

ANGUS COUNCIL – 26 MAY 2022

REMUNERATION OF COUNCILLORS 2022/23 AND BEYOND

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

This Report provides background information relating to the remuneration of Councillors, the Council's current remuneration structure and asks that members determine the remuneration structure to apply from the date of this statutory meeting.

1. RECOMMENDATIONS

1.1 The Council is asked to:-

- (i) note the background details provided in relation to the remuneration of Councillors;
- (ii) approve the definitions for specific roles in Angus Council as set out in paragraph 3.2 of this report;
- (iii) note the existing Angus Council remuneration structure for Councillors;
- (iv) consider the remuneration proposals to apply from the date of this statutory meeting;
- (v) approve a remuneration structure for Councillors which complies with the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, ("Regulations");
- (vi) agree to delegate authority to the Director of Finance to apply any non-material changes to the remuneration structure following consultation with both the Leader of the Council and the Leader of / Spokesperson for the Non-Administration / Opposition;
- (vii) note that opportunities for further reform of Committee and remuneration arrangements can be considered in due course if required.

2. ALIGNMENT TO THE COUNCIL PLAN

2.1 This report contributes as a whole to the priorities in the Council Plan – decisions made on this report will support the Council's governance and decision making structures.

3. BACKGROUND

3.1 The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (the "Regulations") set out the remuneration arrangements for Councillors and provide definitions for certain posts for the purposes of payment of remuneration. The Regulations are amended regularly to update the remuneration constraints contained therein e.g. to update councillor remuneration levels. 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 Recommended Definitions for Specific Roles

The Regulations state that the Leader of the Council “means the convener of a local authority elected in terms of section 4(1) of the 1994 Act or such other councillor as that local authority decides has the title of Leader of the Council for the purposes of payment of remuneration”. It is recommended that Angus Council define the Leader of the Council as the Leader of the group of Councillors who form the Administration in line with previous practice.

The Regulations state that the Civic Head “means the depute convener of a local authority elected in terms of section 4(2) of the 1994 Act or such other councillor as that local authority decides has the title of Civic Head for the purposes of payment of remuneration”. It is recommended that Angus Council define the Civic Head as the Provost in line with previous practice.

The Regulations state that “Senior Councillor means, for the purpose of payment of remuneration, a councillor who is designated as such by the local authority of which that person is an elected member”. It is recommended that Angus Council define a Senior Councillor as someone who holds a significant position of responsibility in the Council’s political management structure and is specifically designated as a Senior Councillors under the Regulations in line with previous practice.

The Regulations state that Councillor, for the purposes of payment of remuneration, means a councillor who is not the Leader of the Council, the Civic Head or a Senior Councillor.” The Council must adopt this definition.

3.3 The main pay constraints within the Regulations which Members need to consider when deciding on the arrangements for paying Councillors a salary are as follows (**based upon the updated remuneration constraints for 2022/23**):-

Leader

- The Council **must** pay a Leader of the Council and for Angus this Leader **must** receive a salary of £39,148.

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 £29,361.
- 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 based on the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2022 is **£318,058**. This total sum is fixed and does not vary dependent upon the number of Senior Councillors actually appointed. This figure will increase in future years in line with agreed pay rises for Councillors approved by the Scottish Parliament.
- The **maximum** a Senior Councillor can be paid is 75% of the salary of the Leader of the Council. In Angus this equates to £29,361. 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 still be observed. Senior Councillors can only receive one senior councillor salary even if they hold multiple senior positions.

Councillors

- Those Councillors who do not hold a position, for remuneration purposes, of Leader, Civic Head or Senior Councillor **will** receive a remuneration of £19,571. 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

- 3.4 The Regulations provide for remuneration of a Convener and Vice-Convener of a Joint Board. Conveners or Vice-Conveners of a Joint Board do not count towards the maximum 13 Senior Councillors permitted for Angus Council nor the £318,058 maximum total sum which can be expended on Senior Councillors' pay. Angus Council is a member of one joint board, namely the Tayside Valuation Joint Board. 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	£24,467	£23,244

- 3.5 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.
- 3.6 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 2022 to May 2027 will be:-

Board	Representation
Tayside Valuation Joint Board	Spokesperson (not remunerated)

- 3.7 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. For the Tayside Valuation Joint Board the approach historically has been to have a Convener and Vice-Convener both of which are remunerated and a Spokesperson which is not remunerated.

Other Boards / Committees

- 3.8 Tayside Contracts has Joint Committee status as opposed to Joint Board status and no provision has been made in the Regulations for a Tayside Contracts Convener or Vice-Convener(s) to be remunerated as it is not a joint board. Consequently, if the Council wishes to pay 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 and Council would need to agree such an appointment is to be regarded as such to fall within the definition of a Senior Councillor. This is similarly the case for any Angus Council member representation on the Tayside and Central Scotland Transport Partnership (TACTRAN), the Tay Cities Joint Committee or any other Joint Boards or Joint Committees to be considered on the agenda of this meeting.
- 3.9 Remuneration arrangements for Tayside Contracts Joint Committee office holders were the subject of discussion by the Committee prior to the elections with the Managing Director remitted to investigate this further but as things stand the constraints of the Remuneration Regulations must continue to be observed. Angus Council's representation on the Joint Committee through rotation custom and practice from June 2022 would be as Convener. Office holder positions on the Joint Committee are rotated annually.
- 3.10 The Council will appoint a non-executive member of the Tayside NHS Board which is currently remunerated directly by the Board at £8,930 p.a. The Council will also appoint a member of the Cairngorms National Park Board which is currently remunerated directly by the Board based on a day rate and 3 days per month input which equates to a maximum of £8,163.

4. EXISTING 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 11 Senior Councillor posts which existed prior to the May 2022 elections is detailed in Appendix B. The total cost of the current Councillor pay structure for Angus Council (**based upon 2021/22 remuneration levels**) is summarised as follows:-

Post	Number	Pay £	Total Cost £
Depute Leader	1	25,116	25,116
Conveners	5	25,116	125,580
Vice-Conveners	4	21,860	87,440
Spokesperson (same pay as Vice Convener)	1	21,860	21,860
Senior Councillors Sub Total	11		259,996
Leader of the Council	1	37,213	37,213
Provost	1	27,910	27,910
Convener of TVJB *	1	18,604	18,604
"Senior Ranking" Councillors Sub Total	14		83,727
Councillors	14	18,604	260,456
Existing Pay Costs to Angus Council			604,179
National Insurance / Superannuation			134,294
Total Cost to Angus Council			738,473

* Convener is paid £23,257 but £4,653 of this is paid by Tayside Valuation Joint Board.

4.3 The following summary comments are provided to highlight key points with the existing arrangements (all figures are based on 2021/12 remuneration levels):-

- The Leader of the Council is paid £37,213 in accordance with the Regulations.
- The Provost is paid £27,910 which is the maximum permitted under the Regulations.
- There are only 11 Senior Councillors compared with a maximum permitted number of 13. This is due to dual post holding by some elected members.
- Senior Councillors are paid at a variety of levels, the highest being £25,116. Total Senior Councillors' pay is £259,996 and compares with a maximum sum allowed of £302,339 per the Regulations i.e. £42,343 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 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 those Councillors not identified as Senior Councillors are the only ones predetermined in the Regulations. Remuneration levels of all other posts can be varied upwards or downwards except the Provost which under existing arrangements is at the maximum level;
 - 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 from the date of this Statutory Meeting. 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. Members intending to make a proposal regarding member remuneration should have discussions with the Director of Finance at the earliest opportunity to allow such a proposal to be assessed against the requirements of the Regulations.

6. FINANCIAL IMPLICATIONS

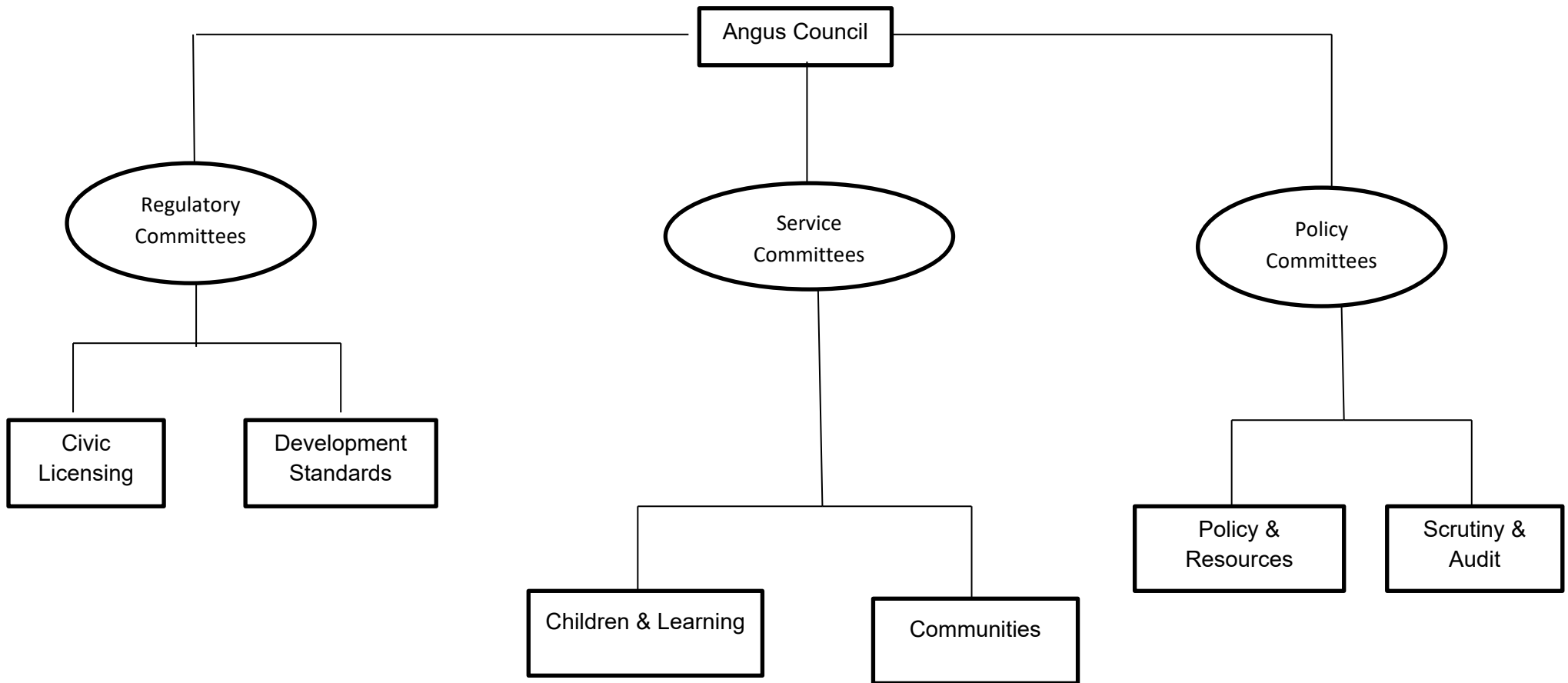
- 6.1 The full year budgeted cost of the current pay structure for Angus Council is just over £738,000 (based upon 2021/22 remuneration levels). The actual cost during the 2021/22 financial year is in line with this budget. This budget reflected the fact that during the last Council not all Councillors chose to join the pension scheme so no employer contribution costs for those Councillors was incurred by the Council.
- 6.2 There is a budget provision of £738,000 for financial year 2022/23 but this will increase to £777,000 once the nationally set uplift in member remuneration rates is reflected in the budget following the allocation of the corporate pay award budget provision.
- 6.3 If the Council determined that Councillors were to be remunerated at the maximum permitted under the Regulations including the maximum number of senior councillors of 13, and all Councillors elected to join the pension scheme, the full year cost based on 2022/23 remuneration levels would be £795,000. This sum would exceed the 2022/23 budget by £18,000 and would therefore require additional funding to be found should this estimated cost scenario be what is implemented. If Council decided to use the maximum value which could be paid to senior councillors but have fewer than 13 senior councillors then the total cost could exceed £795,000.
- 6.4 In considering the options for remuneration as set out in this report members may wish to bear in mind the significant financial challenges facing the Council.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) w h i c h were relied on to a material extent in preparing the above Report are:

1. The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007
2. The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2022

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COMMITTEE STRUCTURE



ANGUS COUNCIL “SENIOR-RANKING” POSTS AS AT APRIL 2022

Senior Councillors (11)

Depute Leader

Conveners (5)

Convener of Children & Learning

Convener of Civic Licensing & Licensing Board

Convener of Communities

Convener of Development Standards

Convener of Scrutiny & Audit

Vice Conveners (4)

Vice Convener of Children & Learning

Vice Convener of Civic Licensing & Licensing Board

Vice Convener of Communities

Vice Convener of Scrutiny & Audit

Economic Development Spokesperson