

**REPORT OF THE INDEPENDENT REMUNERATION PANEL
(MEMBERS' ALLOWANCES) TO CHELTENHAM BOROUGH
COUNCIL**

DECEMBER 2023

REVIEW OF MEMBERS' ALLOWANCES – 2024/5 AND BEYOND

Introduction

1. The Local Government Act, 2000 required local authorities to produce a Scheme in respect of councillors' allowances. Under the Local Government (Members' Allowances) (England) Regulations 2003, Councils have to set up an independent remuneration panel to make recommendations on members' allowances. The Independent Remuneration Panel for the Borough Council comprises:

Graham Russell, former Head of Democratic Services with Bath & North East
Patricia Dundas, Cheltenham resident and former NHS employee
Dr Helen Francis, Cheltenham resident, voluntary sector experience
Bruce Lunt, Cheltenham resident, retired solicitor
Quentin Tallon, Cheltenham resident, former Cheltenham TUC

2. The Panel has undertaken a full review of the Scheme of Members' Allowances, as it is required to do every 4 years. We are extremely indebted to Bev Thomas and her team for her advice and support throughout the review period.
3. We wish to acknowledge also the time given by elected Members who took part in our survey questionnaire or who took the time to have face to face/virtual meetings with the Panel. This direct evidence has proved extremely valuable in shaping our recommendations and we are very grateful to those members.

Context of the Full Review of Members' Allowances

4. In accordance with legal requirements, the Scheme of Allowances has to be reviewed every 4 years, particularly with regard to the indexing arrangements for the Basic Allowance to which all members are entitled.
5. The Panel has based its review on a number of key principles as follows:
 - recognising the core values of Cheltenham Borough Council as a service provider/enabler;
 - recognising the legal framework relating to a Council which is operating an executive style of governance;
 - taking into account, and balancing, a wide range of evidence, including that relating to the direct experiences of councillors;
 - creating a sound local basis for calculating the level of Basic Allowance for all councillors;
 - the need for recommendations on Special Responsibility Allowances that clearly distinguished those member roles that involved sufficient special characteristics to justify an allowance over and above the Basic Allowance;
 - recognising that while there was very little prescription in the Regulations governing members' allowances, there was statutory guidance which should be followed.

Review Methodology

6. An important part of the evidence base for the Panel was to hear directly from elected councillors in Cheltenham. When designing our questionnaire for members' views we were mindful to balance the effort expended by members in completing the survey with the value of the information obtained.
7. The returns have given the Panel a valuable insight into the issues for councillors in performing their duties and responsibilities to the electorate and to the Council. The Panel has received feedback from 22 councillors, a 55% response rate. The detail within those responses has been most welcome and informative.

8. We have also considered comparative statistics, and in particular how Cheltenham compares with other Gloucestershire Councils and those within the South West region. As with all such information, the Panel has exercised caution in using comparator information as not all similar Councils necessarily have the same level of involvement of members.
9. Of particular value was the face to face/virtual meetings between the Panel and councillors who asked to speak with us or whom we wished to meet to gain more information about particular roles that they performed.
10. The Panel has met on 5 occasions from October to December to review the evidence and to formulate its recommendations to the Council.

The Basic Allowance

11. The Basic Allowance is to be made available to all councillors at the same level of remuneration. There is no flexibility to pay different amounts to members as a Basic Allowance. However, Members may elect to forego all or part of their allowance if they were so minded.
12. According to Government Guidance issued in 2003, the purpose of the Basic Allowance is to *"recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes"*.
13. In the context of modern local government, the Panel believes the above description does not offer enough clarity that councillors might need. The Panel has identified the following as being the main aspects of a councillor's role that should be recognised through the Basic Allowance:
 - time and effort in conducting the local representation role (*the Panel accepts evidence that this is variable and dependent upon many factors e.g. single or multi-member wards*);
 - use of home as an office/work base;
 - travel within the Borough;
 - recompense in part for the direct impact of the councillor role on the family;
 - serving on such outside bodies to which the member may be appointed;
 - participation with, and advice and support for, local projects;

- virtual/face-to-face engagement with local constituents;
- membership of the full Council, its committees, sub committees, etc. and preparation for and attendance at meetings of the bodies to which the member has been appointed;
- performing a chairing or other lead role at such meetings where the time and effort involved does not equate to a chairing role for which a special responsibility is justified;
- attendance at political group meetings;
- making a contribution towards the effective governance, administration and performance review of the Council's strategies, policies and service delivery;
- attendance at a reasonable number of training and development events, including all mandatory training events;
- IT consumables (including printing, ink and paper) broadband and telephone.

RECOMMENDATION 1: That the Council endorses this broader understanding of the purpose of the Basic Allowance.

14. Prior to the recent percentage increase of the Basic Allowance, it had been £6,174. That figure compared favourably with other District Councils within Gloucestershire, third only to Gloucester City and Tewkesbury. Against all District Councils in the South West, Cheltenham is within the top quartile of authorities.
15. The current figure has its origins in an allowance set in 2007 and based on a local formula devised by the then IRP. This formula took account of a figure close to the median gross annual earnings in the south-west (then £22,042), a councillor's average 15 hours per week on Council and constituency duties, applying a 33% reduction to account for the voluntary element of a councillor's work, and assuming a 46 week year.
16. Save for a one off increase of 15%, which took effect in 2020/21, that figure has been updated year on year in accordance with the increase in the baseline salary used in the formula.
17. The Panel believes that a formulaic approach to calculating the Basic Allowance is the most appropriate and that an updated formula reflecting the current local elements should be developed.

18. Based on the returns from members, the average figure for hours per week is 12.3. We will use this figure, together with the 46 weeks per year, in the revised formula. The Panel believes that the present 33% deduction for unremunerated hours should also be used within the revised formula.
19. The latest figures from the Office for National Statistics (ONS), from 2022, confirm that the median annual salary for the South West is £31,737.60. Prior to the recent percentage increase in salaries, this appears to the Panel to be in line with the median salary of Cheltenham Borough Council staff.
20. In summary, the Panel wishes the Council to put in place a robust structure of allowances that recognises:
 - the responsibilities and workload that councillors perform;
 - the difficulty and sensitivity for councillors in managing challenging service delivery;
 - the community's growing expectations of its councillors; and
 - the removal of a financial barrier preventing people from all sectors from standing as a councillor, which could occur if allowances were inadequate.
21. The Council is reminded that the recommendations in our report are for implementation after the May 2024 elections, so effectively for the new councillor cohort, not the existing Council.
22. **RECOMMENDATION 2: That the Basic Allowance for 2024/25 be set at £6,645.**
23. **RECOMMENDATION 3: That the Basic Allowance for 2025/26 and beyond be reconsidered by the Panel in/or around September 2024.**

Special Responsibility Allowances

24. These are the allowances that are awarded to members performing key roles within the Council which have specific and significant responsibilities and/or accountabilities and/or which demand significant time and effort.
25. The Panel has applied the following principles in determining its recommendations:

- a. the Scheme currently provides for only one SRA to be claimed by any one member, even if they hold more than one role that attracts a SRA. This is a principle that the Panel upholds and recommends should continue;
- b. the Panel considers that what the Council expects of the member to fulfil the role is pertinent, rather than any individual's approach to that role;
- c. a councillor receiving a robust basic allowance should reasonably be expected to undertake specific roles within the Council that are not overly demanding of time or effort (e.g. the occasional chairing role).

26. RECOMMENDATION 4: That the principle that a member may only claim one SRA be continued, with the exception of the Mayor who may claim both the SRA for their role as Civic Head and Chair of the Council.

27. In determining our recommendations on these allowances, we have looked at each member role and, based on the evidence we have received, applied a weighting for the time commitment involved, the need for any specialist knowledge and the level of responsibility and accountability.
28. The following paragraphs reflect our consideration of the various member roles.

Leader of the Council

29. The Leader of the Council's role is pivotal in achieving the Authority's strategic objectives. It is a role that embraces Borough-wide issues as well as more strategic involvement at regional and sub-regional level. The Leader provides strategic political leadership and direction.
30. The full Council sets the policy and budget framework within which the executive (i.e. Leader and Cabinet) has to operate. Within that framework the Leader has significant powers to act and to direct the executive. The SRA for the Leader, prior to the recent percentage increase, was £19,271.
31. The Panel believes that the role of Leader of the Council broadly equates to the responsibilities falling on a senior officer in local government.
32. Rather than use the basic allowance formula as a basis for calculating this allowance, we feel it is more transparent to apply a formula based on relevant

National Joint Council (NJC) pay scales for the top specialist role. It is believed that this principle is consistent with how the Leader's SRA has been calculated in the past.

33. The Panel was informed that the current Grade K (being the upper level) of the NJC is £58,986. This figure has been used in the formula for calculating the Leader's allowance and assuming 15 hours per week.
34. **RECOMMENDATION 5: That the special responsibility allowance for the Leader of the Council be set at £21,154 for the year 2024/25**

Deputy Leader of the Council

35. The Panel has noted the legal requirement for a deputy leader and that the role is currently carried out by a Cabinet Member – there is currently no special allowance or enhancement for the Deputy Leader role.
36. The Panel has considered evidence that the Deputy Leader must maintain sufficient knowledge and awareness of key issues so that the role can support the Leader and act fully on the Leader's behalf when required to do so. The Panel agrees that it is appropriate to recognise this important role by awarding a SRA.
37. Given that the Deputy Leader role is likely to be allocated to one of the Cabinet Members, the Panel feels that a 5% enhancement on the Cabinet Member SRA should be the basis for setting the Deputy Leader's SRA.
38. **RECOMMENDATION 6: That the special responsibility allowance for the Deputy Leader of the Council be set at £18,745 for 2024/25.**

Mayoral Role – Civic Head and Chair of Council/Deputy Mayor and Vice-Chair of Council

39. The Panel believes the special responsibility allowances of £7,935 and £595 available to the Mayor in his civic and chair of council roles respectively appropriately reflect the responsibilities of these positions. Likewise, the special responsibility allowance of £1,587 reflects the responsibilities of the the Deputy Mayor in his civic role.

40. RECOMMENDATION 7 : That the Special Responsibility Allowance for the Mayor as Civic Head be set at £7,935 and as Chair of Council be set at £595 for 2024/25.

Other SRA positions

1. The Panel is committed to using a formulaic approach to calculating special responsibility allowances. Using the gross basic allowance (£9,918 i.e. without any percentage reduction for the voluntary element) – the formula takes account of estimated hours per week and has applied weightings for knowledge and responsibility. This has resulted in our recommendations listed below.
2. The Panel has however considered the wide differential between the allowances for the Chairs of the Planning and Licensing Committees. Both Committees have responsibility for regulatory decisions (which are quite separate from the executive decision-making process). Regulatory decisions have to follow a proper process and failure to do this can result in the risk of challenge. The Chairs of these committees, more so than other chairs, have a responsibility to the Council for the effective performance of their regulatory functions and for member conduct at meetings. Although always supported by lead officers, we feel that the functional leadership of these regulatory matters at member level should be recognised. Accordingly in applying our formula, we have enhanced the responsibility factor for both these roles.
3. **RECOMMENDATION 8: That the special responsibility allowance for the following roles be as shown for 2024/25:**

Cabinet member:	£17,853;
Chair of Planning Committee:	£5,207;
Chair of Licensing Committee:	£5,207;
Chair of Overview & Scrutiny Committee:	£4,463;
Chair of Audit, Compliance & Governance Committee:	£1,785;
Chair of Standards Committee:	£1,190;
Chair of Appointments and Remuneration Committee:	£397.
Independent Members of Standards Committee:	£397.
4. Another specific area we looked at was the basis on which allowances for **Group Leaders**, being an official group notified to the Monitoring Officer (we

understand the minimum legal size is two members), was set. The Panel believes that there are two distinct roles for the Leader of a recognised political group within the Council – group management issues (e.g. group policy discussions, allocating committee places) and participating in the good governance of the Council (joint discussions with other leaders on Council-wide issues and ensuring effective member engagement). The Panel explored the option of recognising both roles in a two-tier allowance for Group Leaders but decided at this time not to pursue this.

5. The Panel was of the view that whilst a larger political group is likely to necessitate more internal management of issues, it would none the less have more members, from a wider demographic and skill base than a smaller group, to provide input into Council wide issues.

RECOMMENDATION 9: That the special responsibility allowance for a Group Leader remains a flat structure, regardless of size, and be set at £793 for 2024/25.

6. The Panel also received evidence relating to the role of **Vice Chairs of Committees**. It is important to be clear on the extent to which these roles involved active participation in the work planning of the Committees, including briefing meetings with officers, thus requiring an element of ongoing knowledge and a time commitment beyond that of an ordinary committee member. Alternatively, to what extent was a vice-chair role a “just in case” stand in for the chair at meetings.
7. On balance we believe that the Vice Chairs of the Planning, Licensing and Overview and Scrutiny Committees continue to receive an SRA. Further and in light of the possible adverse cost implications to the Council in planning matters, the Panel believe the Vice Chair of that Committee receive an SRA that is closer to that of its Chair, to encourage deeper involvement.

8. **RECOMMENDATION 10: That the special responsibility allowance for Vice Chairs of the following Committees be as follows for 2024/25:**

Vice Chair of the Planning Committee:	£2,083;
Vice Chair of the Licensing Committee:	£1,770;
Vice Chair of the Overview and Scrutiny Committee:	£1,517.

Expenses

9. The Panel has scrutinised the statutory requirements upon Councils to publish expenses claimed by councillors. It had been hoped that the identification of expenses claimed could be combined with Allowances paid in the hope that expenses would be less of a red flag and depoliticise them, thereby potentially not be bar to members of the public from all walks of life wishing to become councillors. However, the Panel notes that statute dictates expenses claimed must be identifiable individually.

Travel and Subsistence

10. The Panel has noted the current position on travel and subsistence and wishes to endorse these arrangements for the future. We note that they are in line with HMRC accepted provisions.
11. **RECOMMENDATION 11: That no change be made at the present time to the travel and subsistence provisions of the Scheme.**

Dependent Carers' Allowance

12. The Panel has noted the present provisions for dependent care allowances. While it wishes to endorse the present arrangements, the Panel is concerned that there appeared to be no take up of these provisions.
13. It is an important aspect of the Scheme of Allowances that all councillors feel able to take up these entitlements, which are intended to help overcome personal barriers to standing for and remaining a councillor.
14. **RECOMMENDATION 12: That no change be made at the present time to the dependent care provisions of the Scheme, and that all councillors be urged to recognise their entitlement to such expenses.**

Graham Russell, Chair of the Independent Remuneration Panel

December 2023