



**CHELTENHAM**  
BOROUGH COUNCIL

**Report and Recommendations of the  
Independent Remuneration Panel on Members'  
Allowances  
Annual Review  
December 2014**

# 1. Introduction

## 1.1 Membership

The Cheltenham Borough Council (CBC) Independent Remuneration Panel was established pursuant to the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003. The panel Members were appointed by the Borough Solicitor and Monitoring Officer in December 2006 under delegated authority from Council. The current panel Membership is:

Mr Paul Johnstone (Chairman)	Director of Operations, RR Donnelley Global Document Solutions Panel Previous Member for Tewkesbury BC IRP
Mr Quentin Tallon (Vice Chair)	Cheltenham TUC (retired) and Panel Member for Gloucestershire CC IRP
Mrs Patricia Dundas	Gloucestershire Hospitals
Mrs Joyce Williams	Retired Public Servant

## 1.2 Terms of Reference

The Panel's original terms of reference as set by the Borough Solicitor and Monitoring Officer were;

To make recommendations to Council on the appropriate level and nature of allowances payable to Borough Council Councillors in Cheltenham under the scheme of allowances for implementation from 1 April 2007 which

- a) conform to the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003
- b) recognise the duties and levels of responsibility which fall upon them
- c) are clear, unambiguous, easy to administer, explain and justify to the local community.

## 1.3 History of the panel to date

The recommendations of this Independent Remuneration Panel (IRP) regarding the Members scheme of allowances were agreed by Council on the 26<sup>th</sup> of March 2007. One of their recommendations was that *"this panel is reconvened every year to review whether there should be an increase in Councillors' basic and SRA for the following financial year. This meeting should be timetabled so that any amendments recommended by Council can be fed into the budget preparations."*

The first annual review took place in November 2007 and the panel reported to Council on 10 December 2007 recommending a 2.9% increase in the basic allowance and all SRAs. These recommendations were accepted by Council.

The second annual review took place in November 2008 and the panel reported to Council on 17 December 2008 recommending a 3.59% increase in the basic allowance and all SRAs. Council reduced this to 2.45% in line with the potential staff settlement.

In October 2009 Council passed a resolution that given the economic climate and the budgetary situation faced by the authority, it would not amend its scheme of allowances in the year 2010/11 and therefore there was no requirement for the IRP to meet. Budget Council in February 2010 agreed to freeze Members' Allowances and all Mayoral allowances for the next 5 years up to and including 2014/15 in the Medium Term Financial Strategy.

Since that date the IRP have met to consider changes to roles including those of Planning Committee Chair and Vice-Chair, the new scrutiny arrangements and the Standards Committee and have also considered issues arising from Members ICT. They have not recommended any inflationary increases to the Basic Allowance or SRAs due to the decision Council had made to freeze their allowances.

Under the regulations for Members' Allowances, the Council is obliged to review its scheme every four years. The last statutory review took place in 2010 and hence the need for the panel to meet this year and make recommendations for the Members' Allowance scheme from 2015/16.

## **2. The Review**

### **2.1 Scope of the Review**

The review was to cover all aspects of the scheme resulting in any recommendations for change to the following:

- The basic allowance including the amount of any reduction due to the voluntary nature of the Councillors' role
- The payment of Special Responsibility Allowances (SRA) which are currently paid in the Council's existing scheme to:
  - The Leader of the Council
  - Cabinet Members
  - Chair/Vice chair of Planning Committee
  - Chair of Licensing Committee
  - Chair/Vice Chair of Overview and Scrutiny Committee
  - Group Leaders
  - Chair of Audit Committee
  - Chair of the Standards Committee
  - Co-opted Members
- The Mayoral Allowances (although these fall outside of the current Members Allowance scheme the panel were asked to look at them as part of our original review in 2006 and have repeated this every 4 years in our full review).
- Travel allowances
- Subsistence allowances
- Dependent carers allowances
- Pensions – we noted this is no longer an option to be included in the scheme
- Suspension of allowances
- Provision for ICT in the scheme

### **2.2 Support for the review**

The IRP were assisted by Rosalind Reeves, Democratic Services Manager, Annette Wight and Tess Beck, Democracy Assistants and John Teasdale from One Legal and we thank them for their support to the panel in carrying out this review.

### **2.3 Evidence reviewed**

There were two meetings of the panel on 21 October and 6 November 2014.

To assist us with our annual review we considered a variety of information namely;

- The current scheme as set out in the Constitution (see Appendix A)
- Previous IRP reports to Council
- The results of a Members' survey which all Cheltenham Borough Council Members were invited to complete.
- Analysis of Members' Allowance in similar authorities and the South West (see Appendix B and D)
- Results of interviews with Members and officers on specific issues
- Additional information from the Democratic Services Manager
- ONS statistics

## **2.4 The views of Members**

A Member Questionnaire was emailed to Members on 22 August 2014 with a response date of 15 September. A further reminder was emailed to Members on 6 October. 10 questionnaires were received and an additional 5 shorter responses by email.

The panel were disappointed that only 10 Members completed the questionnaire despite reminders and we could only take from this that the majority of Members are satisfied with the scheme as it stands and had no particular issues they wished to raise with the panel.

We invited four Members to meet with us at our second meeting and spent about 30 minutes with each Member. Members were asked because they had indicated they would be happy to meet with the panel and there were particular issues they had raised in their responses to the questionnaire or emails to us which the panel wanted to explore. We were also keen to get the views of a Cabinet Member and spoke to two at this second meeting.

## **2.5 The Financial Context**

*89% of the Members who responded to our survey thought the panel should not take the budgetary situation into account. Only 1 Member thought the panel should be advised of the spending limits available for Members' Allowances and set their recommendations within that.*

This conforms with the panel's view that they should base their recommendations on what they consider is an appropriate allowance for the role and then it should be for Council to make any adjustments for the budgetary situation.

We were also aware that nationally a number of IRPs have been concerned that an ongoing freeze of Members' Allowances may discourage new candidates from coming forward, particularly young people, those in full time employment and those in their 20s to 40s on a career ladder. A further issue raised during the interviews with Members was that those on benefits may be deterred from standing as their benefits may be withdrawn if they could not state they were available for full-time work. This is not an issue the panel could address but may be something the council may want to follow up at a national level. At a local level we would hope that the council and political groups would continue to encourage potential candidates from all sections of society to ensure that Council is representative of its community.

We noted that Council had agreed to freeze Members' and Mayoral Allowances for five years as part of the 2010/11 budget debate in the Medium Term Financial Strategy. As we have stated in previous reports we will base our recommendations on the level of allowances in 2014/15 and not attempt to back date any increases to 2010.

### **3. Members' Basic Allowance**

#### **3.1 The Calculation**

This allowance is payable to all Councillors of the Council. In determining the basic allowance we adopted a formula approach related pro rata to an equivalent salary for a 37 hour week. When we did our first review in 2007 we opted to base the calculation on a salary figure of £20,000 per annum. At the time of writing our report in March 2007, this figure was similar to the Median Gross annual earnings in the South West for 2006 (£22,042).

Therefore the calculation to work out the Basic Allowance at that time was:

$$15/37 \times £20,000 \times 67\% \times 46/52 = £4805$$

hours per week x equivalent annual salary x (100% - voluntary element reduction) x working weeks per year/weeks per year.

Our recommendation to Council in subsequent years was that this basic allowance should be increased annually by the percentage increase in the median salary for the South West, a figure published by the Office for National Statistics in November each year. If Council chose not to implement this increase, or only a part of it, in any year, then there would be no catch up in subsequent years.

#### **3.2 Brief history of the Basic Allowance**

In 2008 Council decided to increase the basic allowance by 2.45% (in line with the staff settlement) rather than the 3.59% recommended by the IRP, based on the percentage increase in the South West median salary. This set the basic allowance at £5066. In the 2010/11 budget, Council opted to freeze the basic allowance for 5 years and so the IRP has not reviewed the basic allowance in subsequent years until now coming up to the end of the freeze period.

#### **3.3 Average Hours used in the formula**

*64% of Members responding to the survey thought that the average of 15 hours per week was about right. 4 Members supplied alternative estimates of 13-26, 22, 24 and 26 hours per week broken down by tasks. Another Member responded that there was probably a variation amongst Councillors as to how they spent time with some doing more ward work and others doing more committee and work based in the council offices but generally they felt 15 hours was probably an under-estimate.*

*This was an area we further explored during the interviews with Members. 75% of the Members we interviewed were comfortable with this figure. One Member felt very strongly that hours should not be a factor in setting the basic allowance and it should purely be based on the level of responsibility for the role which was 24/7 with a Councillor never being off duty. The responsibilities were as defined in the Constitution. The best comparison would be to equate the level of responsibility with that of a non-Exec director of a company with a similar turnover to the council. Another Member felt it was down to the individual Member what they chose to get involved in within their community.*

We have looked at research across other councils and the adoption of an average number of hours is quite typical across many schemes. Following our first meeting, at our request the DSM wrote to all authorities in the Cheltenham Borough Council's family asking them whether they made an assumption on average number of hours spent by a Councillor when setting the basic allowance. Their responses have been added to the table in Appendix B. Gloucester City are just reviewing their scheme and are adopting the same figure or 15 hours, several

authorities said they used a figure of 11 hours and another authority based their formula on 1 day per week.

We would emphasise that in using the figure of 15 hours, this was not a recommendation for the number of hours **expected** from a Councillor, but this was a figure representing the historical evidence supplied to us from Councillors on the average time they spent in their basic Councillor role. For this reason we have felt it appropriate to review this figure with Members when we carried out each four-year review. Members we spoke to did feel that time and availability was a big issue for them and it was a challenge to pursue a career alongside public service and family commitments.

We think it is important to have a mechanism for setting the basic allowance (and the SRAs) which is transparent to the public and provides some rationale for the allowances set. We believe our formula approach provides this and at the same time allows Council to adjust any of the components or building blocks where they think fit. We also think it is important to give potential candidates some idea of the amount of time that may be involved in the role as well as being made fully aware of the responsibilities associated with being a Councillor.

On completion of this review we do not feel we have had any significant evidence which has caused us to change the 15 hours figure and we think this has a valid place in our formula of the reasons we have given.

### **3.4 Voluntary deduction**

*70% of the Members who responded to our survey supported this deduction. 1 Member thought it should be reduced to 20%, one thought it was insulting to Members to make any deduction as they were likely to do a range of voluntary duties on top of their Councillor role and they were elected representatives and another Member felt there was too much reliance on voluntary work and Councillors should be rewarded for the work they do.*

We were advised that this is still a standard practice across many authorities and the figure varies between 25 and 50%. We felt that if Members had felt strongly about this they would have used the opportunity to respond to the survey. Consequently we agreed that the 33% deduction should remain in place. The gross Basic Allowance without this deduction would be **£7,561** whereas with this reduction it is set currently at **£5,066**. We would also highlight that no voluntary deductions are made to SRAs but only the basic allowance.

### **3.5 Indexation**

*100% of Members responding to the survey thought that there should be an annual index on which Members Allowances were based and only 38% thought the index was the right one. Of the 5 Members who didn't agree with the index used, 3 suggested it should be the RPI and 2 said it should be the local government pay settlement i.e. in line with staff. In our interviews there was a suggestion that Members needed to be sensitive to the staff reaction to Members receiving an increase more in line with the private sector than public sector pay increases.*

The most recent figures taken from the Annual Survey of Hours and Earnings, 2014 (ASHE) indicate the median gross weekly earnings in the South West is £485 per week and the percentage increase from the previous year 2013 was 1% . This is an average across the private and public sector.

Full details are available via this link:

[Annual Survey of Hours and Earnings, 2014 Provisional Results - ONS](#)

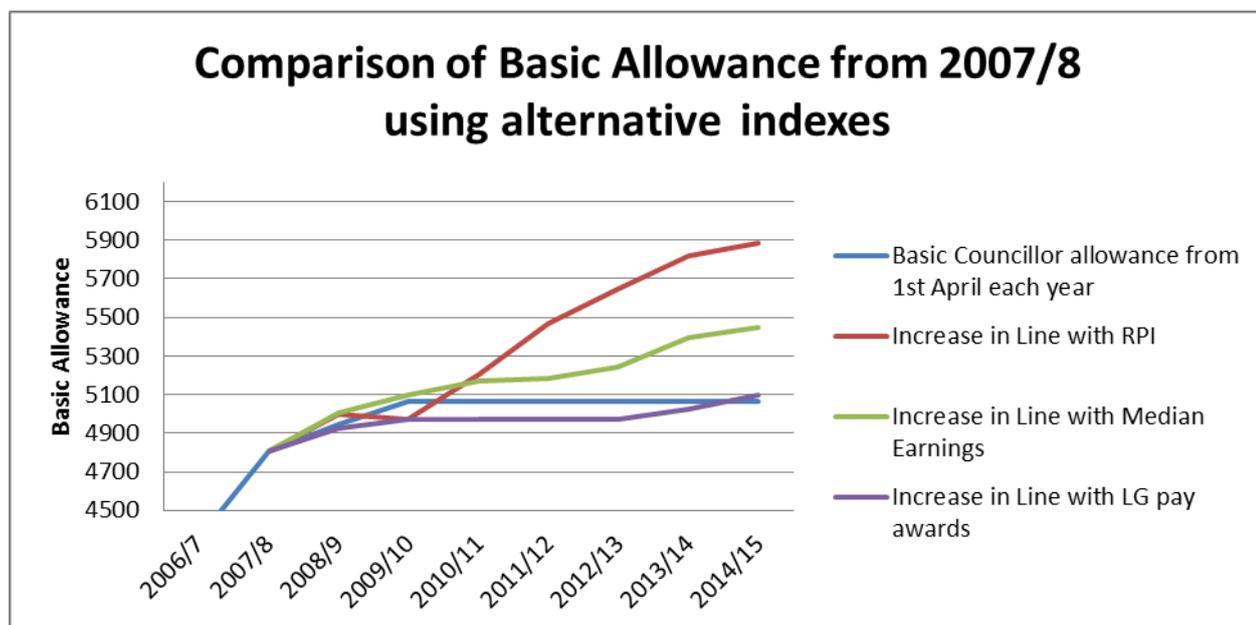
We will call this percentage X – where X is the % increase in the Median Salary for the South West in 2014

We looked out the alternatives suggested by Members in the questionnaire.

**Definition of RPI** – an official measure of the general level of inflation as reflected in the retail price of a basket of goods and services such as energy, food, gasoline (petrol), housing, household goods, traveling fare, etc. RPI is commonly computed on monthly basis, but an annual rate is also published which serves as a yardstick for adjusting inflation-indexed salaries and wages, tax allowances, and pensions. Several different types of RPI are used for different requirements. A consumer price index (CPI) is a type of RPI.

Previously we looked at alternative indexes to the percentage increase in the median salary including the local government pay settlement, the % increase in the LGA Member daily rate (no longer available) and inflation measures. We did not feel the local government pay settlement was the most appropriate measure as Councillors are not local government employees. We understand staff are due to receive a 2.2% increase with effect from 1 January 2015.

The following graph shows the path of the basic allowance since the major review in 2006 and compares this with the level of basic allowance had it been pinned to an alternative index and received increases each year in line with the increases in that index.



For simplicity we would recommend that the allowance continues to be increased each year by the % increase in the median gross weekly earnings for the South West published in the Annual Survey of Hours and Earnings each year. Council always has the option to use an alternative index and our formula approach facilitates this.

### 3.6 What should be covered in the Basic Allowance

*In responding to the survey 4 Members suggested that the basic allowance should include an amount to cover stationery, paper, cartridges and a contribution to cover telephone charges, broadband etc. It was also requested that a clear statement of what Members were expected to provide as part of their basic allowance was available to Members to assist in completing their Inland Revenue returns.*

The panel feels the basic allowance should cover things like stationery, paper and cartridges etc. and acknowledges that there is an assumption that the Member will have a telephone, broadband connection and suitable facilities for home working which it went on to look at specifically.

### **3.7 ICT Provision as part of the Basic Allowance**

ICT provision is essential for Members in carrying out their role effectively and forms a key part of their communication with the public, Members and officers. When they are first elected Members are advised that there is an assumption that they will review their council emails regularly and respond accordingly.

The IRP were reconvened in February 2014 to review some issues relating to Members allowances prior to any influx of new Members following the elections in May 2014. During our meeting we established three key principles relating to Members ICT provision.

- *If the council requires a Councillor to work from home on council business then every Councillor should have the right to be provided with the appropriate equipment and tools to enable them to communicate effectively.*
- *The second principle we established was that the formula approach we have adopted for calculating our recommended Basic Allowance is very much based on time and responsibility and therefore does not easily lend itself to incorporating any sort of one-off payment. Therefore our preference was that any ICT provision should be identified as a distinct payment rather than be included in the Basic Allowance.*
- *Our final principle was that the panel need not be concerned with the details of what is provided for Members in terms of ICT support, we are purely concerned with the associated financial payment and how it should be made. We are also not concerned with how the council provides the necessary budget to support our recommendations. We understand there are also increasingly stringent requirements from government regarding data security and acknowledge that our recommendations need to be flexible to allow for these changing requirements.*

Subsequent advice from One Legal advised that the legislation for Members Allowances Schemes did not support a separate ICT allowance. Subsequent research has shown that many councils overcome this by allocating a provision for ICT which is included in the basic allowance. The issue was also raised at a meeting of the South West IRP network meeting on 3 June 2014 with the minutes of that meeting as follows:

#### **1. Members' IT and the Basic Allowance**

*The group discussed this in the context of some legal advice given at one Council which in effect stated that there was no legal provision to pay an IT allowance to Members.*

*Most contributors recognised that such considerations were in the context of setting the level of basic allowance and that there was no specific allowance identified within the regulations covering IT costs.*

*A number of Councils, on a recommendation from their Panels, had approved within the Scheme of Allowances a payment to recognise the 4 x year lifespan of for example, a tablet/notebook device. This seemed a reasonable approach linked as it was to setting the level of basic allowance and being clear how that allowance was arrived at.*

We have carried out further research into how other councils approach this issue by research with other councils in our family. The responses we received are set out in Appendix C. Our research shows that many councils are facing similar issues trying out new technology and deciding how to take this into account when setting the level of basic allowances.

Since our last meeting in February, the roll out of iPads to Members has continued and the majority of Members are opting to receive a council iPad on loan rather than use their own. The cost of the iPad is matched by the saving in printing costs for committee papers so it is important that Members sign up to this important initiative to save paper before accepting a council iPad.

Laptops ceased to be provided to new Councillors from May 2012 on the assumption that Members would be expected to have their own ICT facilities at home or are available to work at the Municipal Offices. Our understanding is that Members with iPads may still need access to a PC at home with Microsoft office type capabilities for spreadsheets, report writing, editing committee reports etc. They would also need broadband and Wi-Fi access for receiving emails on their iPad and a printer, although levels of printing should be reduced with the iPad. We note that in future all the facilities that a Member requires may be available on one device but until that time we consider our first principle applies and Members should receive an allowance for the use of their own home ICT and communication facilities. We consider a figure of £100 is appropriate and this would be incorporated in the basic allowance figure from 2015/16 and therefore subject to an X% increase in future years.

### **3.8 Comparisons of the basic allowance with other councils in the same family and in the South West**

*Several Members we spoke to highlighted that the basic allowance for a GCC Member at £9000 was currently much higher than the district council basic allowance yet a double hatted councillor was more likely to spend time dealing with ward work in their district capacity rather than the county councillor covering for that ward.*

The panel was not in a position to comment on comparisons with a county council. The panel reviewed the results of a survey of basic allowances across a family of similar authorities. Comparisons were also made across the South West and across the Gloucestershire councils and are set out in Appendix B.

We noted that the basic allowance at Cheltenham compared favourably with other authorities in the same family as Cheltenham with the council in the top 25% and 14% above the average.

### 3.9 Conclusions regarding the Basic Allowance

For the reasons we have set out in paragraphs 3.1 to 3.8 our recommendation is as follows:

#### Recommendation 1:

**That the Basic Allowance payable to all Councillors is increased by X% and an additional amount of £100 per annum be incorporated to cover ICT/Communication essentials that the Member is expected to have at home.**

## 4. Special Responsibility Allowances (SRAs)

*In the survey, one Member thought there should be no increases in SRAs at this time and the 5% cut for the Leader and Cabinet Member should be restored.*

Our recommendations for the payment of SRAs were also based on a formula approach. A different formula was used for the Leader's SRA but all others were based on a formula linked to the basic allowance but took into account the role description, the level of knowledge required to perform the role, the level of responsibility and risk that comes with the role and the hours required to perform it.

There have been some changes in roles and responsibilities for SRAs which have been considered by the panel in the years since our last 4 yearly review and these are reflected in the current level of SRAs. As all the SRAs are calculated using a formula approach based on the basic allowance, they will all receive an automatic increase equal to the percentage increase in the basic allowance. Our focus from this point was to review the current SRAs and determine if there were any changes or anomalies that needed adjusting before we applied any percentage increase.

The panel found it helpful to refer to the information in Appendix D where a comparison of SRAs is set out for the family of authorities of which Cheltenham forms a part.

### 4.1 Leader of the Council

*In the survey one Member thought the 5% reduction for the Leader should be restored. Another Member thought the Leader's SRA should be reviewed upwards.*

*In the interviews we carried out several Members referred to the Leader's role as being effectively a full-time responsibility and felt the current scheme did not differentiate sufficiently between the remuneration for the Leader's role and that of a Cabinet Member.*

Using the same methodology as that when calculating the Basic Allowance we considered that due to the responsibilities that fall on the Leader we would equate the role of Leader to a senior officer in Local Government. In 2007 we selected an annual salary of £45,739.20 per annum as reflecting typical earnings for a role in the public or private sector with a similar level of responsibility at the time of writing the March 2007 report.

We considered that a typical Leader of the Council would need to dedicate at least the equivalent to 2 working days to carry out the role effectively. This is over and above the 15 hours spent carrying out their basic Councillor role so does come close to being a full-time role on that basis.

Therefore, the calculation was

$$15/37 \times £45,739.20 \times 46/52 = £16,403.35$$

hours per week x equivalent annual salary x working weeks per year/weeks per year

When reviewing the SRA's in November 2007 and in subsequent years we recommended that the Leader's SRA should be increased by the same percentage as the basic allowance. This allowance was increased to £17,293 in 2009/10 but in the 2010/11 budget a deduction of 5% in the SRAs for the Leader along with the Cabinet was agreed reducing the Leader's SRA to £16428. Following this date the Leader's allowance was frozen at this figure along with the Basic Allowance. We viewed this reduced figure as the new permanent level and therefore base the new SRA on this.

Any proposal to restore the 5% would therefore be a decision for Council to make and we see no reason to change our approach.

#### **Recommendation 2:**

**That the special responsibility allowance currently payable to the Leader of the Council should be increased by X%.**

#### **4.2 Cabinet Member**

*In the survey 1 Member thought there should be no increases in SRAs at this time but the 5% cut for the Leader and Cabinet Members should be restored. Another Member thought they should be reviewed upwards. We had no responses to the survey from Cabinet Members but did speak to two Members of Cabinet.*

*In our interviews both Cabinet Members felt there were peaks and troughs in the Cabinet workload but the 15 hours was a reasonable figure to base it on. They emphasised the amount of time and commitment needed when there was a major issue or project within their portfolio.*

In our research we noted that the SRAs paid to Cabinet Members at Cheltenham are generally higher than other authorities in the same family and there is less differential between the SRA paid to the Leader and those paid to Cabinet Members (See Appendix D).

If Council feel they want to adjust the SRAs for the Leader/Cabinet to address this we would urge Council to review the elements used to calculate the SRAs rather than adjust the final figure. This will ensure that the SRA can then be consistent with all other SRAs and receive the same % increase each time.

We originally set the SRAs based on the evidence we gathered at that time and the criteria can be reviewed. .

For this reason we include the criteria for evaluating all SRAs in Appendix E. So for example if Council decided to reduce the level of knowledge/experience for a Cabinet Member or their level of responsibility then this would result in a decrease in the relative score and hence a decrease in the SRA but it would then be set at the correct level going forward.

Any proposal to restore the 5% would be a decision for Council to make and we see no reason to change our approach. We would suggest that in future when Council decide to make additional reductions to SRAs they consider the impact in the longer term as any adjustments percentage wise adjust the starting point for allowances in future years.

Therefore our starting figure on which to base the new SRA is the current Cabinet Members Allowance of £12930.

### **4.3 Chair of the Standards Committee**

*One Member questioned how often the committee meets and suggested the SRA may need to be adjusted downwards.*

When the new regime was introduced in May 2012, we reviewed the role of chair of Standards Committee and reported our conclusions to Council. Our rationale is set out below.

“The committee is no longer a statutory committee and initial determination is by Monitoring Officer in consultation with Independent person. This should reduce the at what point they number of trivial complaints which come before the committee. We feel both these factors reduce the level of responsibility and risk for the chair. We acknowledge there is a risk of reputational damage to the council and Members if complaints are not handled appropriately and sensitively by the committee but we feel that this is is **MEDIUM**.

Thus the new SRA would be calculated on the basis of 3-4 committee meetings per year with a MEDIUM level of experience and knowledge given the high degree of support from the Monitoring Officer. We would assess the level of responsibility and risk as MEDIUM. Using the current basis of calculations this comes up with an allowance for the chair of the new Standards Committee as £302 per annum.”

Since May 2012, 4 meetings have continued to be scheduled in the diary per municipal year but some have been cancelled. There was 1 meeting in the first 2 months of 2012, 2 in the 2013/14 Municipal year and 2 to date in the 2014 Municipal Year with additional meetings scheduled. All complaints to date have been dealt with by the Monitoring Officer and reported to the Standards Committee. However if there was a complaint that needed to be dealt with by the committee there may be a need for additional meetings and preparatory meetings of the Chair with the Monitoring Officer.

We feel the rationale behind the current SRA for the chair of the Standards Committee is appropriate and we have received no evidence that would cause us to review it at this point in time.

### **4.4 Chair of Council, Licensing, Group Leaders, Audit Committee, Overview and Scrutiny Committees**

*A Member suggested that the Group Leaders Allowance should be based on number of Members in the Group. Another Member suggested the SRA for Chair and Vice-chair of Planning should be reduced and another Member thought they were too low. A Member suggested the SRA for Audit Committee should be increased and that of Licensing Committee decreased.*

### **4.5 Group Leader**

Regarding the allowance for Group Leader, we did note a large range in allowances paid to Group Leaders in the South West survey (see Appendix D), some calculating the allowance based on the number of Members in the party. When we originally set the SRA for a Group Leader we focused on the meetings that the Group Leader was expected to attend in their role and the degree of consultation with Group leaders as a body. We feel that the management of their group, which will increase with the number of Members in the group, is more of a political role outside the scope of the SRA. Therefore we see no reason to increase the level of the SRA. However we understand that a political group could consist of only 2 Members so we would suggest that Council would be prudent to set a minimum size of a political group for the purposes of paying a Group Leaders allowance as the responsibilities would be less demanding for a much smaller group.

### **Recommendation 3 : A Group Leaders allowance should be payable where a political group has 4 Members or more**

#### **4.6 Audit Committee**

Regarding the Audit Committee, Members will note that the SRA paid by Cheltenham is quite low in comparison with the other authorities (D). This may be because authorities vary in their remit of the Audit Committee, some incorporating standards and/or scrutiny.

The basis of the calculation is set out in Appendix E and was based on 4 meetings per year with a medium level of knowledge and experience (2/5) and high level of risk/responsibility (3/5).

The panel considered that that in order to do their job effectively, the Chair of Audit Committee should have a corresponding level of knowledge in audit and corporate governance matters to that required for a chair of Planning, O&S or Licensing which is currently set at 3. This would increase the SRA by 50% from £454 to £681.

Following our first meeting we contacted the Director of Resources as the Lead Officer for the Audit Committee. He was not able to meet with us but was fully supportive that the level of knowledge and experience for the role should increase as proposed. Members we spoke to were also fully supportive of this change,

#### **Recommendations 4 : Increase the level of knowledge and experience for the chair of Audit Committee from 2 to 3 with a corresponding increase to the SRA for 2014/15 from £454 to £681.**

N.B this figure would then be eligible for the X% increase across all SRAs

#### **4.7 Co-optees**

No change required

#### **4.8 Consideration of any new SRAs**

*One Member suggested that Members should receive an SRA if nominated to represent the Council on the board of an outside body in view of the hours they put in which can be up to 6/7 hours per month*

The panel reviewed this suggestion but concluded as they did on a previous occasion that it is up to the outside body rather than the Council to cover a Councillor's expenses and any allowance for their time in attending such meetings. We would expect Members to take their share of attendance at committees, working groups and representing the Council at outside bodies as part of their basic duties and hence this would be covered by their basic allowance.

*One Member suggested that Members of Planning Committee should receive an allowance to reflect the 8-9 hours per month that they do in being a Member of the committee*

After some discussion at our first meeting we concluded that all Members are expected to take a role on committees and working groups as part of their basic duties. Whilst acknowledging that Planning Committee does require more of a regular time commitment, Members do have an element of choice on which committees and working groups they put themselves forward for. This was the only such suggestion we received and we feel it would set precedents for other committees if such an allowance was paid.

*Another Member suggested that there should be a provision in the scheme for the payment of a project allowance where a Member took on a specific role on a project or programme which constituted a considerable level of responsibility and extra workload for that particular Member.*

We understand this type of role would normally be taken on by a relevant Cabinet Member and would therefore normally fall under their Cabinet Member responsibilities for which they already receive an SRA. Whilst it is expected that there will be peaks and troughs in any Member's role we can see that there might be circumstances where a project related SRA may be relevant. We cannot make any specific recommendations at this time as we would need to consider a case when it arose based on our standard criteria for assessing the level of SRA. We would also only consider such a case where the role was to be performed for a minimum of 6 months. In the meantime we would welcome a view from Council on the principle of such an allowance.

#### **4.9 General increase to all SRAs**

Having made these adjustments to the formula and eligibility criteria for the chair of Audit Committee and Group Leader respectively, all SRAs should receive an increase equal to the percentage increase in the basic allowance.

#### **Recommendation 5:**

**That the level of SRAs be increased by X%.**

### **5. Mayor's and Deputy Mayor's allowance**

*One Member thought the Mayoral allowances should be reduced by 10% and 3 Members thought they were seriously too low and may dissuade Members from standing because they couldn't afford it.*

Although not an SRA when considering the Mayoral allowances we considered it appropriate to split the allowance into 2 parts. The first part reflects the role of the Mayor as Civic Head and the second part is a sum of £500 as a contribution to the amount the Mayor has to spend on clothing, donations and raffle tickets etc when representing the Council at events. The Deputy receives a corresponding amount of £100. In the interests of openness and accountability we understand that this additional amount is now set up in the Civic budget and the Mayor/Deputy Mayor submit a claim for any expenditure they incur during the year. We welcome this change and see no reason to adjust this amount at this time as it was adequate for the expenditure in 2013/14 and 2014/15 to date.

The panel considers that the basis of the calculation we used when setting these allowances does reflect the considerable amount of work that the Mayor does for the town during their year of office and the support given to that role by the Deputy Mayor. The hours on which the calculation is based are 20 hours and 4 hours respectively for Mayor and Deputy Mayor on top of their basic Councillor role. We used our formula approach based on the basic allowance so the Mayor's and Deputy Mayor's allowance would increase by the same percentage as the basic allowance.

The allowance is not designed to compensate a Member for loss of earnings should they decide to give up their usual employment in their year of office. It is an honour for any Member to serve as Mayor and they would need to think carefully about the time commitment required before taking on the role.

#### **Recommendation 6:**

**That the allowances for Mayor and Deputy Mayor are increased by X%**

### **6. Other parts of the Scheme**

#### **6.1 Travel Allowances**

*89% of Members who responded were happy with the allowances as they were set out. One Member thought that all travel costs should be paid including those in borough. There was a request for a clearer statement on what was covered under the allowance scheme to assist Members in submitting their IR tax returns.*

There is no allowance paid for Members' travel within the borough as this included in the basic allowance. Members travelling outside the borough on approved duties can claim the mileage from home to the destination where they are carrying out council business and the same for the return journey.

Mileage rates are automatically pegged to the staff rate for essential car usage which in turn is set to the Inland Revenue rate so there was no requirement for the panel to review the rate paid.

The IRP would also encourage Members to use more sustainable travel where ever possible, particularly train travel for longer distances.

## **6.2 Subsistence Allowances**

*One Member suggested that subsistence payments should be made or the council should provide refreshments at evening meetings.*

We understand that hot drinks are available to Members free of charge in the Members Room. There is no change from our position that these should not be paid and the majority of Members responding to the survey did not raise this as an issue.

## **6.3 Dependent Carers' Allowance**

*There was 100% support for this element of the scheme from Members who responded to the survey.*

There have been very few claims since this was introduced but the panel still feels this is an important part of the scheme. Claims can be made on the basis of receipts for costs of carers incurred and family Members are excluded. We feel no changes are necessary but potential and new Members should be made aware of the scheme.

## **6.4 Pension**

There is no longer an option for Councillors to join a scheme.

## **6.5 Hall hire for community consultations**

*A Member raised this with us during the interviews, suggesting that if a Member hired a venue in their community for a non-political purpose in order to consult with their community then they should be able to claim this an expense from the council rather than be expected to take it out of their Basic Allowance.*

The panel agreed that it did not seem appropriate for this to come out of the basic allowance but suggested where there was a need the Member should put forward a case and seek to get council officers involved through the relevant service area. The Strategy and Engagement team could be the first line of approach as they may already have community events in place which could be utilised.

## **7. Transparency and demonstration of achievements**

In our March 2007 report we made a number of additional comments regarding the need for a structured development plan for Members and greater transparency in their achievements.

We noted that a full Member induction program was arranged following the elections in May 2014 when 8 new Councillors were elected. It was well supported by new Members and received good feedback.

We hope that Members will continue to take the opportunities provided to develop their skills in their various roles. We as a panel think this is very important but it is not our role to make any provisions in the scheme to require Members to attend.

## **8. Clawback of Allowances**

*89% of the Members who responded to our survey strongly supported the clawback for non-attendance but some felt there should be an element of discretion especially for Members in 2 tier authorities. A Member was concerned that it was only voluntary and suggested the allowance should be cut by 50% for non-attendance after 6 months.*

One of the IRP's recommendations was that any Member who does not attend at least two thirds of the total number of scheduled meetings of Council or of Cabinet or of committees of which he/she is a Member should be invited to pay back an appropriate percentage of his/her basic allowance up to a maximum of 25% of the basic allowance.

We understand that Member attendance records have continued to be monitored and reported to Group Leaders and are available for public viewing on the council's website. Any issues arising have been addressed and overall there is a good level of attendance across all committee meetings.

Therefore we would not recommend any changes to the existing clause in the scheme.

## **9. The parts of the Members Allowance Scheme where we have made no recommendations**

### **Recommendation 8:**

**That all other aspects of the Members Allowance Scheme should remain unchanged**

## **10. Date of next review**

Legislation requires that the next full review takes place 4 years hence.

As set out in the scheme, in September of each intervening year, the Democratic Services Manager liaises with the Chair of the IRP to decide if there are any issues which require the panel to meet. These will be focused on any changes in roles and responsibilities. If there is no need for the panel to meet, then there will be a recommendation made to Council that the Basic Allowance and all SRAs are increased in line with the index. It will then be up to Council to decide whether to accept the increase or otherwise.

### **Recommendation 7:**

**The next full review required by legislation will start in September 2018 reporting to Council in December 2018 with an intervening review each September as detailed in the scheme.**

On that basis we commend our recommendations to Council.

Paul Johnstone (Chair)  
Quentin Tallon (Vice Chair)  
Patricia Dundas  
Joyce Williams

<b>Appendices</b>	
<b>A</b>	Current Members Allowance Scheme as defined in the Council's Constitution
<b>B</b>	Basic Allowances in the CBC family and other district councils in the South West
<b>C</b>	ICT provision across Gloucestershire and the CBC family of authorities
<b>D</b>	Analysis of SRAs in the CBC family of authorities
<b>E</b>	The Panel's assessment criteria for SRAs