

Constitution Committee

Independent Remuneration Panel Allowances

Date: 31 March 2023

Agenda Item: 6

Title of Report	Independent Remuneration Panel
Purpose of Report	To bring recommendations to the committee with regard to the Independent Remuneration Panel (IRP) in relation to the composition and terms of reference of the panel, and the allowances paid to its members.
Recommendations	<p>That the constitution committee:</p> <ol style="list-style-type: none"> 1. Agrees to index link the allowance paid to panel members to the employee pay award as negotiated nationally through the National Joint Council for Local Government Services ('Green Book') conditions of service (for employees attached to Grades 1-11) 2. Agrees to maintain membership of the panel at four members; 3. Introduces a 4-year fixed term of office for panel members as outlined in para 10 of this report; 4. Considers the panel's views with regard to retaining the current practice of reviewing all allowances on an annual basis, and determines whether it wishes to make any changes to this practice;
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1. At the last meeting of Constitution Committee on 16 January, members asked for a review to be undertaken of various matters relating to the Independent Remuneration Panel, specifically:
 - The amount of work involved for panel members;
 - The allowance paid to IRP members, whether that should be subject to review on a regular basis, and what factors should be taken into account in setting that allowance;
 - Whether a fixed term of office should be introduced for panel members, and if so, how that should be introduced;
 - whether the Panel should continue to have a yearly process for determining allowances or some other approach such as using indexation.

2. In order to give consideration to each of these matters I have:
 - Reviewed the minutes of constitution committee going back to the establishment of the panel in 2001;
 - Met with members of the IRP to obtain their views;
 - Reviewed the arrangements in place in a selection of other councils;
 - Reviewed the relevant legislation and regulations within which the panel must operate.

3. This report sets out my recommendations in relation to each of the areas reviewed.

Panel Members' workload and allowances

4. The panel currently carries out a full review of member allowances annually. This involves benchmarking allowances against other local authorities, taking into consideration factors such as the previous years' increase in employee salaries, meeting a cross-section of councillors in order to take into account their views and synthesising that information into a set of recommendations with regard to the members' scheme of allowances.

5. Interviews with members are carried out by members of the panel, with the chair attending all interviews, and the others being shared between the remaining members. The chair also engages in benchmarking with other local authorities via the Regional IRP Chairs Group. This workload is reflected in the fact that panel members are paid an allowance of £250 per year, while the chair is paid £1,000k per year in recognition of the greater workload. Panel members feel that the workload is manageable.

6. This allowance was put in place by Constitution Committee in October 2016 and has remained at these levels ever since.

7. Having benchmarked this allowance against those paid by our district councils to their IRP members, they are broadly in line. However, without a process for

reviewing those allowances, they will not remain so. Linking it to member allowances would create a conflict of interest for panel members. It is therefore recommended that, going forward, the allowances paid to panel members is index linked to the pay award for 'green book' employees, as negotiated nationally. If agreed, the allowance for the 2023/24 financial year will be adjusted accordingly, and then adjusted annually thereafter.

Panel Members' Term of Office

8. When the panel was established in 2001, Constitution Committee considered whether a term of office of 3 or 5 years should apply. There is no record of them having reached a decision on that issue, but until 2009, it is clear that practise was to appoint panel members to a 3-year term of office. That appears to have fallen out of practice since 2009, but that doesn't appear to have been the result of a deliberate decision.
9. Having discussed this with current panel members, they have no objections to reinstating a fixed term of office, and doing so may encourage succession planning, and increase the scope to introduce new skills and experience to the panel in future. This in no way reflects the skills, experience and commitment of existing panel members. The current panel works well and takes a balanced approach.
10. In order to avoid all panel members' terms of office expiring at the same time, it is recommended that a 4-year fixed term of office is introduced for panel members, on a rolling basis. Panel members would be able to stand for reappointment, but that reappointment would require a decision of this committee. It is proposed that this is introduced on the following basis:

Panel member	Date of most recent appointment to panel	Proposed end of term of office
Quentin Tallon	2008	2024
Philip Lowery	2008	2025
Fiona Miles	2009	2026
Richard Blamey (Chair)	2012	2027

Process for Reviewing and Determining Allowances

11. As explained in paragraph 4 above, the panel currently carries out a full review of member allowances on an annual basis. This includes interviewing a proportion of county councillors, ensuring that over a 4-year period, every county councillor should have the opportunity of an interview with the panel.

12. However, the relevant regulations do allow Councils the option of reviewing the scheme of member allowances less frequently and index-linking those allowances in the intervening years, providing it does not rely on such index-linking for a period of more than 4 years before seeking the further recommendation of the IRP. This approach is adopted by a number of other local authorities, including some of Gloucestershire's district councils.
13. Having discussed this option with the IRP, they expressed strong collective and individual views that this would not be their preferred approach. They do so on the basis that they feel an annual review is more democratic in that it exposes member allowances to debate and deliberation every year. There are also more practical considerations in that a less frequent pattern of reviews would make it more difficult for the scheme to respond to wider changes and disparities arising from benchmarking of allowances, and should Gloucestershire's allowances drop significantly below those of other local authorities, it could make it very difficult to catch-up, given the difficulty of approving an allowance that appears out of kilter with the employee pay award in any given year.
14. However, this needs to be weighed against the benefits of undertaking a less frequent review – primarily, a reduction in the time involved for officers, members of the panel and councillors.
15. In the committee's previous discussion, it was suggested that an annual review is, as a result of its frequency, likely to be less thorough than one that is undertaken every few years. Having compared Gloucestershire's approach to that of other authorities, that does not appear to be the case in practice. In fact, the process undertaken by our IRP would seem to be more thorough than that undertaken by some of those authorities who carry out a review with less frequency.
16. Therefore, on balance, there does not appear to be a strong overriding case to change the way in which reviews are carried out. Nevertheless, it is accepted that on balancing the arguments, the committee may come to a different view and decision.

ENDS