Regulations 2003 and Article 8 of the West of England Combined Authority Order 2017

Advice given by: Shahzia Daya, Director of Legal Services

Land/property implications

7 None

Human Resources Implications:

8 There are no direct impact on human resources in relation to the contents of this report

Advice given by Alex Holly

Appendices:

Appendix 1 – Report of the West of England Combined Authority Independent Remuneration Panel

Background papers:

None

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: democratic.services@westofengland-ca.gov.uk

DRAFT

**REPORT BY THE WEST OF
ENGLAND COMBINED AUTHORITY
INDEPENDENT REMUNERATION
PANEL**

January 2020

SUMMARY OF RECOMMENDATIONS

These recommendations are in addition to those contained in the Panel's Report of September 2019. The Panel was subsequently asked to consider potential Special Responsibility Allowances for a number of other roles, the recommendations on these are outlined below:

RECOMMENDATION 1: Chair of Overview and Scrutiny to receive an annual allowance set at 5% of the Mayoral Allowance, £3,100 to take effect from 1st January 2020.

RECOMMENDATION 2: Chair of Audit Allowance to receive no allowance.

RECOMMENDATION 3: Independent Member of Audit to receive an annual allowance set at 1% of the mayoral allowance, £650.

RECOMMENDATION 4: Independent Chair of the Hearings Sub Committee to receive an allowance of £256 per day when participating in a Hearing.

RECOMMENDATION 5: The Panel recommends that WECA looks to appoint separate individuals for the Independent roles at recommendations 3 and 4 given the different skill base required.

RECOMMENDATION 6: The Panel reiterates the point made in their review of September 2019 that there should be a more detailed review when they would wish to revisit the recommendations of both the September report and this report together with interviews with the Mayor, Deputy and Chairs of Overview and Scrutiny and Audit. This full report to be considered at the annual meeting of the West of England Combined Authority scheduled for June 2020

Draft

WEST OF ENGLAND COMBINED AUTHORITY (WECA): INDEPENDENT REMUNERATION PANEL

ADDITIONAL REPORT ON MEMBERS' ALLOWANCES 2019/20

Introduction

1. The Local Government Act 2000 and the Local Government (Members Allowances) Regulations 2003 set the framework for making a Scheme of Allowances. There is a requirement to establish and maintain an Independent Remuneration Panel (IRP) to make recommendations. The West of England Combined Authority Order 2017 established the West of England Combined Authority. Article 8 states:

‘The Combined Authority may only pay an allowance to the Mayor or to a member or substitute member of the Combined Authority if-

 - a) The Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members’ Allowances) (England) Regulations 2003 which contains recommendations for such an allowance and
 - b) The allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel’.
2. WECA is made up of three of the councils in the region – Bath & North East Somerset, Bristol and South Gloucestershire. The West of England Combined Authority (WECA) agreed to the appointment of an IRP that would bring together members of the Independent Panels in the constituent authorities. The Panel’s first Report was completed in September 2019 and they were subsequently asked to consider additional allowances.
3. As a result of the need for a tight timescale for this subsequent review by the WECA Panel it was not possible for all members to be involved in this review.
4. The WECA Panel members for this review were:
 - Ronnie Alexander
 - William Alexander
 - Steve Birch
 - John Maslen (Chair)

5. Ronnie Alexander is also member of the Bristol Panel members and the other three are members of the South Gloucestershire Panel. Members of the Bath and North East Somerset were unable to attend.
6. The Combined Authority Panel met on 7th January 2020.
7. The Panel was provided with the following information:
 - The statutory framework of the combined authority;
 - The previous IRP Report of September 2019;
 - Terms of Reference and meeting frequency information for the Audit and Scrutiny Committees;
 - Benchmarking information from other combined authorities, Core Cities and SW Authorities;
 - Relevant Survey results from a survey of current members undertaken to inform the review in September
 - Notes from the Chair of the Audit and the Overview and Scrutiny Committees.
- The Panel was asked to consider whether additional roles should be identified as appropriate for allowances, in particular:
 - Chair of Scrutiny
 - Chair of Audit
 - Independent Audit Committee member
 - Independent Chair of the Hearings Sub Committee
8. The Panel received officer support from Shahzia Daya, WECA Director Legal Services. The Panel was also supported by Bryony Houlden, Chief Executive of South West Councils as an independent adviser.

General Principles of Review

9. The Panel had previously agreed some general principles to guide their review and they remained of the view these were appropriate for this additional review:
 - The Panel would make recommendations that recognised, and were consistent with, the Allowances schemes of the constituent authorities;
 - The Panel would take account of the financial and economic climate but in doing so, the Panel would take into consideration the importance of ensuring Allowances were fairly set to enable engagement from across all the communities of the constituent authorities.

PROPOSED ADDITIONS TO SCHEME OF ALLOWANCES

Chair of Overview and Scrutiny

10. The WECA Overview & Scrutiny Committee is made up of 11 members. Currently no allowances are paid.
11. The Panel has considered evidence from benchmarking along with the survey response from WECA members which showed that 60% of responders supported an allowance for this role with views on the level between 5 - 60% of the mayoral allowance. New evidence in front of the Panel was a note from the Chair of Overview and Scrutiny setting out his views on the workload and responsibilities.
12. The Panel agreed this is an important role. The amount of evidence and the benchmarking information was slim, and they would wish to review the role in detail at the forthcoming full Review. **The Panel recommend the Chair of Overview and Scrutiny should have an allowance set at 5% or the mayoral allowance, £3,100.**

Chair of Audit

13. The WECA Audit Committee is made up of 12 members from the constituent authorities plus one independent member. Currently no allowances are paid.
14. The Panel has considered evidence from benchmarking and the survey response which showed that 40% of responders supported an allowance for the Chair of Audit. New evidence in front of the Panel was a note from the Chair of Audit setting out his views on the workload and responsibilities. He was of the view that the role was currently not onerous. **The Panel recommends no allowance should be paid to the Chair of Audit**, but they would wish to revisit at the full Review.

Independent member of Audit

15. The survey response showed that 45% of responders supported an allowance for the Independent member of Audit. The Panel considered the benchmarking information provided. They were of the view that it was important to attract someone to this role with the right skills, they also posed the question whether at a point in time the person might take on the role of Chair but recognised that this is a matter that the Combined Authority may wish to consider when it reviews the constitution and the committee Terms of Reference.
16. **The Panel recommends an allowance should be offered for the Independent member of Audit and set at 1% of the mayoral allowance, £650.**

Independent Chair of the Hearings Sub Committee

17. The survey did not ask about this role. Amongst the Panel members there was experience from sitting on a Welsh Standards Committee which was helpful in the debate.
18. Given the number of Councillors on the Combined Authority, the amount of business going to an actual Hearing is likely to be limited. **The Panel therefore**

recommended an allowance based on attendance at an actual Hearing and that this should be set at £256 per day which is in line with what is paid by neighbouring Welsh authorities which seemed a reasonable benchmark. Members were clear that there should be an expectation on Independent members that they acted as a critical friend to officers, read papers, took calls etc in the run up to and in between hearings with no additional recompense.

Joint Audit and Hearing Sub Committee members

19. The Panel debated whether the same independent members could sit on both Audit and the Hearings Sub Committee but were very much of the view that different skills were required and that the roles should therefore be separate. The advertisements for these roles should make it clear as to what is expected for each role and the allowance being offered.

Future Review

20. The Panel were clear that the next Review needed to look in depth at all of the allowances and to that end they would wish to meet all of the recipients of allowances as a minimum.

January 2020