

Report of the Gedling Independent Remuneration Panel held on 1 December 2015.

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, Elections and Members Services. Also present at the meeting, in an advisory capacity, were the Council Solicitor and Monitoring Officer and the Corporate Director (Finance).
- 1.2 In order to formalise the role of the panel and assist with deliberations the following terms of reference were proposed for Council to consider adopting:

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 is currently one vacancy).***
- ***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 At the last meeting of the Independent Remuneration Panel, which took place in September 2014, it was noted that a Strategic Review of Members' Allowances would take place in recognition of the Boundary Commission Review which resulted in the number of Councillors being reduced from 50 to 41.
- 2.2 In order to progress the Strategic Review of Allowances a Cross-party group of Councillors was established to review all allowances paid to elected members. The group met and was tasked to work on a proposal that could be put to the Panel as a Council-wide submission. Unfortunately there was not enough of a consensus of opinion among members of the group to present such a report to the Panel.
- 2.3 All members of the Council were contacted directly and asked for their views on the current levels of allowances paid to members.
- 2.4 Six submissions were received including one on behalf of Labour members of the Cross-party group of Councillors (referred to above) and five individual responses from Councillors.
- 2.5 Three of the four members of the Panel were present for the meeting (Ted Mills, Paul Mullins and Pam Wisher) with one member unable to attend (John Flowers).

Panel's Deliberations

- 3.1 The Panel noted that the Council continues to operate in a challenging financial environment but recognised that allowances paid to Members were low when compared with neighbouring councils. The Panel also heard from the Corporate Director that the Council recognised that staff pay was low compared to neighbouring councils and that a piece of work was currently being progressed that might go some way to address low pay. The Corporate Director further explained that recruitment and retention of staff was becoming increasingly difficult and that operations of the Council were beginning to suffer as a result. He added that proposals to address staff pay were to be put forward as part of the 2016/17 budget process. In addition to this he advised that as of this year Gedling now paid all of its employees at or above the

National Living Wage of £7.81 per hour resulting in many of the lowest paid staff receiving a substantial increase in pay.

- 3.2 The Panel reiterated their view that any change to allowances should not be out of step with any pay award given to staff. However, with the work to address low pay of staff and with Gedling's level of Members allowance now significantly out of step with neighbouring authorities they considered that a rise in allowances was worthy of consideration. Added to this was the recognition that the Borough now has 9 fewer councillors (following the boundary review) with the same population. They concluded that due to the reduction in councillors a modest workload rise may be noticed.

Basic Allowance

- 3.3 The Panel considered the issue of the basic allowance payable to all Members of the Council. They considered all representations made by Councillors as well as the information provided by the Corporate Director and concluded that a rise of 5% to the basic allowance should be payable from April 2016 for the following reasons:

- 3.3.1 Action was underway to redress low pay amongst staff due to the introduction of the living wage and the work taking place as part of the budget process.
- 3.3.2 The Panel recognised that due to the Boundary Review there was a reduction in Councillors with a resultant increased workload expected of Councillors.
- 3.3.3 The level of allowances for Gedling Councillors was significantly lower than those paid by neighbouring authorities.

Special Responsibility Allowances (SRAs)

- 3.4 At their meetings in 2011, 2012, 2013 and 2014 the Panel concluded that the level of allowance for the Leader of the Council should better reflect the responsibilities associated with the post and that Gedling's allowance was out of step with comparable authorities. The Panel also recognised that the role of Leader has developed in recent years and has evolved into one requiring community leadership not just management of the Council. The Panel further recognised that the Leader of the Council has increased Gedling's influence across Nottinghamshire whilst in post and the level of allowance, especially compared to neighbouring districts, did not reflect this.
- 3.5 In light of the above comments the Panel wished to reiterate the recommendation made in 2011 that the Leader's allowance should be 4 times the current allowance paid to Committee Chairs. This would result in an allowance for the Leader of £13,560.

- 3.6 The Panel then examined the method for assigning Special Responsibility Allowances paid to positions other than Leader. On this they reiterated their previous recommendations stating that all other SRAs should be set with clearly identifiable ratios to the Leader's allowance.
- 3.7 The Panel went on to carefully examine each SRA in turn and concluded the following:
- 3.7.1 Deputy Leader – the Panel recognised that the position of Deputy Leader is important strategically and assists the work of the Leader in the role of Community Leader and driver for organisational change. Therefore, the Panel's view is that the Deputy Leader's allowance should be 80% of the Leader's.
- 3.7.2 Portfolio Holders – the Panel recognised the workload associated with a Portfolio Holder noting the level of responsibility and delegated authority that comes with the post. The Panel therefore concluded that the level of allowance should be 50% of the Leader's.
- 3.7.3 Leader of the Opposition – the Panel recognised the importance of effective and robust opposition and concluded that the level of allowance should be 50% of the Leader's.
- 3.7.4 Committee Chairs
The Panel considered the issue of level of allowance paid to chairs of the various committees of the Council. In their deliberations they concluded that due to the different functions and time commitments required to chair each committee it was no longer appropriate to have one flat rate of allowance. The Panel is, therefore, recommending three different levels of Committee Chair payment as below.
- 3.7.5 Committee Chair Level One – the Panel consider the Chairs of the Planning and Environment and Licensing Committees should be paid at the 'top' rate of 35% of the Leader's Allowance. They acknowledged that the workload of both Committees has increased in recent years as has the complexity of the content before each of these regulatory committees.
- 3.7.6 Committee Chair Level Two – the Panel consider that the Chairs of the Overview and Scrutiny Committee and the Audit Committee should be paid at the middle level for committee chairs. In doing so they acknowledge that these Committees meet less frequently and generally deal with a lighter workload than the level one committees. The Panel is, therefore, recommending a level of 25% of the Leader's allowance.

- 3.7.7 Committee Chair Level Three – the Panel next considered the remaining Committees which are Standards and the Joint Consultative and Safety Committee (JCSC). These Committees were placed in the lowest group as the Panel considered that the committees meet less frequently and that the business dealt with is less complex than the level two and three committees.. The Panel further acknowledged that the Chairmanship of the JCSC currently does not attract an SRA. The Panel is therefore recommending a level of 10% of the Leader’s SRA. The only remaining Committee, the Appointments and Conditions of Service Committee, was generally chaired by the Leader so a separate allowance was not considered necessary.
- 3.7.8 Business Manager – the Panel reiterated their previous concerns that the post of Business Manger was party political in nature and, therefore, should not attract the payment of an SRA.
- 3.7.9 Mayor – the Panel went on to consider the SRA that should be paid to the Mayor. They concluded that the Mayor was the figurehead for the Council as first citizen of the Borough and the Mayor, as Chair of the Council, should have an SRA in line with the office that they hold. They further concluded that to pay a Chair of any of the Council’s Committees (effectively sub-committees of Council) a higher rate of SRA than the Mayor would be unjustifiable. The Panel therefore concluded that the SRA payable to the Mayor should be 37.5% of the Leader’s allowance.
- 3.7.10 Deputy Mayor and Policy advisors – the Panel finally discussed the other positions currently attracting an SRA and concluded that the SRA payable to the Deputy Mayor and Policy Advisors should be 10% of the Leader’s allowance. In setting this level they observed that the role of Policy Advisor was largely advisory and, therefore, similar to the group three Chair’s responsibilities.
- 3.8 The Panel next considered the amount payable to co-opted members of the Council. Currently, the only co-optees appointed are Parish Council and Independent Members of the Standards Committee. The Monitoring Officer explained that since the establishment of the Standards Committee workload of the Committee has fallen drastically as much of the work associated with code of conduct complaints has now been re-allocated, due to a change in legislation, to the Monitoring Officer. The current scheme of allowances provides for a co-opted members allowance of 15% of the basic allowance. The Panel concluded that due to the reduction in workload described above the co-opted members allowance should be set at a flat rate of £500 as a fairer recognition of time commitment associated with the position.

3.9 Finally the Panel reviewed the rates of business mileage, subsistence payments and dependent carer's allowance that were payable to elected members. After hearing information about current levels they concluded the following:

- That Councillors could currently claim the same rates for business mileage at the same rate available to employees so there was no reason for this to be reviewed; and
- Councillors could claim reasonable costs for dependent carers allowance to allow them to attend Council business. The Panel was keen for this to continue as they felt that caring responsibilities should not preclude anybody from serving as Councillor.

3.10 The Panel also noted that some changes would need to be made to the text of Members' Allowances Scheme such as removing reference to Councillors being members of the Local Government Pension Scheme. The Monitoring Officer advised that this would be done as part of the annual review process.

Recommendations

- 1) That the level of Basic Allowance payable from 1 April 2016 should be increased by 5% for the reasons outlined in Paragraph 3.2 of the report;
- 2) That the level of allowance payable to the Leader of the Council should be set at £13,560 as described in paragraphs 3.4 and 3.5 of the report;
- 3) That the Level of allowance payable to the following positions of Special Responsibility should be calculated as a percentage of the Leader's allowance as described in paragraph 3.7 of the report, namely:

Deputy Leader	80%
Portfolio Holders	50%
Leader of the Opposition	50%
Committee Chair Level One (to include Planning and Environment and Licensing Committees)	35%
Committee Chair Level Two (to include Audit Committee and Overview and Scrutiny Committees)	25%
Committee Chair Level Three (to include Standards and Joint Consultative and Safety Committee)	10%

Mayor	37.5%
Deputy Mayor	10%
Policy Advisor	10%

- 4) That the Special Responsibility Allowance currently paid to Business Managers should be withdrawn as per paragraph 3.7.8 of the report; and
- 5) That the rate of mileage, subsistence and dependent carers allowance payable to elected members should remain the same as described in paragraph 3.9 of the report.