

**Cheltenham Borough Council
Council – 16 December 2019**

**Recommendations of the Independent Remuneration Panel (IRP)
regarding Members’ Scheme of Allowances**

Accountable member	Council
Accountable officer	Managing Director for Place and Growth, Tim Atkins
Accountable scrutiny committee	Not applicable
Ward(s) affected	Not applicable
Key/Significant Decision	No
Executive summary	<p>The Local Authorities (Members’ Allowances) England Regulations 2003 requires that Members’ schemes of allowances are reviewed annually and where they are linked to some form of automatic indexation, there must be a full review once in every four years. Before an authority can review its scheme of allowances it must first have considered a report from an Independent Remuneration Panel (IRP). The last full review at CBC was carried out by the IRP in 2014 and its recommendations were approved by Council in December that year. The IRP have been convened at several points since then to consider specific issues.</p> <p>In November 2019, the IRP were convened to conduct a 4 year review in preparation for the budget setting 2020/21 and their findings and recommendations are summarised in this report with the full report attached as appendix 2.</p> <p>The Council is now required to consider the recommendations and, if acceptable, to resolve to adopt them. If the Council rejects the recommendations then the current scheme will remain in place.</p>
Recommendations	<p>1. That the Council consider the findings of the IRP and determine whether to accept the recommendations as follows :</p> <ul style="list-style-type: none"> • That the basic allowance be increased by 2% to £5,698, (this incorporates a £50 increase to the home ICT allowance). • That the Special Responsibility Allowances be increased by 2% to give the following levels:

Role	Current Allowance	Recommendations from the IRP from April 2020 with a 2% increase (except for those marked with an asterisk)
Leader	17,435	17,784
Cabinet Member	13,723	13,997
Chair of Planning Committee	3,211	3,767*
Vice-Chair of Planning Committee	1,604	1,881*
Chair of Licensing Committee	867	884
Vice-Chair of Licensing Committee	577	589
Chair of Overview & Scrutiny Committee	2,889	2,947
Vice-Chair of Overview & Scrutiny Committee	1,444	1,473
Chair of Audit Committee	723	737
Chair of Standards Committee	320	326
Group Leaders	643	656
Independent Members of Standards Committee	318	324
Mayor (Chair of Council)	481	491
Mayor (Duties of Civic Head)	7,016	7,156
Deputy Mayor	1,404	1,432

*These figures include the recommended 15% increase to the SRA for the Chair and Vice-Chair of the Planning Committee. Should the 15% not be approved by Council, the new level of SRA for the Chair and Vice-Chair of the Planning Committee would be £3,275 and £1,636 respectively.

- **That the Special Responsibility Allowance for the Chair and Vice-Chair of Planning Committee be increased by 15% in addition to the 2% inflation increase to give the following levels:**
 - **Chair of Planning Committee - £3,767**
 - **Vice-Chair of Planning Committee - £1,881**

- **That the Special Responsibility Allowance for the Licensing Committee be split between the Chair and Vice-Chair on a 60/40 basis and formalised within the scheme.**

2. That Council notes the IRP comments on :

- **Potential additional training requirements in order to equip Members with the knowledge and expertise required to undertake their role.**

- **Digitalising the submission of travel claims.**

The revised allowances, if agreed, will be published on the council's website to aid transparency

<p>Financial implications</p>	<p>The proposal to raise all allowances by 2% and the allowances for the Chair and the Vice Chair of the Planning Committee by an additional 15% would increase the annual cost of allowances by £9,654 to £353,005 in 2020/21. This requires an increase in the budget of the cost centre for Democratic Representation and Management for 2020/21.</p> <p>Contact officer: Martin Yates, martin.yates@publicagroup.uk, 01242 264200</p>
<p>Legal implications</p>	<p>The Local Authorities (Members' Allowances) England Regulations 2003 (as amended) require a local authority to review its members' allowances at least once every four years (where allowances are index linked) for the purpose of reviewing how it will index link its scheme of allowances.</p> <p>Before any changes are made to the scheme the Council must have regard to the findings of the Independent Remuneration Panel and determine whether or not it should accept the recommendation of the Independent Remuneration Panel.</p> <p>Contact officer: Sarah Farooqi – One Legal sarah.farooqi@teWKesbury.gov.uk (01684) 272012</p>

HR implications (including learning and organisational development)	<p>If the recommendations are accepted then there will be a requirement for the HR Support Centre Team to update the HR & Payroll system.</p> <p>Contact officer: Contact officer: Julie McCarthy HR Manager Julie.mccarthy@publicagroup.uk Tel 01242 264355</p>
Key risks	<p>The determination of allowances is a sensitive subject both from the perspective of Councillors themselves and the public who elect them. In view of this it is important that any scheme adopted is objectively reasonable and based upon some logical and fair mechanism.</p>
Corporate and community plan Implications	<p>It is important for the effective functioning of the council that councillors are paid a basic allowance to support them in carrying out their work they do as local councillors. It is also important to recognise that some councillors with additional duties and responsibilities should receive a Special Responsibility Allowance for the extra work in relation to this.</p> <p>Contact officer: Richard Gibson, Strategy and Engagement Manager, Richard.gibson@cheltenham.gov.uk</p>
Environmental and climate change implications	<p>There are no implications arising directly from this report.</p> <p>Contact officer: Gill Morris, Client Officer Gill.morris@cheltenham.gov.uk, 01242 264229</p>
Property/Asset Implications	<p>There are no implications arising directly from this report.</p> <p>Contact officer: Dominic Stead, Head of Property and Asset Management Dominic.Stead@cheltenham.gov.uk, 01242 264151</p>

1. Background

- 1.1 The Local Authorities (Members' Allowances) England Regulations 2003 sets out the framework within which local authorities can establish and amend schemes providing for the payment of allowances to Elected and Co-opted Members of their councils. In particular the regulations provide that schemes which are linked to an index to determine annual increases in allowances must be reviewed at least once in every four years.
- 1.2 When reviewing its scheme a council may not adopt a new scheme or re-adopt an old scheme without first having considered the recommendations of an Independent Remuneration Panel established for that purpose.
- 1.3 The existing scheme of Members' allowances has been in place since the last full review in 2014, it provides for basic allowances for all elected Members, special responsibility allowances (SRAs) paid in respect of identified roles and responsibilities and travel and dependent carers payments. In September of each intervening year, the Democratic Services Team Leader liaises with the Chair of the IRP to decide if there are any issues which require the panel to meet.
- 1.4 When Council considered the IRP report as part of the budget report on 12 February 2016 they 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.
- 1.5 In 2017, the IRP recommended that the scheme be changed to adopt Council's preferred method of

indexation i.e. the increase should be in line with that given to staff rather than the % increase in the median gross weekly earnings for the South West which had been adopted by the panel previously. This was agreed by Council. All basic allowances, SRAs and Civic Allowances were increased by 1% from April 2017 in line with the increase given to staff.

- 1.6 The IRP was convened in November 2017 to review some issues (including the split of the SRA for Licensing Committee Chair/Vice Chair on a 60:40 basis) requested by Members and the recommendations of the IRP were unanimously agreed by Council in December 2017.
- 1.7 The next full review was originally due to commence in October 2018, however, due to the retirement of the Democratic Services Manager, it was agreed that the full review would be postponed until 2019. Members were, however, contacted and did not raise any issues to bring to the attention of the Independent Remuneration Panel (IRP) as part of the scheme for 2019/20. Council therefore agreed in February 2019 to adopt the following approach:

Increase the following allowances by a % equal to the proposed increase to staff relating to 2019/20 (i.e. 2 %) from April 2019:

- The Basic Allowance;
- The level of all Special Responsibility Allowances (SRA); and
- The Mayoral and Deputy Mayoral allowance.

2. Alternative options considered

- 2.1 The review undertaken by the IRP constitutes a thorough and reasoned analysis of the allowance rates applicable to Councillors and those co-opted to serve the council. In reaching its conclusions it has taken advice and gathered a range of information and considered a range of options which are detailed in their report.

3. Consultation and feedback

- 3.1 Detailed in the IRP report.

4. The recommendations and rationale

- 4.1 The recommendations from the IRP for 2020/21 and the rationale for them are set out in the IRP report in Appendix 2 and summarised in the Executive Summary of this report.

- 4.2 If the panel's recommendations are accepted the new allowances will be as follows:

ROLE	Current allowance £	Recommendations from the IRP from April 2020 with a 2% increase
Basic	5,536	5,698
Leader	17,435	17,784
Cabinet Member	13,723	13,997

Chair of Planning Committee	3,211	3,767*
Vice-Chair of Planning Committee	1,604	1,881*
Chair of Licensing Committee	867	884
Vice-Chair of Licensing Committee	577	589
Chair of Overview and Scrutiny Committee	2,889	2,947
Vice-chair of O&S Committee	1,444	1,473
Chair of Audit Committee	723	737
Chair of Standards Committee	320	326
Group Leaders (x2)	643	656
Independent Members of Standards Committee	318	324
Mayor (Chair of Council)	481	491
Mayor (duties of civic head)	7,016	7,156
Deputy Mayor (duties of deputy civic head)	1,404	1,432

*These figures include the recommended 15% increase to the SRA for the Chair and Vice-Chair of the Planning Committee. Should the 15% not be approved by Council, the new level of SRA for the Chair and Vice-Chair of the Planning Committee would be £3,275 and £1,636 respectively.

4.3 Member Training

The IRP noted the increased demands on Councillors, particularly Planning Committee Members, in terms of knowledge required on the emerging Cheltenham Plan, the Joint Core Strategy and the National Planning Policy Framework. They considered that there may be potential additional training requirements for those Members. This is deemed to be a sensible consideration and whilst a Member training budget exists, should this be exceeded another approved source of funding would need to be identified.

4.4 Submitting Travel Claims

Whilst the IRP noted that relatively few travel and subsistence claims are made by Members, digitalising the claim form would streamline the process. This will be investigated further by democratic services.

5. Financial implications

5.1 The financial implications of the proposals based on the IRP recommendations are set out in the table below.

	19/20 Costs (£)	20/21 Forecast Costs (£)	Additional Costs (£)
Basic Allowances	221,438	227,920	6,482
Special Responsibility Allowances	121,913	125,085	3,172
Total cost of allowances	343,351	353,005	9,654

5.2 The table assumes that all allowances are raised by 2% and the allowances for the Chair and the Vice Chair of the Planning Committee by an additional 15%. This requires an increase in the budget of the cost centre for Democratic Representation and Management for 2020/21.

6. Performance management – monitoring and review

6.1 The Members Allowance Scheme will be monitored by Democratic Services and any issues arising will be raised with IRP when necessary.

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Appendices	1. Risk Assessment 2. IRP Report
Background information	<u>Part 6 CBC Constitution – Members’ Scheme of Allowances</u>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If some provision is not made for increasing the basic allowance and SRAs then new councillors may not be attracted to stand for the role or existing members may step down.	Chief Exec	2019	3	2	6	Reduce	The views of existing Councillors should continue to be fed back to the IRP and they should be made aware of any difficulties in attracting future councillors.	Dec 2020	Democratic Services Team Leader	
	If Members Allowances are increased during a continuing climate of financial cuts there may be a public or staff perception that Councillors are not playing their part in helping to bridge any budget gaps.	Chief Exec	2019	2	2	4	Accept	The basic allowance has been linked to the staff pay settlement since 2017 as detailed in the report.	Dec 19	Democratic Services Team Leader	