

Appendix 1

REPORT OF THE GEDLING INDEPENDENT REMUNERATION PANEL

22 SEPTEMBER 2014

1. Introduction

- 1.1 The Remuneration Panel is comprised of four Independent Members appointed from residents and/or stakeholders of the Borough.
- 1.2 The Panel normally meets annually during the budget setting process to consider members' remuneration for the year ahead (although it can meet more frequently as required). This meeting was its regular annual meeting, albeit held slightly earlier in the year than usual (see 1.5 below).
- 1.3 All four members of the Panel were present at the meeting.
- 1.4 The Panel was reminded of the Council's response to its recommendations made in November 2011, and of the Council's 2012 resolution that "a strategic review of the Member Allowances Scheme should take place after the Local Government Boundary Review was completed, which should consider the change in total number of members and the change in roles and functions of members, as well as other factors considered by the Independent Remuneration Panel."
- 1.5 The Panel had been convened slightly earlier in the year than recent practice specifically to allow it to consider progress of that strategic review and to comment and make recommendations on it. The Panel was updated on progress with the Local Government Boundary Commission for England's (LGBCE) independent review of warding arrangements for the Borough, noting that the Commission had proposed a 41 member council to take effect from elections in May 2015, and that this arrangement had now been formally confirmed. The Panel was informed that further work arising from the review, including a review of polling districts and consideration of future remuneration for members, was now in progress. It was intended that all would be reported to the November meeting of the Council to allow for preparatory work for the election and the new Council to be progressed.

2. The Process

- 2.1 All members of the Council were contacted for their views and comments on the allowances paid.
- 2.2 Three submissions were received from individual members all of which were considered by the Panel.

- 2.3 In addition, a report from the cross-party LGBCE Steering Group on progress with the strategic review of members' allowances was shared with the Panel for consideration. That report specifically sought the Panel's views on options for the future level of Basic Allowances and drew the Panel's attention to work carried out so far on future Special Responsibility Allowances.

3. Key Issues arising and the Remuneration Panel's response

- 3.1 The Panel noted that the Council continues to operate in an environment of severe financial constraint.
- 3.2 The Panel welcomed the opportunity to engage with the strategic review and to comment on it. This is consistent with its wishes expressed in its 2013 report that it would wish to have a role in considering proposals for future remuneration of members but that, to retain its independent role, it would not be appropriate for the Panel to be involved in the detailed development of such proposals.
- 3.3 The Panel was supportive of the reference back to and continuity with the principles for member remuneration set out in the original Independent Remuneration Panel report from 2001. The Panel expressed the view that those broad principles had stood the test of time and remained largely relevant, in particular that Special Responsibility Allowances should be proportionate to the level of responsibility taken on by postholders and that Basic Allowances should be universally applied and be related to the workload of backbench members. The Panel welcomed the fact that the Steering Group was having regard to these principles in its work.
- 3.4 With regard to the Basic Allowance, the Panel was asked for its view on three options for the future level of this allowance which the Steering Group had developed, each of which were underpinned by the anticipated workload of back bench members. All of the options presented acknowledged that the workload of backbench members is likely to increase as the number of members falls from 50 to 41 when the new Council is elected.
- 3.5 The Panel recognised that all of the options presented would generate a saving to the Council compared with current budgets for Basic Allowances. While Panel members stressed that they saw their role as primarily being to consider a fair rate of remuneration for elected members, they also acknowledged that, in the current environment of financial constraint, overall costs of remuneration did need to be borne in mind. The Panel also recognised that members had not received any increase in Basic Allowance for more than six years.
- 3.6 Of the three options presented to it, the Panel unanimously supported the option which reflected pay awards for front-line staff since 2008/09. Depending on the outcome of the 2014/15 pay negotiations, which are still in progress, this would result in a Basic Allowance of approximately

£3,800 per year, compared with the current Basic Allowance of £3,685.68.

- 3.7 With regard to Special Responsibility Allowances (SRAs), the Panel noted that work was very much in progress at the present time and that conclusions had not yet been drawn.
- 3.8 The Panel noted and welcomed that the Steering Group intended to retain the principle of proportionality in the calculation of SRAs. It noted that the Steering Group was examining options drawing on the approach adopted by Nottinghamshire County Council, whereby SRAs are calculated as a proportion of the SRA paid to the Leader of the Council, rather than a multiple of the Basic Allowance, which has so far been the principle applied at Gedling.
- 3.9 The Panel offered broad support for this change, recognising the potential it had to offer greater flexibility to reflect the varying workloads of elected members in different roles. It noted that this approach had the potential to address issues and inconsistencies raised in its 2013 report with regard to SRAs for the chairs of a number of current committees.
- 3.10 The Panel stressed the fundamental importance of the Leader's SRA being carefully derived and based on a transparent definition of the role. This is particularly important given that other SRAs will be derived from it. The rate paid should be comparable with similar sized district councils, rather than unitary or county authorities. Due regard should be paid to the Panel's outstanding recommendations with regard to SRAs for the Leader and Deputy Leader from November 2011. Other SRAs should reflect the degree of responsibility and workload attached to the roles as a proportion of the responsibilities and workload of the Leader. Clarity over the roles going forward would be appreciated.
- 3.11 The Panel noted that further work is to be carried out on this through the Steering Group in the New Year. The Panel is likely to be re-convened later in 2015 to consider issues arising from this work and the suggested SRA levels, in order to make recommendations to Council.
- 3.12 The Panel was informed that the Steering Group had also given consideration to how and by whom the final decision on future allowances should be made. The Panel noted the Steering Group's view that, while it is felt appropriate for the views and experience of current serving members to inform the decision on future remuneration, the final decision on the issue should be made by the newly elected Council. The Panel acknowledged merits in this approach and recognised that the decision on when and by whom future allowances are considered is one for the Council to make.
- 3.13 The Panel also noted the Steering Group's expressed intention that the status quo will be proposed when Council considers a schedule of members' allowances for 2015/16, and that the Steering Group intended to make clear its expectation that the newly elected Council should draw upon the deliberations of the Working Group and the recommendations of the Remuneration Panel on the outcome of those deliberations when

coming to a decision on future remuneration in Summer 2015. The Panel welcomed that its recommendations will be taken into account as part of the decision making process.

RECOMMENDATIONS

Recommendation 1

That, of the options put forward by the Steering Group, the option proposing a Basic Allowance that reflects recent pay awards for front-line staff, is supported (the exact figure to reflect the percentage pay award awarded to staff for 2014/15).

Recommendation 2

That the principles of proportionality continue to be applied to proposed levels of Special Responsibility Allowances, currently being considered.

Recommendation 3

That the Remuneration Panel is consulted again once proposals for Special Responsibility Allowances for the new Council have been developed, prior to these being considered by Council.