

## **Scheme of Councillors' Remuneration**

### **Report by John Blair, Director, Resources**

#### **1 Purpose of Report**

To advise members of the Scheme of Councillors' remuneration and specifically determine the remuneration arrangements for Senior Councillors.

#### **2 Background**

The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2016 apply to all Councillors. The regulations place responsibility for determining Councillors' remuneration with Scottish Ministers.

Scottish Ministers have determined that from 2017/18 Councillors' pay will be increased in line with the percentage increase in the median annual earnings of public sector workers in Scotland. This information is published by the Office of National Statistics in the *Annual Survey of Hours and Earnings*. Accordingly an amendment to the regulations was made in March 2017 which has the effect of increasing the remuneration from 4 May 2017 by 0.2% from that previously applicable. Future year's increases will be implemented from 1<sup>st</sup> April.

Any Councillor may renounce the receipt of any remuneration payable in terms of the Regulations, in whole or in part, in which case the remuneration is not payable by the Council.

For those Councillors who elect to become members of the pension scheme the Council will pay contributions as required of an employing authority under the Local Government Pension Scheme (Scotland) Regulations 1998 (d).

#### **3 Remuneration**

In terms of the regulations, Midlothian is a Band A Council. There are four grades of Councillor in each local authority for the purpose of payment of remuneration:

- a) the Leader of the Council;
- b) the Civic Head;
- c) Senior Councillors; and
- d) Councillors.

The Leader of the Council and the Civic Head cannot be the same person, for the purposes of payment of remuneration.

The payment stipulated for each grade is as follows

- a) For the Leader of the Council it is £28,213.
- b) For the Civic Head it is £21,160.
- c) For Councillors it is £16,927.

In respect of Senior Councillors the maximum number stipulated for Midlothian is eight. The maximum yearly amount that may be paid to a Senior Councillor is 75% of the total yearly amount payable to the Leader of the Council i.e. £21,159.75 with the minimum payment greater than the amount payable to a Councillor.

The total yearly amount the Council can pay to all its Senior Members is £152,347 which equates to eight times £19,043.38 (the mid-point between £16,927 and £21,159.75).

The Council therefore has the option of paying all Senior Councillors the same amount (£19,043.38) or paying some at the maximum (£21,159.75) and some at a lower level (but higher than £16,927) as long as the combined payments are constrained to £152,347.

It should be noted that The Council cannot pay its Leader or Civic Head any remuneration as a Senior Councillor or a Councillor nor pay a Senior Councillor remuneration as a Councillor.

In terms of the Regulations, the remuneration can be paid either calendar monthly or every four weeks. It is recommended it continue to be paid monthly in arrears on the 28th of each month. Therefore, the first payment on 28th May 2017 will be for a part month.

## **4 Report Implications**

### **4.1 Resource**

There are no resource implications. The revenue budget includes provision for Councillors remuneration in accordance with the regulations.

### **4.2 Risk**

There are no risks associated with the report as the remuneration arrangements as set by regulations.

### **4.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- Community safety
- Adult health, care and housing
- Getting it right for every Midlothian child
- Improving opportunities in Midlothian
- Sustainable growth
- Business transformation and Best Value
- None of the above

#### **4.4 Key Priorities within the Single Midlothian Plan**

n/a

#### **4.5 Impact on Performance and Outcomes**

**There is no impact on Performance and Outcomes**

#### **4.6 Adopting a Preventative Approach**

n/a

#### **4.7 Involving Communities and Other Stakeholders**

The Regulations were produced following an extensive consultation exercise. Therefore, no local consultation is deemed necessary.

#### **4.8 Ensuring Equalities**

The report is not proposing any new services, strategies or plans so no equalities impact assessment has been carried out.

#### **4.9 Supporting Sustainable Development**

n/a

#### **4.10 IT Issues**

There are no IT issues.

### **5 Report Summary**

The remuneration payable to the Leader of the Council, the Civic Head and Councillors is stipulated in the Regulations. The Council has some discretion over the level of payments to Senior Councillors as described in section two of this report.

### **6 Recommendation**

- a) To note that the Leader of the Council be paid annual remuneration of £28,213 and that the Civic Head is paid annual remuneration of £21,160;
- b) To determine payments to Senior Councillors subject to a minimum of an amount exceeding £16,927 and a maximum of £21,159.75 all within a "pooled sum" of £152,347;
- c) To note the remaining Councillors will be paid annual remuneration of £16,927; and
- d) To agree that remuneration continues to be paid monthly in arrears on the 28th of each month.

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Background Papers: