

Cheltenham Borough Council
Independent Remuneration Panel
Our review of the Members Allowance Scheme
November 2016

1. The Panel

1.1. 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

2. Our Terms for Reference

2.1. 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

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

3. History to date

- 3.1. The Independent Remuneration Panel (IRP) carried out a 4 yearly full review of Members Allowances in 2014 as required under the regulations. At its meeting in December 2014, Council accepted the IRP recommendation to increase the Basic Allowance by 1% from April 2015. They decided that this should not be applied to SRAs which remained at their 2014/15 levels.
- 3.2. The chair of the Panel confirmed by email on 13 November 2015 that as there were no significant issues for the panel to review there was no need for a meeting. Therefore by default the IRP recommendation was that the Basic Allowance and all SRAs should be increased by 1.5% (the % increase in the median gross weekly earnings for the South West published in the Annual Survey of Hours and Earnings in November).
- 3.3. Council considered our recommendation as part of the budget report on 12 February 2016 and decided that they would award a 1% increase to be in line with the salary increase given to staff. They also wished to apply this increase to all SRAs and the civic allowances.
- 3.4. We were advised that in October 2016 a report on the proposed budget strategy went to Cabinet for approval. With regard to the proposed increase in Members Allowances in 2017/18 it made the following statement:

“An increase of 1% per annum has been assumed on members’ allowances, in line with the anticipated employee annual pay award. This is included within staff costs and totals c. £3.3k per annum.”

4. Consultation

- 4.1. The Democratic Services Manager wrote to all elected Members via e-mail on 26 October 2016 asking for any issues that Members may wish to be considered by the panel to be notified by Friday 4 November. No issues were raised in writing in response.
- 4.2. The Leader did make a suggestion that the IRP might like to review the index they used as it seemed that the index they currently used based on a South West median salary always seemed to be consistently higher than the local government pay increase and questioned whether it was appropriate since it included private sector salaries as well as public sector organisations in coming up with the median figure.

5. Internal Audit of the Members Allowance Scheme

- 5.1. An internal audit of the Members Allowance Scheme was carried out by Audit Cotswold at the end of 2015. They found that the Members Allowances Scheme was being prepared and administered in line with the regulations and that the information published on the council’s website was clear and detailed.

5.2. Their only recommendations related to the administration of claims for Members Travel. All their recommendations have been taken on board and the guidance notes and travel claim form used by Members have been updated and all Members advised of the changes. We have now reflected those changes in the Members Allowance Scheme in the Constitution. The changes required have been highlighted in the amended scheme attached as Appendix 1 to the IRP report.

6. Indexation

6.1. When the IRP first designed the scheme in 2007 we wanted to base the allowance on a salary which reflected average earnings in the South West across all sectors i.e. private as well as public sector. We felt that this would be more likely to encourage people from all walks of life and employment sectors to apply to become a councillor. Once that salary starting point was selected it was then logical that we reflected any % increase in the median South West salary in our recommendations for the % increase in Members Allowances for that particular year.

6.2. We have noted Council's ongoing preference to aligning increases in Members Allowances to the % increase paid to staff and understand that Councillors may feel uncomfortable in recommending any higher increase which may arise from an alternative index.

6.3. The IRP were ambivalent about this and if Council wished to adopt this alternative index we are happy to amend the scheme but we wanted to make clear our rationale for the original selection.

6.4. Accordingly our recommendations for 2017/18 will be an increase in the Basic Allowance and SRAs of 1%, the proposed increase for staff.

6.5. The Mayoral Allowances are not strictly part of the Members Allowance Scheme but we have been asked each year to consider these. We see no reason why these should not receive the same increase for 2017/18.

7. ICT provision

7.1. We were advised that the majority of Members now use iPads and therefore have agreed to go paperless for meetings. In practice many Members rely solely on their iPads for their council work e.g. reading papers for meetings and sending and receiving emails rather than access the Council network on a PC.

7.2. We were reminded of the additional £100 p.a. we added to the basic allowance at our last review to cover the cost of home ICT provision. We have made no recommendations to increase this and would remind Members that this is now included and therefore will be indexed accordingly.

8. Other changes to the Scheme

8.1. As we reviewing the actual wording of the scheme, we felt it was an appropriate time to review similar schemes in other authorities to see if any improvements can be made.

8.2. Another authority in the South West has produced a good summary of authorised duties which we have recommended is included in the scheme to expand the existing list. Now that the council is entering into more complex governance structures and shared arrangements the revised list reflects more fully other meetings where Members are attending meetings with other councils and partners outside the borough.

9. Our recommendations

- i. To increase the basic allowances and SRAs by 1% (and Mayoral Allowances)
- ii. To set the indexation used in the scheme in line with the anticipated employee annual pay award
- iii. To make the necessary changes to the Members Allowance scheme in order to meet the recommendations arising from the audit review
- iv. To enhance the list of approved duties in the scheme as detailed in the amended scheme

10. Next Steps

The IRP report is due to be considered by Council on 12 December 2016.

Appendices	Current scheme and proposed amendments
Background papers	
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