



CABINET

25TH SEPTEMBER 2018

AGENDA ITEM (11)

REVIEW OF MEMBERS' ALLOWANCES

Accountable Members	Council
Accountable Officer	Nigel Adams Head of Paid Service 01285 623202 nigel.adams@cotswold.gov.uk

Purpose of Report	To consider the recommendations of the Independent Remuneration Panel following its review of Members' Allowances.
Recommendations	That the Council considers the recommendations of the Independent Remuneration Panel.
Reasons for Recommendations	The Independent Remuneration Panel reports to the Council on a scheme for Members' Allowances. In undertaking its work, the Panel is not fettered by any financial constraints or otherwise imposed by the Council, and is not advised either prior to, during or after its deliberations of the financial provision made by the Council in respect of Members' Allowances.

Wards Affected	N/A
Key Decision	No
Recommendation to Council	N/A

Financial Implications	<p>The financial implications of the Panel's recommendations are as follows:-</p> <p>A. <u>2018/19</u></p> <p>(i) the additional cost of the proposed increase in the Basic Allowance would be £17,000;</p> <p>(ii) if the Panel's recommended increase in the Basic Allowance was adopted, and the two changes to SRA multipliers, this would also give rise to an increase in the overall cost of Special Responsibility Allowances (SRAs) of £12,500;</p> <p>(iii) it is difficult to establish the additional mileage costs that might be claimed in respect of attendance at parish/town council meetings.</p>
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	<p>It is expected that these additional costs could be met from the existing budget.</p> <p>B. <u>2019/20 - based on a Basic Allowance of £5,000 per Member per annum</u></p> <p>(i) the additional cost of the proposed increase in the Basic Allowance would be £34,000;</p> <p>(ii) if the Panel's recommended increase in the Basic Allowance was adopted, and the two changes to SRA multipliers, this would also give rise to an increase in the overall cost of Special Responsibility Allowances (SRAs) of £21,000;</p> <p>(iii) it is difficult to establish the additional mileage costs that might be claimed in respect of attendance at parish/town council meetings.</p> <p>An increase may need to be built into next year's base budget to cater for these additional costs.</p>
Legal and Human Rights Implications	The Local Government Act 2000, and subsequent Regulations, requires Councils to establish and maintain an Independent Remuneration Panel which will broadly have the functions of providing an authority with advice on its allowances scheme, the amounts to be paid and to whom. The Council must have regard to the Panel's recommendations when determining its Allowances Scheme.
Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	None
Equalities Impact Assessment	<p>Remuneration of Members should be set at a level such that no individual or sector of the community is discouraged from serving as a councillor.</p> <p>In addition, allowances schemes should be designed to reflect the respective responsibilities and/or workloads of members.</p>

Related Decisions	Various - Approval of Schemes of Allowances
Background Documents	<p>(i) Comparator data from other authorities.</p> <p>(ii) Full Panel report.</p>
Appendices	<p>Appendix 'A' - Summary Scheme of Allowances as recommended by the Independent Remuneration Panel (including details of current allowances)</p> <p>Appendix 'B' - Current List of Approved Duties</p>

Performance Management Follow Up	(i) Implement Council decision(s). (ii) Advertise/publicise new Scheme.
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Background Information

1. General

1.1 In accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003, an Independent Remuneration Panel has reviewed the Council's current Member Allowances Scheme.

1.2 The members of the Panel were:-

- Mrs Jane Winstanley, M.B.E. - retired, independent Chair - who has served on the Panel since its original inception;
- Mr Michael Paget-Wilkes - the independent person who assists the Monitoring Officer in the consideration of Code of Conduct complaints relating to district/parish/town councillors;
- Mr Simon Harper - Head of Democratic Services, Gloucestershire County Council - who has also served on the Panel since its original inception.

1.3 To assist with the review, all Councillors were consulted via questionnaire. A total of 22 replies were received from Members, and the Panel received copies of all returns. In addition, ten interviews were planned, across a cross-section of Members (e.g. party, role) - many more Members had offered to be interviewed. Nine interviews were carried out; and the other planned interviewee (who had been unable to attend due to unforeseen circumstances) provided a further written submission. The Panel would like to thank Members for their involvement in the review, in particular those who attended an interview.

1.4 The following information was also provided to assist the Panel's deliberations:-

- existing allowances scheme;
- comparator data from South West councils, including Gloucestershire authorities;
- comparator data from CIPFA Nearest Neighbour Family Members.

1.5 The Panel reviewed the various elements of the Council's existing scheme and its methodology in the light of the questionnaire responses, the interview and additional written submissions, and the comparator data.

1.6 The Panel was generally content with the structure of, and methodology used for, the scheme. However, whereas previous schemes had been underpinned by the notion of a voluntary principle - to reflect that councillors served out of a sense of public duty - the Panel felt that it was now well recognised and accepted that serving councillors should be appropriately recompensed for that service and not have their allowances reduced by a form of 'public service discount' (albeit that the roles should not be compared to salaried positions). When viewed alongside the fact that allowances had not been increased since 2018, the Panel did not consider that the voluntary principle should continue to be applied.

1.7 The Panel's recommendations are set out in Appendix 'A', alongside the current scheme.

1.8 The Panel Chair, Jane Winstanley, hopes to be present at the Council Meeting.

2. The Basic Allowance

2.1 The Panel's major concern was the fact that the level of Basic Allowance has fallen well behind the average, having remained unchanged for what is now its eleventh year.

2.2 It was noted that the Basic Allowance had initially been set at £3,600 per Member per annum (in 2002/03); had remained at that level for three years; modest increases had been applied for 2006/07 (£200), 2007/08 (£100) and 2008/09 (£100); and that since that time, i.e. since April 2008, the Basic Allowance had remained unchanged at £4,000 per Member per annum.

2.4 Against this background, the Panel believes that an increase is now critical - CDC rates have fallen well behind the average; and it is considered that any continued freeze will only exacerbate the position and make future increases more difficult. The Panel is also mindful of the significant reduction in councillor numbers in 2015 (44 to 34) which led to each councillor representing a higher number of electors and, in many cases, and enlarged geographical area comprising more parishes.

2.5 It is acknowledged that, on some occasions, Councillors felt unable to award themselves any increases when staff were the subject of a pay freeze. However, staff have benefitted from pay increases from 2016, and a further award has been agreed for 2019/20. Furthermore, since April 2008, the average RPI figure has increased in the region of 3.2% per annum; and CPI has increased by around 2.3% per annum.

2.6 The Panel's recommendations provide for an increase for the current councillors, to be backdated for the current year; and a further increase for the first year of the new Council term (2019/20).

2.7 The Panel felt that remuneration of Members should be set at a level such that no individual or sector of the community is discouraged from serving as a councillor; and to enable the Council to attract a wide range of people as potential members.

2.8 Subject to the recommended increases being applied, the Panel considers that an annual increase should then be applied, in line with an agreed index/measure (e.g. CPI or staff pay award). This would apply to the remaining three years of the Council term; with the Panel then conducting a comprehensive review in the final year of the term, with changes to be effective from the first year of the following term. Notwithstanding this, the Panel would conduct a light-touch annual 'sense-check' of the allowances; and, if there is a significant change in structure, will bring forward its comprehensive review.

3. Special Responsibility Allowances

3.1 Special Responsibility Allowances (SRAs) are paid to those councillors with significant responsibilities. They are calculated by using the basic allowance as the multiple to make up the SRA payments.

3.2 The Panel believes that the range of SRAs applied, and the multipliers currently used, remain largely valid.

3.3 The current multipliers are as follows:-

<i>Role</i>	<i>Multiplier</i>
Chairman of Council	1
Vice-Chairman of Council	0.5
Leader of the Council	3
Deputy Leader of the Council	2
Other Cabinet Member	1.5
Chairman of Planning and Licensing Committee	1.5
Vice-Chairman of Planning and Licensing Committee	0.5
Chairman of Audit Committee	0.5
Chairman of Overview and Scrutiny Committee	0.5
Leader(s) of registered minority political groups	0.5

3.4 The only changes recommended by the Panel are as follows:-

- to increase the multiplier for the Chairman of the Overview and Scrutiny Committee to 1 - to reflect the changing role of that committee and the hope that it would continue with a more pro-active approach;
- to increase the multiplier for the minority group leader(s) to 1; with the division of such sum (in the event of there being more than one minority group) being proportionate to the number of members in each minority group - to reflect the fact that shadow appointments are not made.

4. Other Allowances

4.1 The Panel were content with the current arrangements in respect of mileage; fares/parking; child care; dependent care; and co-optees.

4.2 The Panel believes that the process relating to the **subsistence allowance** is complicated given the number of claims made; and that some rates are out-of-date. Accordingly, and having regards to schemes applied elsewhere, the Panel has sought to simplify things, with the reimbursement of reasonable subsistence costs (on presentation of receipts) for approved duties where no food is provided. In addition, there would be no reimbursement for meetings at council offices; conference costs would be covered as for other claims; and no alcoholic drinks could be claimed for.

4.3 Insofar as the **ICT Allowance** was concerned, the Panel noted that there was a difference of opinion amongst Members over a financial payment (which then enabled Member choice in ICT procurement) and direct provision by the Council. The Panel felt that it should review the situation following the outcome of the review of Members' ICT (on the understanding that should a payment continue to be made, the current sum was inadequate).

4.4 At a recent meeting of the Members' ICT Working Group, there was agreement that an allowance-based payment remained the most appropriate way forward (especially for dual or triple-hatted members). The Panel will therefore revisit this aspect and make a further recommendation to the December Council Meeting.

5. Approved Duties

5.1 The Panel felt, particularly with the operation of Cabinet governance, that the representational role of the councillor was paramount - particularly as a two-way communications channel.

5.2 In this regard, the Panel was of the view that regular attendance at local council meetings should be encouraged (acknowledging that it is not a legal requirement); and that mileage should be claimable for such attendance (unless the District Councillor was also a member of the local council concerned).

5.3 This was the only change recommended to the current list of approved duties (copy attached at **Appendix 'B'**).

(END)