

Sandwell Metropolitan Borough Council

Appendix A

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

Findings and Recommendations

June 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 Thursday 26 June 2025. The IRP in carrying out its review considered:

- 4.1.1 the introduction of a parental leave policy for Councillors relating to maternity, paternity, shared parental and adoption leave;
- 4.1.2 the introduction of a Special Responsibility Allowance (SRA) for the Vice Chair of the Audit and Risk Assurance Committee as the previous postholder was an independent member and as such, did not receive an allowance.

4.2 The review undertaken by the IRP incorporated consideration of benchmarking data and parental support policies. The IRP's objective is to ensure the scheme remains fair, competitive, and reflective of councillors' responsibilities.

5. Consideration1: Parental Leave Policy for Councillors Impact of Inflation

- 5.1 The Panel noted that Full Council on 18 March 2025 resolved to request the Independent Remuneration Panel (IRP) 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.
- 5.2 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.
- 5.3 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

- 5.4 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

- 5.5 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

- 5.6 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 considered 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

- 5.7 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.
- 5.8 On 13 May 2025, having considered the recommendations of the Panel, Council agreed that the dependent carers provision within the Members Allowance Scheme should be amended for members when attending a meeting for the purposes of the Local Government Act 1972.
- 5.9 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.
- 5.10 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. However, after considering the financial implications and the impact on taxpayers, the IRP concluded that whilst councillors should not be penalised for non-attendance due to parental leave and should continue to receive their basic allowance, it would not be appropriate to use taxpayer money to pay a Special Responsibility Allowance to a councillor who is absent and unable to carry out their duties. Therefore, the Special Responsibility Allowance should cease during the period of parental leave and should be allocated instead to the councillor assuming those responsibilities during the absence.

- 5.11 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.

6. Consideration 2: Consideration of Allowance for Vice Chair of Audit and Risk Assurance Committee

- 6.1 The IRP was asked to consider the introduction of a Special Responsibility Allowance for the Vice Chair of the Audit and Risk Assurance Committee. In previous years, the Vice-Chair position was held by an independent co-opted member who did not receive a member allowance; the role is now held by an elected councillor, making them eligible for remuneration under the existing Member Allowances Scheme.
- 6.2 A Special Responsibility Allowance (SRA) is a payment made to a member in recognition of holding a responsibility over and above that of a normal Member, paid monthly, in arrears. Sandwell has determined that a Member can only receive one SRA regardless of the number of positions that person holds.
- 6.3 SRAs are normally calculated as a percentage of the rate of allowance paid to the Leader of the Council.
- 6.4 Sandwell Council's Audit and Risk Assurance Committee plays a vital governance role. Its main responsibilities include:-
- overseeing internal controls, risk and governance;
 - review and monitor the effectiveness of the Council's internal controls, risk management systems, and overall governance framework;
 - engage with internal audit to ensure robust evaluation and improvement of control and governance processes;
 - holding audit functions to account;
 - approve the internal audit plan (aligned with strategic risks) and ensures its proper implementation under Public Sector Internal Audit Standards;
 - reviews both internal and external audit reports, assess management's responses and tracks the implementation of recommendations;
 - monitor performance and independence of external auditors;
 - financial reporting and statement oversight;
 - examine the Council's financial statements to ensure accuracy, integrity, and that the Audit Opinion reflects any challenges or irregularities;
 - assurance and Committee self-assessment;
 - conduct an annual self-review of its effectiveness reports findings to Full Council;
 - provide independence and objectivity.

- 6.5 The Committee does include co-opted members with financial expertise to provide additional impartial oversight. In relation to co-opted independent panel members, the Panel on 16 April 2025, recommended to Council that Independent Persons and Independent Members on the Audit and Risk Assurance Committee should receive a fee of £50 per meeting attended. This was approved by Council on 13 May 2025.
- 6.6 The Vice-Chair supports governance and oversight at senior levels, stepping in for the Chair when needed and helping to ensure the Committee's compliance with accounting, risk, and internal audit standards. Allowing for this post recognises its extra responsibilities and helps ensure effective member involvement.
- 6.7 The following sets out a job description/role profile of Vice Chair of Audit and Risk Assurance Committee
- assist the Chair in planning and chairing meetings of the Audit and Risk Assurance Committee;
 - lead on items such as Risk Management, Internal Audit, External Audit responses, and Anti-Fraud/Corruption agenda-setting;
 - step in as Acting Chair when the Chair is unavailable;
 - contribute to preparation, training and strategic oversight of the Council's governance arrangements;
 - liaise with senior officers and auditors to scrutinise financial and governance frameworks;
 - engage with other members regarding corporate governance and risk assurance matters.
- 6.8 SRAs are normally calculated as a percentage of the rate of allowance paid to the Leader of the Council. Having regard to the current rates of allowances and benchmarking data of other local authorities SRAs, the IRP considered:-
- the Chair of Audit receives £9,519 (33.3% of Leader's Allowance);
 - a Scrutiny Chair receives £9,519 (33.3% of Leader's Allowance);
 - a Scrutiny Vice-Chair receives £5,716 (20% of Leader's Allowance);
 - the Vice-Chair of Ethical Standards Committee receives £2,858 (10% of Leader's Allowance).
- 6.9 As the Audit and Risk Assurance Committee has significant responsibility and its Chair receives the full 33.3% SRA, the Panel felt that a Vice-Chair allowance of 20% of the Leader's Allowance is fair, consistent with both Sandwell policy and peer Council practice, and supports effective governance.

7. FINDINGS & RECOMMENDATIONS

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

7.1.1 With immediate effect, approval is given to introducing a Parental Leave Policy for elected members for maternity, paternity, adoption, or shared parental leave, as set out below, as part of the Scheme of Member Allowances for 2025/26:-

- a) Councillors who give birth or adopt a child can take up to six months of leave, with the option to extend for up to a further 6 months (a total of 52 weeks), by seeking a dispensation by Council in accordance with Section 85 of the Local Government Act 1972
- b) Where a birth is premature, the Councillor is entitled to take leave during the period between the date of the birth and the due date in addition to the 6 months' period provided the 'six-month rule' set out in Section 85 as noted above is adhered to.
- c) Councillors who are biological fathers or nominated carers can take at least two weeks of paternity leave.
- d) Councillors who share parental leave arrangements can split the leave up to 50 weeks.
- e) Councillors must comply with the notice requirements of the Council and keep the Council informed of their intended return dates and requests for extensions.
- f) The basic allowance will continue to be paid; however, any Special Responsibility Allowance received by Councillors will cease during periods of maternity, paternity, adoption, or shared parental leave.
- g) The duties associated with the Special Responsibility Allowance of a Councillor on parental leave will be assigned to another elected member at a Council meeting.
- h) Councillors who decide not to return after their leave must notify the Council immediately (allowance will cease from the effective resignation date).
- i) Councillors who are not re-elected or who do not stand for re-election will stop receiving their allowance on the retirement date, usually four days after the election.
- j) Notification of leave and of return Councillors wishing to request parental leave under the policy shall notify the Chief Executive, no later than 28 days before the date they wish the period of leave to start, who will be empowered to determine if the request meets Council policy and accordingly authorise such a period of absence. The period of leave should be agreed between the councillor requesting leave and, if in a group, their group leader, group whip as well as the Chief Executive. The group leader, group whip or councillor concerned should notify the Chief

Executive of cover arrangements. The councillor should keep the group leader and Chief Executive informed of their intentions, giving at least one month's notice of their intended return date.

- 7.1.2 approval is given to the introduction of a Special Responsibility Allowance for the Vice Chair of the Audit and Risk Assurance Committee at 20% of the Leader's Allowance, i.e. £5,716.

Independent Remuneration Panel

June 2025