

Draft minute extract from the Civic Affairs Sub-Committee meeting on 24 July 2024

4. Special Responsibility Allowance: Update on Implementation

The Sub-Committee considered a report of the Deputy Town Clerk providing an update following a consultation with Members of Court of Common Council relating to implementation of a Special Responsibility Allowance, presenting feedback received as part of the consultation and seeking agreement on proposed next steps

The Town Clerk introduced the item, observing that work had been ongoing on this issue since 2021 following a request by Court of Common Council that consideration be given to the introduction of a Special Responsibility Allowance at the City Corporation. A number of all-Member consultation sessions had taken place recently alongside a survey issued to all Members. This had allowed the full Court an opportunity to contribute to the consultation, through which, 71 Members had responded expressing their view. As a consequence, it should be noted that 43% of Members had not responded or expressed a view.

The consensus view of those Members having responded to the consultation was of there being no general support for introduction of a Special Responsibility Allowance across the board, with there being a 50 / 50 split relating to introduction of an allowance specifically for the Chairman of Policy & Resources role. A key consideration in this respect was a need to ensure ongoing inclusivity and social mobility opportunities for the role. Members noted that a former Chair of that Committee had taken part in the consultation and had expressed support for the introduction of a Special Responsibility Allowance for the role.

During the discussion that followed, it was observed that Members were in their roles in a voluntary capacity and, as such, there would be a concern through any introduction of a Special Responsibility Allowance across the board and the implications that this might have. The Chairman of Policy & Resource's role was recognised as being unique due to the full-time nature of the role and the position lasting five-years; there was a concern that, without an allowance, the role could potentially be restricted to people of independent means only, which would not be acceptable. It was suggested that any remuneration for the role should not be in terms of it being a paid job but through ensuring there would be no barrier or exclusion to the role moving forwards.

Members raised a number of considerations and options relating to the level of allowance and method of payment. These included offering an allowance based on any gap between gross taxable income and level of the allowance, providing a standard allowance and payment of any gap between this and salary for loss of earnings, paying direct to an employer for loss of time for their employee, it needing to remain a voluntary allowance scheme, with a range of between £50-90k, with the being a consensus view that c£50k would be an appropriate level of remuneration. A Member remarked on a role commanding this type of figure needing to be performance managed.

Noting the parameters and indicative steer provided, the Chairman suggested that officers be asked to take forward a proposal on this basis at a suitable level within the range indicated and that introduction of allowance should be put in place for the new civic year in April 2025.

A Member raised their concern from an equalities perspective of not introducing an allowance across the board and potentially missing an opportunity through not doing so, but accepted the democratic process in reaching this position. The Member added how they considered the Financial Loss Scheme to be redundant in its current form and with it needing to be made more accessible and inclusive.

Summarising, the Chairman noted the general view of Members being that they were not supportive of introduction of a Special Responsibility Allowance across the board, but with there being support for introduction of an allowance for the Chairman of Policy & Resources role, given this role was full time and the position could last up to five years. The exact sum and proposed method of payment for an allowance was still to be agreed, but with an indicative range having been set out, with officers to come back to the Policy and Resources Committee with a final proposal for agreement. The Chairman stressed that officers should not spend any further money on benchmarking or external advice. A Member, also the Chairman of Finance Committee, remarked on a need to be able to present to ratepayers a rationale for introduction of an SRA.

The Deputy Chairman referred to the Financial Loss Scheme not currently being used to its full extent, with Members not knowing it existed or how it worked and many thinking it was a financial hardship scheme. The Deputy Chairman added how the Financial Loss Scheme was an area that would benefit from further consideration and review.

A brief discussion then followed in relation to the application of a proposed inflationary uplift to the Extended Member Support Scheme, with concern being raised that any payment should not outstrip any annual increase staff were receiving. An increase in line with inflation was considered to be the most straightforward method. There was a general consensus that payments should not be backdated, with any change being introduced from 1st April 2025.

A Member, also Chairman of Finance Committee, raised their concern through any automatic increase in line with inflation and proposed a review should take place annually to consider the financial position and presenting a costed proposal.

A further area of consideration was raised relating to any potential tax implications, with it being noted that advice would be sought through a tax advisor before a final proposal goes forward to Court of Common Council seeking a final decision.

RESOLVED: That Members:

1. Noted the outcomes of the consultation exercise in respect of SRAs and, on the basis of these:
 - a. Agreed that there was no general support for the introduction of SRAs for all Chairs and to cease further activity in this area.
 - b. Agreed that the only role for which there was any substantive support for an SRA was the Chair of Policy & Resources, further agreeing to progress proposals for the implementation of an SRA for that post only.

- c. Agreed that officers should pursue an alternative approach in relation to the Financial Loss Scheme.
2. Agreed to the application of an inflationary uplift to the Extended Support Scheme element of the MFSP, on the basis of the Consumer Price Index, to update the current allocation to £9,000, with the Chamberlain authorised to make inflationary uplifts on an annual basis moving forward, subject to an annual review of the financial position.