

Report to Council

Subject: Independent Remuneration Panel - Report and recommendations for 2018/19

Date: 31 January 2018

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Purpose

To inform Council of the latest report from the Council's Independent Remuneration Panel (IRP), relating to member remuneration for 2018/19, and invite Council to consider the recommendations made by the Panel.

Background

The Council's Independent Remuneration Panel met earlier this month to carry out its annual review of members' allowances.

Following that meeting, the Panel prepared a report to members with regard to the level of members' allowances to be payable for 2018/19.

Proposal

The Panel's report, including associated recommendations, is attached at Appendix 1.

Should Council be minded to accept the Panel's recommendations, then the level of allowances to be paid to members for 2018/19 will be as set out at Appendix 2. It should be noted that amounts are only indicative at this stage as any pay award uplift has not been applied as it is yet to be agreed nationally.

Financial Implications

Should Council accept the Panel's recommendations, then costs can be accommodated from within existing budgets.

Appendices

Appendix 1 – Report of the Independent Remuneration Panel 2018/19

Appendix 2 – Indicative schedule of Members Allowances 2018/19

Recommendations

Council is recommended: -

- 1) To consider the report of the Independent Remuneration Panel and whether to accept the recommendations contained in the report;
- 2) Consequent on those recommendations, to agree the schedule of members' allowances for 2018/19 as attached at Appendix 2 to this report which will be subject to the pay award applied for senior management, once agreed; and
- 3) To authorise the Monitoring Officer to make appropriate amendments to Part 6 of the Constitution to reflect any changes to members' allowances agreed.

APPENDIX 1

Report of the Gedling Independent Remuneration Panel held on 12 January 2018.

Introduction

- 1.1 The Independent Remuneration Panel was established under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to provide advice and recommendations to the Council on its Members' Allowances Scheme and amounts to be paid under it.
- 1.2 The panel received administrative support from the Service Manager, Democratic Services. Also present at the meeting, in an advisory capacity, were the Director of Organisational Development and Democratic Services (Monitoring Officer) and the Deputy Chief Executive (Chief Financial Officer).
- 1.2 The Panel's Terms of Reference are as follows:

The Independent Remuneration Panel will review, on an annual basis, the level and extent of allowance payments made to Borough Councillors having particular regard to:

- The role of Councillor and the importance of effective democratically accountable local government and community leadership;
- The scale and complexity of the Council's operations and changes taking place in the various roles Councillors are expected to fulfil and the particular responsibilities attached to the various roles;
- The time commitment required from Councillors to enable both the Council and individual Councillors to be effective in their various roles; and
- The importance of encouraging people from all backgrounds and circumstances to serve in local government without suffering financial loss as a consequence of their membership of the Council.

The Panel will also:

- Consider the level and extent of travel and subsistence allowances including dependent carers' allowance; and
- Review the payment of allowances and expenses payable in relation to attendance at seminars, conferences and other council business.

The Panel's operation:

- The Panel is comprised of five Independent Members (there are currently two vacancies).
- Panel members are recruited by public advertisement and should be of good standing in the community either as a resident and/or a stakeholder in the Borough. Ideally members should have sound knowledge of employment and financial matters with an understanding of the operations of a local authority.
- The Panel is advisory in nature and the recommendations it makes are not binding on the authority. However, the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) requires Council to "have regard" to the Panel's recommendations when setting its allowances.

Process

- 2.1 A Strategic Review of Members' Allowances took place in 2015. The Review looked in detail at all allowances paid to Members including the Basic Allowance and all positions attracting a Special Responsibility Allowance. The Review resulted in a completely rewritten scheme of members' allowances. The Panel made a series of recommendations to Council in March 2016 and a new scheme was agreed by Members. The Panel met at the end of 2016 to review the scheme for the 2017/18 year and aside from the 1% increase in line with the local government pay award, no changes to the scheme were recommended.
- 2.2 As is usual practice, all members of the Council were contacted directly and asked for their views on the current levels of allowances paid to members
- 2.3 One submission was received and the Panel duly considered it when making their recommendations.
- 2.4 All members of the Panel were present for the meeting (John Flowers, Ted Mills and Paul Mullins). It was noted that Pam Wisher had resigned from the panel since it last met due to relocating away from Nottinghamshire.

Panel's Deliberations

- 3.1 The Panel considered the one submission received. The submission talked about consideration being given to an increase in members' allowances to cover inflation. The submission also asked the panel to consider a separate allowance to cover the costs of items such as

stationary and telephone calls. It was the view of the Panel that increases to Members' Allowances should be closely aligned to increases in staff pay. The Panel concluded that as the staff pay award has not risen in line with inflation for a number of years it would be inappropriate for any rise pegged to inflation to be applied to members' allowances. The Panel felt that it would not be appropriate to introduce an allowance for telephone calls as part of the Members' allowances scheme when local councils are experiencing challenging financial times. The Panel also concluded that that because Members were told at induction that they could use stationery supplied by Members' Services, it would not be appropriate for a separate allowance to be paid for this purpose. The Panel finally concluded that because only one submission from a total of 41 councillors was received that the views put forward were not widely held. The Panel was therefore content not to propose any changes as a result of the submission.

- 3.2 The Panel was pleased to note the results of the recently held staff survey which had shown an overall decrease in the level of dissatisfaction among staff regarding their level of pay. This was due to the pay line review conducted in 2017.
- 3.3 The Panel next noted that the National Pay Award for Local Government staff had not yet been agreed. In previous years that Panel had recommended that Member' Allowances increase in line with the pay award for Senior Managers and saw no reason not to make this recommendation for the coming year.

Basic Allowance

- 3.3 On the issue of Basic Allowance the Members concluded that their findings and recommendations from the previous review were still relevant. A recommendation to increase the basic allowance in line with the pay award for senior managers was therefore agreed.

Special Responsibility Allowances (SRAs)

- 3.4 As with the Basic Allowance the Panel felt that no new information had come to light since the strategic review and there was no need to suggest any amendments to the levels of Special Responsibility Allowances that are currently paid. The Panel heard that since their last meeting there had been no material change in any role that attracted an SRA so a recommendation to increase allowances in line with the pay award for

senior managers was agreed.

- 3.8 Finally the Panel considered the allowances paid to co-opted members as well as mileage, subsistence and dependent carers' allowances. As these had all been reviewed recently the panel concluded that no adjustments to this were necessary.

Recommendations

- 1) That all Members' Allowance payable from 1 April 2018 should be increased in line with the pay award made to local government senior management once this is known; and
- 2) That no other changes to the members' allowances scheme should be made for the 2018/19 year.

APPENDIX 2

From 1 April 2018 until 31 March 2019 inclusive:

| | Percentage of the Leader's Allowance | Per Annum (£) |
|--|---|----------------------|
| Leader of Council | 100% | 13833.00* |
| Deputy Leader of the Council | 80% | 11066.00* |
| Cabinet Members | 50% | 6916.00* |
| Leader of 2nd Group | 50% | 6916.00* |
| Level One Committee Chair (Planning and Environment and Licensing Committees) | 35% | 4841.00* |
| Level Two Committee Chair (Audit and Overview and Scrutiny Committees) | 25% | 3458.00* |
| Level Three Committee Chair (Joint Consultative and Safety and Standards Committee) | 10% | 1383.00* |
| Mayor | 37.5% | 5187.00* |
| Deputy Mayor | 12.5% | 1729.00* |
| Policy Adviser | 12.5% | 1729.00* |

1. From 1 April 2016 until 31 March 2017
the Basic Allowance payable to each Councillor 4027.00*
2. Co-opted Members 500.00
3. Dependent Carers Allowance and Travelling and Subsistence Allowance
are payable as appropriate.

* These amounts will be uplifted in line with the pay award agreed for Senior Managers working in Local Government should this be agreed by Council.