

REPORT OF THE INDEPENDENT REMUNERATION PANEL

JANUARY 2014

1. Introduction

1.1 This report has been produced by an Independent Remuneration Panel (IRP) made up of members drawn from the local community. The Panel is independent of the Council and its role is to make recommendations on the level of allowances paid to councillors. The object being to promote access to all in our diverse community who may wish to stand for election to serve that community via the democratic process.

1.2 The members of the Panel:

- Philip Lowery A former adviser to the Social Services Committee. Member of the Independent Advisory Group (IAG) of the Criminal Justice Board.
- Quentin Tallon Secretary of Cheltenham TUC, with broad experience of trade union and other negotiations and also work in the voluntary sector.
- William Alexander Former Group Personnel Manager for a major UK joinery company. Parish councillor since 1979. Member of the Valuation Tribunal Service 2004 to 2014. Chairman of Dorset County Council Independent Remuneration Panel 2014.
- Fiona Miles Until recently worked as a Clinical Nurse Specialist in Respiratory Medicine at Gloucestershire Royal Hospital, having worked within the NHS since 1970. Is actively involved with RSPB in Gloucestershire. In the past has been Treasurer and Secretary to Play Groups and the Royal College of Nursing Specialist Group. Trustee of Gloucestershire Chest Fund. Also a Parish Councillor, School governor as well as actively involved in Gloucestershire Girl Guiding
- Gwyn Morgan Former Head of Science at a Gloucestershire Secondary School. Broad experience of the

education system as a teacher and a school governor.
Custody Visitor with high level security clearance.

- Richard Blamey Former Pensions Manager for a number of multi-national companies. Currently a Pensions Consultant and trustee. Parish and local councillor.

1.3 The Panel's recommendations relate to the period 1 April 2014 to 31 March 2015 and are in keeping with statutory provisions namely –

1.3.1 Local Government and Housing Act 1989 and Local Government Act 2006

1.3.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 ('The Allowances Regulations')

2. Report

2.1 The Panel met on 22 April, 17 May, 12 July, 9 September, 4 November, 25 November and 20 December 2013. Interviews with 27 councillors were conducted on 2, 8, 14, 24 and 28 October 2013.

2.2 The Chairman of the Independent Remuneration Panel together with Simon Harper, Head of Democratic Services, attended the annual meeting of the Chairmen and Lead Officers of County, District and Unitary Authorities for the South West Region at Taunton on 18 June 2013.

2.3 As advised in our report to the Constitution Committee (December 2012) the Panel felt it was time to conduct an in-depth review of all matters relating to the remuneration of members. To this end, 27 interviews were conducted with a wide range of members bearing in mind length of service, political persuasion, back bencher or Special Responsibility Allowance holder, etc. Considerable help was given to the Panel by the willingness of members to be open and frank with their responses to questioning. Most importantly, a general feeling that the Basic Allowance had been allowed to drop behind that which was considered reasonable due to the economic climate prevailing over the past few years.

2.4 Basic Allowance (BA)

2.4.1 The Panel members believe that the current BA of £8,800 undervalues the role of County Councillors and are unanimous in their view that the appropriate rate of BA for 2014/15 is in excess of £10,000. The Panel recognise, however, that the severe financial pressure on local authorities

means that now is not the right time to make a significant change to allowances.

- 2.4.2 The Panel therefore suggests that the increase in BA should be linked to the pay of Council staff. Staff pay was increased by 1% in 2013-14 after a pay freeze of four years and a further pay rise of 1% is anticipated in 2014-15.
- 2.4.3 The Panel will continue to consider all matters impinging on allowances during 2014-15 being mindful that the level of BA remains low. It is important in the longer term that allowances are set at a level so as not to discourage people from standing for election.

2.5 **Special Responsibility Allowances (SRA)**

- 2.5.1 It was felt that the remuneration for the Leader of Council undervalued the role when taking into account the high level of accountability, responsibility and time required to carry out the role effectively. However, the Panel believe that it is not appropriate due to financial constraints at the present time to make any recommendation for change.
- 2.5.2 The Panel's decision to offer a SRA to Political Group Spokespersons or 'Shadows' has been well received and believe that it should be maintained at its current monetary value of £1,500. The Panel recognise the need to keep the level of this allowance under review to reflect the working arrangements of the Council's new 'minority administration'.
- 2.5.3 Two of the Panel members attended the Pensions Committee on 8 November 2013 to gain a better understanding of the role of the committee. The Panel note the importance of the committee in overseeing the sums invested in the Gloucestershire Local Government Pension Fund which covers not only Council staff but also those employed by associated organisations such as the District Councils. The Panel believe that there is a strong case for the Chairman of the Pensions Committee to be awarded a SRA in line with the chairs of other committees.
- 2.5.4 The Panel recommends that the number of members required for the payment of a full SRA for a Group Leader be increased from 4 to 5. However, having listened carefully to the smaller groups, the Panel recognise that there is a strong case for the leaders of the small groups to receive an allowance based on a proportion of a main Group Leader's allowance.
- 2.5.5 The panel recommends that the 'only one SRA rule' should be abolished in the cause of good governance and to reflect the 'no-overall majority' position

of the Council. This particularly applies following the appointment of Political Group Spokespersons or 'Shadows'.

- 2.5.6 The Panel recommends the removal from the list of SRAs the Deputy Leader of the Council and the Highways Contract Cabinet Project Champion.
- 2.5.7 To reflect the limited funds available, the Panel suggests a minor adjustment to the BA multiple (0.66 to 0.6) for the SRAs for committee chairs and members of the Adoption Panel and Fostering Panel. Similarly, it is suggested that the BA multiple for the SRA for the Vice-chairman of the Council is reduced from 0.33 to 0.3.
- 2.5.8 It is felt, however, that the SRAs for the leaders of the main political groups (currently 0.66) should not be reduced in monetary terms and be set at a BA multiple of 0.65. These small changes together with the deletion of the allowances at 2.5.6 will release sufficient funds to allow the changes to SRAs highlighted in this report to be made.
- 2.5.8 The Panel make mention that the Chairman of the Police and Crime Panel is paid from sources recoverable from Central Government and therefore does not affect the budget.
- 2.5.9 The Panel, particularly following the 27 interviews carried out in October 2013, strongly recognises the value of the commitment of all County Councillors to the people of Gloucestershire and congratulate them on their untiring efforts in this cause.
- 2.5.10 The Panel notes the success of the induction programme for members following the May 2013 election and recognises the value of an ongoing member development programme in helping members to understand their roles and responsibilities.
- 2.5.11 The panel wishes to record its gratitude to Joanne Bolton and Andrea Griffiths for their assistance to the work of this Panel and particularly to Simon Harper who currently advises us.

3 Recommendations

- 3.1 The following recommendations should be taken together and not considered on an individual basis. All of the allowances are inter-related and choosing one allowance over another will destroy the integrity of the scheme.

3.2 Basic Allowance (BA)

To increase the BA from £8,800 to £9,000 from 1 April 2014 to reflect staff pay rises for 2013-14 and 2014-15.

3.3 **Special Responsibility Allowances (SRA)**

To make the following adjustments to SRAs from 1 April 2014:

- a) To remove the rule of 'only one SRA'. This change does not increase the budget for allowances as the budget assumes that all allowances are taken up.
- b) To adjust the BA multiple (0.66 to 0.6) for the SRAs for committee chairmen and members of the Adoption Panel and Fostering Panel. This will reduce the value of the SRA from £5,808 to £5,400.
- c) To adjust the BA multiple (0.33 to 0.3) for the SRA for the Vice-chairman of the Council. This will reduce the value of the SRA from £2,970 to £2,700.
- d) To set the SRAs for the leaders of the main political groups at a BA multiple of 0.65 resulting in an allowance £5,850.
- e) To increase the qualifying number of members for a full Group Leader's allowance from 4 to 5 members and that Group Leaders of 2, 3 or 4 members receive a proportion of the full allowance. For example, the leader of a group with 3 members would receive 3/5 of the SRA resulting in an allowance of £3,510.
- f) That the Chairman of the Pensions Committee be given a SRA of 0.6 x BA in line with the allowance for other committee chairmen. This will result in an SRA of £5,400.
- g) To discontinue the provision of a SRA to the Deputy Leader of Council and Cabinet Project Champions.
- h) To maintain the SRAs for the Political Group Spokespersons, commonly referred to as 'Shadows', at their current monetary value of £1,500.

3.4 To note that the net effect of these changes will be to increase the members' allowances budget by just less than 2%. This is broadly in line with the staff pay rise of 1% in 2013-14 and the anticipated rise of 1% in 2014-15.

3.5 Please refer to Appendix A for a summary of the 2014-15 revised scheme of allowances.

William Alexander
Chairman

Independent Remuneration Panel for Gloucestershire County Council