

ANGUS COUNCIL – 16 MAY 2017

REMUNERATION OF COUNCILLORS 2017 / 2018 AND BEYOND

JOINT REPORT BY THE CHIEF EXECUTIVE AND THE HEAD OF CORPORATE FINANCE

ABSTRACT

This Report provides background information relating to the remuneration of Councillors, the Council's current remuneration structure and asks that members consider the remuneration structure to apply for 2017/18 onwards.

1. RECOMMENDATIONS

1.1 The Council is asked to:-

- (i) note the background details provided in relation to the remuneration of Councillors;
- (ii) note the current Angus Council remuneration structure for Councillors;
- (iii) consider the remuneration proposals to apply for 2017/18 onwards;
- (iv) approve a remuneration structure for Councillors which complies with the Regulations;
- (v) agree to delegate authority to the Chief Executive to apply any non-material changes to the remuneration structure in consultation with both the Leader of the Council and the Leader of / Spokesperson for the Non-Administration / Opposition;
- (vi) note that opportunities for further reform of Committee and remuneration arrangements can be considered in due course as part of the Council's transformation work.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT / CORPORATE PLAN

2.1 This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:-

- Angus is a good place to live in, work in and visit;
- Appropriate and effective management arrangements in the Council contribute to the delivery of all outcomes within the Community Plan, SOA and Council Plan.

3. BACKGROUND

3.1 The Local Government (Scotland) Act 2004 (Remuneration) Regulations 2007 set out the remuneration arrangements for Councillors. The Regulations are amended annually to update the remuneration constraints contained therein e.g. basic councillor remuneration. The Regulations prescribe how most aspects of the remuneration arrangements are to operate but certain aspects are at the discretion of individual local authorities to decide upon. However, even where discretion applies the Regulations still incorporate constraints within which the Council must operate. There is a need, therefore, for members to take a number of decisions with regard to the pay structure for the new Council.

3.2 The key pay constraints within the Regulations which Members require to be cognisant of when framing the arrangements for paying Councillors a salary are as follows (**based upon the updated remuneration constraints for 2017/18**):-

Leader

- The Council **must** pay a Leader of the Council and for Angus this Leader **must** receive a salary of £33,857.

Civic Head

- The Council **may** pay a Civic Head (Provost) a salary of **up to** 75% of the Leader of the Council. This equates to a maximum of £25,393.
- The Council **may** reimburse to its Civic Head any receipted expenditure incurred by that person to enable them to carry out their civic duties **up to** a yearly maximum sum of £3,000.

Senior Councillors

- In addition to a Leader of the Council and a Civic Head, Angus Council can have up to a **maximum of 13 Senior Councillors**.
- A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure. For example, Senior Councillors may carry out roles such as Convener or Vice-Convener of a Committee, the Leader of / Spokesperson for a significant non-administration / opposition group, etc.
- The **maximum total sum** which Angus Council can pay to all of its Senior Councillors is £275,080. This total sum is fixed and does not vary dependent upon the number of Senior Councillors actually appointed.
- The **maximum** a Senior Councillor can be paid is 75% of the salary of the Leader of the Council. In Angus this equates to £25,393. Note that it would only be possible to have 10 Councillors remunerated as Senior Councillors if this maximum salary was applied.
- Senior Councillors (and indeed the Leader or Civic Head) may perform more than one role such as Convener of a Committee and Vice-Convener of a separate Committee. In these circumstances, however, the financial constraints detailed above must be observed.

Basic Councillor

- Those Councillors who do not hold a position, for remuneration purposes, of Leader, Civic Head or Senior Councillor **will** receive a basic remuneration of £16,927. As with the pay for Leaders, this is a national pay level set within the Regulations and local authorities are not able to vary this. Councillors have the right to renounce all or part of this pay if they so choose.

Valuation Joint Board

- 3.3 Conveners or Vice-Conveners of a Joint Board do not count towards the maximum 13 Senior Councillors permitted for Angus Council nor the £275,080 maximum total sum which can be expended on Senior Councillors' pay. The present position for the remuneration of Conveners and Vice-Conveners of the Tayside Valuation Joint Board as laid down by the Regulations, is as follows:-

Board	Convener	Vice-Convener
Tayside Valuation Joint Board	£21,160	£20,103

- 3.4 The Board will reimburse the Council for any pay which arises for a Councillor, as a result of their Convener or Vice-Convener role, which is in excess of that paid for their role at the Council. In circumstances where a Board Convener or Vice-Convener is also either a Leader of the Council, Civic Head or Senior Councillor then there will likely be a nil, or nominal, reimbursement requirement from the Board.

- 3.5 It has been custom and practice to rotate the Convener / Vice-Convener roles associated with the Joint Board and Joint Committee (see below) amongst the three Constituent Tayside Councils. However, this is not prescribed by legislation or regulation and will be for the Board to determine themselves. If convention is followed, Angus Council's representation from June 2017 will be:-

Board	Representation
Tayside Valuation Joint Board	Convener

- 3.6 It is highlighted that the Regulations permit only one paid Vice-Convener for a Joint Board. Where there are two Vice-Conveners it is for the Board to determine which one will be paid.

Other Boards / Committees

- 3.7 Tayside Contracts has Joint Committee status as opposed to Joint Board status and no extra provision has been made in the Regulations for a Tayside Contracts Convener or Vice-Convener(s). If the Council wishes to pay extra for any Angus Council member representation as Convener or Vice-Convener of the Tayside Contracts Joint Committee this would need to be met from the maximum total sum that can be paid to Senior Councillors. Angus Council's representation on the Joint Committee through rotation custom and practice would be as Vice-Convener Elect.
- 3.8 This is similarly the case for any Angus Council member representation on the Tayside and Central Scotland Transport Partnership (TACTRAN) or any other Joint Boards or Joint Committees to be considered on the agenda of this meeting.
- 3.9 The Council will appoint a non-executive member of the Tayside NHS Board which is currently remunerated directly by the Board at £8,169. The Council will also appoint a member of the Cairngorms National Park Board which is currently remunerated directly by the Board at £7,394.

4. CURRENT ARRANGEMENTS FOR ANGUS COUNCIL MEMBERS' PAY

- 4.1 Angus Council's current Committee structure is shown diagrammatically in Appendix A.
- 4.2 A list of the current 10 Senior Councillor posts is detailed in Appendix B. The total cost of the current Councillor pay structure for Angus Council (**based upon 2016/17 remuneration levels**) may be summarised as follows:-

Post	Number	Pay £	Total Cost £
Depute Leader	1	25,341	25,341
Conveners	7	22,673	158,711
Vice-Conveners	2	18,095	36,190
Senior Councillors Sub Total	10		220,242
Leader of the Council	1	33,789	33,789
Provost	1	25,341	25,341
Convener of TVJB *	1	16,893	16,893
"Senior Ranking" Councillors Sub Total	13		296,265
Basic Councillors	16	16,893	270,288
Current Pay Cost To Angus Council	29**		566,553
National Insurance / Superannuation			130,541
Total Cost To Angus Council			697,094

* excludes £3,170 paid by Tayside Valuation Joint Board

** note that there will only be 28 elected members for 2017/18

4.3 The following summary comments are provided (all figures based upon the arrangements currently in place and thus based upon 2016/17 remuneration levels):-

- The Leader of the Council is paid £33,789 in accordance with the Regulations.
- The Provost is paid £25,341 which is the maximum permitted under the Regulations.
- There are only 10 Senior Councillors compared with a maximum permitted number of 13. This is to some extent attributable to dual post holding by some elected members and the reduction in the number of formal committees in recent years.
- Senior Councillors are paid at a variety of levels, the highest being £25,341 (the maximum permitted under the Regulations). Total Senior Councillors' pay is £220,242 and compares with a maximum sum of £274,521 per the Regulations i.e. £54,279 less.
- Custom and practice has deemed that the role of Convener of Policy & Resources is carried out by the Leader of the Council.
- The role of Convener of the Scrutiny and Audit Committee is required to be undertaken by a non-administration Councillor in accordance with the Council's Standing Orders.

5. FUTURE ARRANGEMENTS FOR ANGUS COUNCIL MEMBERS' PAY

5.1 The Tayside Valuation Joint Board and Tayside Contracts Joint Committee are not scheduled to meet until after this Council meeting and Members will need to consider proposed nominations for the posts available for Angus Council Councillors. As noted above, while there is custom and practice in respect of the rotation of post holders, the decisions in this regard will be dealt with by the respective Board or Committee. The immediate consideration within this Report is the pay structure for "senior-ranking" posts within Angus Council.

5.2 An extensive number of remuneration options exist. The Regulations allow for different structures and remuneration levels to be applied within each local authority to take account of local factors. However, where discretion applies the Regulations incorporate constraints within which the Council must operate. The high level options available for moving forward are:-

- Continue with the current pay structure – this will necessitate areas of dual committee responsibility being determined;
- Vary the number of senior councillors upwards or downwards;
- The remuneration level for the Leader and Basic Councillors are the only ones predetermined in the Regulations. Remuneration levels of all other posts can be varied upwards or downwards except the Provost and Depute Leader which are at their maximum level (for 2016/17);
- Amend the receipted expenditure that can be reimbursed to the Provost from the current maximum of £3,000 or decide not to allow any reimbursement.

5.3 In light of the foregoing, members are asked to determine the arrangements for Angus Council members' pay to apply for 2017/18 onwards. In doing so members may wish to consider opportunities for further reform of Committee and remuneration arrangements in due course as part of the Council's transformation work.

6. FINANCIAL IMPLICATIONS

- 6.1 The full year cost of the current pay structure for Angus Council is £697k (based upon 2016/17 remuneration rates).
- 6.2 There is a budget provision of £698k for 2017/18.
- 6.3 If the Council determined that Councillors were to be remunerated at the maximum permitted under the Regulations, and all Councillors elected to join the pension scheme, the full year cost would be £695k for the reduced complement of 28 elected members.

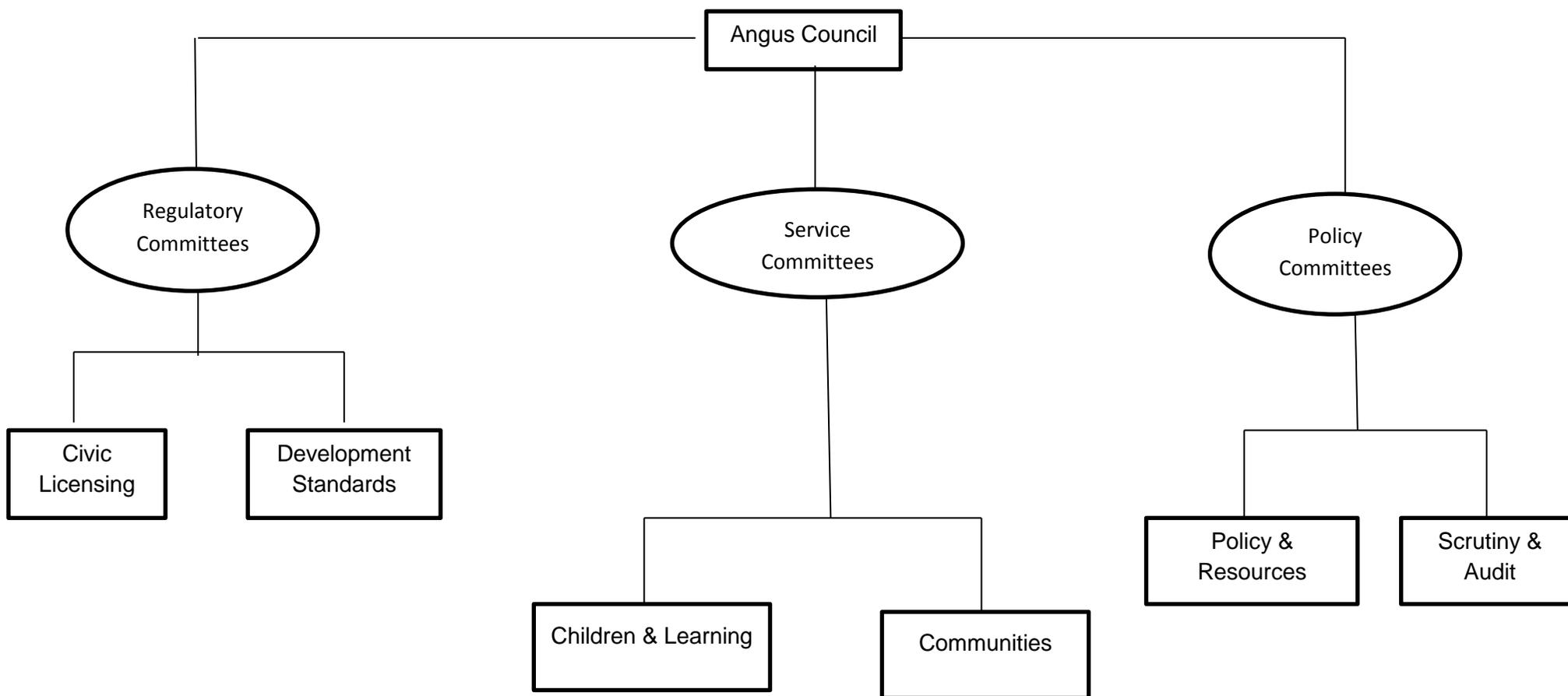
Richard Stiff
Chief Executive

Ian Lorimer
Head of Corporate Finance

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above Report.

AUTHOR: Steven Mill, Service Manager
EMAIL: FINANCE@angus.gov.uk

COMMITTEE STRUCTURE



ANGUS COUNCIL CURRENT “SENIOR-RANKING” POSTS AS AT APRIL 2016

Senior Councillors

Depute Leader

Conveners (7)

Convener of Children & Learning

Convener of Communities

Convener of Development Standards

Convener of Scrutiny & Audit

Finance Spokesperson

Health & Social Care Integration Spokesperson

Development & Enterprise Spokesperson

Vice Conveners (2)

Vice Convener of Civic Licensing

Vice Convener of Scrutiny & Audit