

Sandwell Metropolitan Borough Council

Review of the Members Allowances Scheme 2025/26 by the Independent Remuneration Panel

Findings and Recommendations

May 2025



INTRODUCTION

1. Background

- 1.1 This report contains the recommendations of the Independent Remuneration Panel (IRP), following its review of the scheme of Members' Allowances for Sandwell Metropolitan Borough Council. The report also sets out the approach taken by the Panel, and any rationale for its recommendations.
- 1.2 The IRP was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003. These regulations provide for the requirement for all local authorities to maintain an independent remuneration panel to review and provide advice on the Council's members allowances. The Council, in accordance with the regulations, retains decision making powers and responsibilities to determine the scope and levels of allowances.
- 1.3 All Councils are required to convene and seek advice from the IRP before they make any changes to their scheme of allowances and must do so having considered any recommendations from the IRP.

2. Terms of Reference

- 2.1 In accordance with the Regulations, the Panel makes recommendations to be considered by the Council, for the purpose of recommending a Members Allowance Scheme that establishes:
 - 2.1.1 The amount of the Basic Allowance that should be payable to elected Members;
 - 2.1.2 The responsibilities or duties for which should lead to the payment of a Special Responsibility Allowance (SRA) and to the amount of such an allowance;
 - 2.1.3 The responsibilities or duties for which a travelling and subsistence allowance can be paid and as to the amount of such allowances;
 - 2.1.4 Whether a Co-optees' Allowance should be paid and as to the amount of such an allowance;
 - 2.1.5 Whether Dependants' Carers' Allowance should be payable to elected Members, and as to the amount of such an allowance;
 - 2.1.6 Whether, if the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);
 - 2.1.7 Whether adjustments to the level of allowances may be determined according to an index and, if so, which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed.

3. Membership of the Panel

3.1 The Panel comprises the following representatives:

- 3.1.1 Mr Stewart Towe (Chair). Stewart is the former Chairman of the Black Country Local Enterprise Partnership Board and remains Chairman and Managing Director of Hadley Group, an Engineering Group, with its Head Office and fourth manufacturing site in the borough of Sandwell. Stewart is a Deputy Lieutenant.
- 3.1.2 Ashley Savell-Boss. Ashley Savell-Boss has over 30 years of experience in Funeral Directing, has served as a school Governor for over 30 years and chairs the multi academy trust 'Shireland Collegiate Academy Trust' based in Smethwick.
- 3.1.3 Ms Sylvia Parkin. Sylvia had a career in public sector employment and was the Regional Employer Engagement Officer for the WM RFCA and negotiated with Employers on the terms and conditions for Employment of Reserve Military Personnel. As a member of 2 Independent Remuneration Panels for other West Midland authorities, Sylvia brings significant direct experience to the panel.

METHODOLOGY AND CONSIDERATIONS

4. Methodology

4.1 The IRP met on Wednesday 16 April 2025. The IRP in carrying out its review considered:

- 4.1.1 the members allowance scheme 2025/26; to consider appropriate adjustments to the scheme in light of benchmarking data from other local authorities, the impact of inflation;
- 4.1.2 whether an allowance should be established for both co-opted independent members to the Audit and Risk Assurance Committee and independent persons dealing with code of conduct matters, and to propose an appropriate level of remuneration in both cases;
- 4.1.3 an ongoing review of members allowances to ensure these remain fair and enable diverse representation in Councillors, not limiting the ability to stand for public office, including the suite of supporting policies for Councillors relating to maternity, paternity, shared parental and adoption leave.

4.2 The review undertaken by the IRP incorporated consideration of benchmarking data, the impact of inflation, evolving committee structures, and the roles of independent members and parental support policies. The IRP's objective is to ensure the scheme remains fair, competitive, and reflective of councillors' responsibilities.

5. Consideration1: Members Allowance Scheme 2025/26

Impact of Inflation

- 5.1 The IRP had undertaken a comprehensive review of the Members Allowance Scheme in November 2022.
- 5.2 Whilst the IRP at the time had recommended an uplift to member allowances to ensure that allowances did not fall behind the cost of living, potentially deterring individuals from standing for office or continuing in their roles, the Council in May 2023 agreed that there would not be an indexed increase in the basic allowance in line with the staff pay award from April 2022.
- 5.3 The Panel felt that their previous recommendation should be reaffirmed to include an inflationary increase linked to staff allowances, however, where it is a blanket financial amount agreed nationally, this should be capped at 4% of the member's basic allowance per annum. This is for a period of 4 years.

Basic Allowance

- 5.4 Members allowances should not be viewed in the same way as a salaried role, and instead, in accordance with the statutory guidance on allowances, should recognise the time commitment of all councillors, including meetings with officers and constituents and should further provide for any incidental costs incurred or associated with the roles of the elected member.
- 5.5 In reviewing the basic allowance, the Panel gave consideration to the public service principle. This principle recognises that not all time associated with the role of an elected member should be remunerated and that there is an element of pro bono publico in being a member.
- 5.6 On average across English councils, 30-40% of the time involved is discounted for the basis of calculating the basic allowance.
- 5.7 The IRP has been mindful of its guiding principle that it has sought to reduce financial barriers to being an elected Member while ensuring that the remuneration and expenses received by Members represents value for money. The Panel also considered the financial implications arising from any changes to the Members Allowance Scheme and, recognising the current economic climate, have considered and made recommendations that, in the Panel's view, do not have a compounding effect on the Council's budgetary position.

- 5.8 A key consideration in reviewing the Members' Allowance Scheme is how Sandwell's allowances compare with those offered in other local authorities. To ensure the scheme is competitive and reflective of members' responsibilities, benchmarking data from comparable boroughs of a similar size to Sandwell had been collected. The Panel noted that Sandwell's basic allowance was amongst the lowest within the West Midlands, with the average basic allowance being set at £12,129. The IRP felt that Sandwell's basic allowance should be revised to reflect the average allowance of similar sized authorities.

New Committee Structures

- 5.9 As the Council considers a reorganisation of its committee structures, the new structure will likely create new roles and alter the responsibilities of certain members, particularly for those who receive a Special Responsibility Allowance for holding positions such as a Chairs or Vice-Chair of a Committee.
- 5.9.1 **Potential Role Changes:** The introduction of new committees may increase or decrease the workload for certain members, particularly those in leadership roles. For example, new committees may require additional time commitment or oversight, which should be reflected in allowances.
- 5.9.2 **Impact on Allowances:** Changes in committee structures could lead to an adjustment in allowances, especially for members assuming more significant roles, such as Chairs and Vice-Chairs. Allowances may need to be reviewed to ensure they are appropriately aligned with these evolving roles. With the potential introduction of new committees and the increased complexity of council operations, the roles of Chair and Vice-Chair may evolve, demanding additional time and expertise.
- 5.9.3 **Additional Responsibilities:** Members in these roles often take on substantial leadership and representational duties, such as chairing meetings, coordinating with officers, and ensuring the effective functioning of committees. These responsibilities may increase under the new committee structures.
- 5.9.4 **Allowance Adjustments:** It may be appropriate to uplift allowances for these positions to reflect the increase in duties and the level of responsibility involved.
- 5.10 Given the anticipated changes to committee structures in the new municipal year, the IRP was of the view that a further meeting should be convened to reassess Special Responsibility Allowances for roles such as Chairs and Vice-Chairs, once the new structure is agreed.

6. Consideration 2: Allowance for Co-opted Independent Members on Audit and Risk Assurance Committee and Independent Persons

- 6.1 Co-opted independent members play an essential role in supporting the work of the Council, especially in areas requiring external oversight and expertise. An independent person is a non-councillor who is suitably qualified for the role and brings specialist knowledge, expertise and insight, bringing an independent view to the council, reinforcing political neutrality.
- 6.2 The IRP noted that currently no allowance was provided for these members, other than for travel expenses, but a review of practices in other local authorities had been undertaken to assess the viability and fairness of introducing such an allowance.
- 6.3 The Council currently has two independent members on the Audit and Risk Assurance Committee (one acts as the Vice Chair of the Committee without remuneration). There are currently two independent persons assisting the Monitoring Officer with code of conduct casework.
- 6.4 The IRP considered:
 - 6.4.1 **Establishing an Allowance:** Consider whether an allowance should be introduced on an annual or meeting-basis for co-opted independent members and or Independent Persons to align with best practices in comparable authorities and ensure that the time and expertise of these members are properly compensated.
 - 6.4.2 **Allowance Structure:** to determine an appropriate allowance amount based on the benchmarks provided, if minded to agree an allowance. This could be an annual fee or a per-meeting payment, depending on the anticipated time commitment and the financial capacity of the Council and to consider that the allowances be subject to annual increases in line with the increase in allowances paid to councillors.
 - 6.4.3 **Review of Budgetary Implications:** Acknowledge the financial implications of introducing an allowance but weigh these against the long-term benefits of improved governance, recruitment, and retention of high-quality independent members.
 - 6.4.4 **Periodic Review:** Monitor any allowances established for co-opted independent members in line with the Members Allowances Scheme to ensure they remain competitive and fair.

Role of Co-opted Independent Members

- 6.5 Co-opted independent members are individuals who are appointed to contribute to specific committees, often providing specialist knowledge and impartial oversight. Their roles are typically linked to audit committees, standards committees, and other scrutiny or governance functions. These members are expected to attend meetings, review documents, contribute to discussions, and offer independent advice. Their work is integral to the effective functioning of the Council and its committees.

Role of Independent Persons in Standards Process

- 6.6 An independent person plays a key role in upholding and ensuring adherence to ethical standards. Their involvement is crucial for maintaining transparency, integrity, and accountability in the decision-making processes of the council.

Benchmarking Data for Co-opted Independent Member Allowances

- 6.7 A review of practices in other local authorities was carried out to gather data on whether allowances have been established for co-opted independent members, particularly in councils of a similar size and governance structure to Sandwell.
- 6.8 Among comparable councils, there was a mixed approach. Some offer allowances for co-opted independent members, while others only reimburse expenses. However, the majority of councils that provide allowances do so to ensure that their independent members are fairly compensated for the time and effort involved in their roles.
- 6.9 The payment of an allowance generally aims to enhance the quality and diversity of co-opted members by removing potential barriers for those who might otherwise be unable to dedicate significant time without compensation.

Potential Impacts

- 6.9.1 **Potential Recruitment Barriers:** Without an allowance, individuals with the necessary expertise may be discouraged from applying for co-opted roles, particularly those who are unable to commit time without financial compensation. This could limit the pool of candidates, potentially affecting the quality of independent oversight and scrutiny.
- 6.9.2 **Increased Financial Strain on Members:** While some independent members may not expect compensation, the expectation of unpaid work may disproportionately impact individuals from certain demographic or socio-economic backgrounds, reducing diversity and inclusion in committee representation.
- 6.9.3 **Perceived Lack of Value:** The absence of an allowance may signal a lack of recognition for the important role that co-opted independent members play in supporting good governance and ensuring the Council's transparency and accountability.

- 6.9.4 **Enhanced Recruitment:** By offering a financial allowance, the Council may attract a wider range of highly qualified individuals to co-opted positions, ensuring that committees benefit from independent oversight by individuals with diverse backgrounds and expertise.
 - 6.9.5 **Improved Retention:** Providing an allowance would recognise the value of the work performed by co-opted members, improving retention rates and ensuring continuity in committees that require independent advice and scrutiny.
 - 6.9.6 **Budget Considerations:** The approval of an allowance would have financial implications, requiring allocation of funds from the Council's budget. However, this cost may be offset by the improved quality of governance and the long-term savings associated with better decision-making and enhanced transparency.
 - 6.9.7 **Market Competitiveness:** In an increasingly competitive local government environment, offering allowances to co-opted members may align Sandwell with best practices in other authorities, ensuring that the Council remains attractive to potential candidates.
- 6.10 The IRP was of the view that co-opted independent members contribute significantly to the governance and scrutiny processes at Sandwell Council. Offering an allowance would serve to recognise their contributions, enhance the recruitment of high-calibre individuals, and ensure that the Council's governance frameworks remain robust and effective. Independent Persons play a key role in the assessment and determination of conduct and standards matters relating to members. Offering an allowance for their contributions, enhance the recruitment of high-calibre individuals, and ensure that the Council's governance frameworks remain robust and effective.

7. Consideration 3: Parental Leave Policy for Councillors

- 7.1 The Panel noted that Full Council on 18 March 2025 resolved to request the Independent Remuneration Panel (the Panel) to undertake an ongoing review of members allowances to ensure these remain fair and enable diverse representation in Councillors, not limiting the ability to stand for public office and give service to the community to those who can afford it, including the suite of supporting policies for Councillors relating to maternity, paternity, shared parental and adoption leave.
- 7.2 There is no uniform national policy to support councillors who require parental leave for maternity, paternity or adoption leave. According to the Fawcett Society (Does Local Government Work for Women, 2018) a '*lack of maternity, paternity provision or support*' is a real barrier for women aged 18-44 to fulfil their role as a councillor. The LGA has also developed a model policy that has been adopted by a number of councils.

- 7.3 The introduction of maternity, paternity, shared parental, and adoption leave for councillors is seen as a way to break down barriers to public office, particularly for those with caregiving responsibilities. These policies could encourage more women, parents, and people from diverse backgrounds to stand for election, thereby promoting inclusivity and a richer representation of the community in local government. Without such policies, the current system may disadvantage those with caregiving duties, disproportionately affecting individuals who might otherwise be unable to balance family responsibilities with the demands of a councillor role.

Benchmarking with Other Authorities

- 7.4 It is essential to assess whether similar measures have been implemented in other local authorities to understand their impact, benefits, and potential challenges. The Panel subsequently reviewed data from other councils where such policies had been introduced and considered best practices. Some authorities had already taken steps to integrate family leave policies for councillors. By reviewing these examples, the Panel was able to identify key learning points, including how the leave is structured, eligibility criteria, and the financial or operational implications for the council.

Policy and Allowance Considerations

- 7.5 A critical aspect of this motion was determining what type of allowances or financial compensation would be appropriate to support councillors on leave. These allowances would need to be adequate to ensure that councillors are not financially penalised for taking leave, whilst still being mindful of taxpayer interests.

Financial Implications and Impact on Taxpayer Money

- 7.6 Introducing parental leave policies would have financial implications, particularly if compensation was made available to councillors on leave. The Panel considered the cost of these policies, ensuring that they were sustainable, and that taxpayer money was spent efficiently. It will also be essential to assess how the payment of these allowances would impact the overall budget for the council and whether alternative funding models or mechanisms are required. Additionally, the Panel would need to consider how councillors' ability to take leave would impact the functioning of the council, particularly regarding council meetings, decision-making, and the potential for temporary replacement arrangements.

Employment Status and Benefits for Councillors

- 7.7 A key issue raised by this proposal is whether the introduction of maternity, paternity, shared parental, and adoption leave would result in councillors being considered employees, subject to the same benefits as full-time staff, such as sick pay, pension contributions, and other employment rights.

- 7.8 Currently, Sandwell's Members Allowance Scheme makes no provision for Members allowances during maternity, paternity, shared parental or adoption leave. However, the scheme does enable a dependent carers' allowance to be claimed to elected members "who incur expenditure for the care of children, for whom they are the primary carers, whilst undertaking approved duties with the proviso that this is only applicable to meetings held at Sandwell Council House and for use of the Sandwell Council House Workplace Nursery." It is recognised that a number of meetings are now held during the evening which would exclude utilising the nursery facility at the Council House for care of elected members children during the evening. The current provision also does not take into account the care of other dependents that are not children. The Panel therefore recommended that the dependent carers provision be amended in the members allowance scheme for members when attending a meeting for the purposes of the Local Government Act 1972.
- 7.9 The Panel noted that legislation states that an elected Member who does not attend a formal meeting of the Council for a period of 6 months ceases to be a Councillor, unless a meeting of full Council determines that they be granted a dispensation, and this is taken into account in other schemes. Within Sandwell, there are three elected councillors appointed to a ward. In the event that a councillor was currently on leave, it was expected that the remaining two members dealt with residents' queries and casework.
- 7.10 Whilst the IRP agreed that the introduction of maternity, paternity, shared parental, and adoption leave (i.e. parental leave) for councillors would work towards making local government more inclusive and accessible to a wider pool of candidates, addressing disparities related to caregiving responsibilities and ensure that people are not prevented from fulfilling a public service role due to family commitments, having taken into account the financial implications, impact on taxpayer money, and potential changes to councillor employment status, the Panel felt that a proposed policy should be developed for review and that a further meeting of the IRP should be scheduled to consider it.

Conclusion

- 7.11 The IRP's recommendations aim to ensure that the Members' Allowance Scheme reflects both best practice and fairness, encourages diversity, and recognises the evolving demands placed upon elected members and co-opted contributors. These changes also align with strategic objectives to support effective governance and inclusivity in local democracy.

FINDINGS & RECOMMENDATIONS

8. Findings and Recommendations

8.1 In considering all of the evidence the Panel was of the view that:

- 8.1.1 The decision of the Independent Remuneration Panel in November 2022 be reaffirmed in relation to applying an inflationary increase to members' allowances, linked to the local government staff pay award, for a period of 4 years, however, in recognition of budgetary constraints and fairness, where the national staff award is a flat-rate financial amount, the annual inflationary uplift will be capped at 4% of the Basic Allowance per annum.
- 8.1.2 With effect from 1 April 2025, Sandwell's Council's basic member allowance scheme be uplifted from £11,552 to £12,129, incorporating the inflationary indexation in 8.1.1 above.
- 8.1.3 Given the anticipated changes to committee structures post-May 2025, a further meeting be convened of the Independent Remuneration Panel to reassess Special Responsibility Allowances for roles such as Chairs and Vice-Chairs, once the new committee structure is agreed.
- 8.1.4 An allowance of £50 per meeting attended, plus travel costs, should be introduced for Independent Members of the Audit and Risk Assurance Committee and Independent Persons supporting standards work, with effect from the new municipal year 2025/26 and will be paid per meeting rather than as a flat fee.
- 8.1.5 The Scheme of Members Allowance for 2025/26 be amended in relation to dependent carers and replace the section relating to the care of children at the workplace nursery, as follows only for members whilst undertaking approved duties with the proviso that this is only applicable to meetings attended for the purposes of the Local Government Act 1972:
 - a) Allowances will be paid in respect of the expenses of a councillor in arranging for the care of their children or a dependant as are necessarily incurred for the purposes of the duties specified in Regulation 7 of the Local Authorities (Members' Allowances) (England) Regulations 2003
 - b) The allowance for childcare shall be the actual costs (supported by receipts) incurred not exceeding the hourly rate for the National Living Wage applicable to the age of the carer.
 - c) The allowance for adult dependants' carers shall be at the Council's own hourly rate for Home Care Assistance for care of other dependants per hour for the time spent, to be paid only on the production of a receipt issued by a professional carer.
 - d) Subject to Council approval, the Monitoring Officer consider exceptional claims for Dependents Carers Allowance on the individual merits of each case. No member may claim for a childcare/dependants' carers' allowance unless details of the arrangements and their proposed cost have been notified in advance to the Chief Executive.

- 8.1.6 Whilst the Independent Remuneration Panel are minded to approve a parental leave policy, a further report should be submitted for consideration by the Panel.

Independent Remuneration Panel

May 2025