

Gloucester City Council

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| Meeting: | Council | Date: | 22 January 2015 |
| Subject: | 2015 Review of Members' Allowances | | |
| Report Of: | Members' Allowances Panel | | |
| Wards Affected: | All | | |
| Key Decision: | No | Budget/Policy Framework: | No |
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| Appendices: | 1. Report of the Members' Allowances Panel | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To report the recommendations of the independent Members' Allowances Panel with regard to the Council's Members' Allowances Scheme and seek a decision on an appropriate scheme for the payment of allowances in 2015-16.

2.0 Recommendations

- 2.1 Council is asked to **RESOLVE** that

- (1) The recommendations of the Member's Allowances Panel be noted and the proposed Members' Allowances Scheme attached at Annex 2 to the Report of the Members' Allowances Panel be approved for the payment of allowances in 2015-16.
- (2) The next four yearly detailed review of Members' Allowances be scheduled to report in January 2019.
- (3) The civic allowances payable to the Mayor and Sheriff/Deputy Mayor be set at £6,000 and £3,500 respectively.

3.0 Background and Key Issues

Members' Allowances Scheme

- 3.1 The last detailed review of Members' allowances took place in 2010 when a small increase to the Basic Allowance was proposed by the Panel and agreed by the Council, along with a small number of other minor amendments. Since that time the Panel has recommended that allowances be frozen at the 2010/11 levels each year and the Council has accepted the Panel's recommendations on each occasion.
- 3.2 The Panel began its work in December 2013 and has met 9 times in the course of review, including a training session and three sessions of Member interviews. A

significant amount of correspondence has also taken place via email and, supported by Democratic and Electoral Services Manager, the Panel considered data and methodologies from a number of sources.

- 3.3 All Members were asked to complete a questionnaire and a response rate of 58% was achieved, which is an improvement on previous years' response levels. The Panel would like to take the opportunity to strongly encourage all Members to respond to the questionnaire in future years as the responses have a significant influence on the proposals and it is important that all Members have a say in their allowances.
- 3.4 All 19 of those Members currently in receipt of a Special Responsibility Allowance (SRA) were invited to attend an interview with the Panel and those who were unable to attend were sent a further questionnaire to complete. Two Members chose not to engage in the process therefore information was sought from other relevant Members and officers in respect of those SRAs.
- 3.5 Following agreement of a methodology for the calculation of the Basic Allowance (BA) based on the number of hours required, an appropriate voluntary service reduction and a suitable hourly rate, all Members were asked an additional question about the hours they spent on 'ordinary' Council duties ie. those not related to any SRA. The information received directly informed the calculation for the level of BA proposed.
- 3.6 The Panel would like to thank Members for their involvement in the review, in particular those who took the time to attend an interview.
- 3.7 In making their recommendations and writing their report the Panel took into account all of the evidence received from Members and, where appropriate, drew comparisons with other local authorities. The full details of the Panel's research, findings and recommendations, along with the proposed Scheme, can be found in the Report of the Members' Allowances Panel at Appendix 1.
- 3.8 The draft recommendations in respect of the BA and SRAs were shared with Group Leaders in November 2014 and feedback was requested; however, the Panel did not receive any views or counter proposals that persuaded them to alter their original recommendations.

Civic Allowances

- 3.9 The civic allowances payable to the Mayor and Sheriff/Deputy are intended to compensate the office holders for the costs incurred during their term of office. They do not form part of the Members' Allowances Scheme and are set separately by Council.
- 3.10 During the course of the review a number of Members commented on the personal costs incurred as result of holding the office of Mayor or Sheriff/Deputy Mayor and the Panel noted that the costs significantly outweighed the allowances paid. Given that these are allowances paid to Members, the Panel agreed to provide a recommendation for the Council to consider.

- 3.11 While the Panel acknowledge that Members are honoured to hold these positions and that the allowance is not a deciding factor, they consider that in order not to prevent others from putting themselves forward for the roles, a fair level of allowance is required. The Panel therefore recommends the following:
- That the civic allowance paid to the Mayor be increased from £5,337 to £6,000.
 - That the civic allowance paid to the Sheriff/Deputy Mayor be increased from £3,200 to £3,500.

Quedgeley Parish Council

- 3.12 The Panel acts as the Parish Members' Allowances Panel for Quedgeley Parish Council (QPC), making recommendations to the Parish Council as it does to the City Council. QPC must have regard to the Panel's recommendations, but is ultimately entitled to agree its own scheme.
- 3.13 All Members of QPC were asked to complete a questionnaire and the Chair was asked to complete a further questionnaire as he was unable to attend an interview with the Panel.
- 3.14 Details of the Panel's findings and recommendations in respect of allowances for QPC Members can be found in the Report of the Members' Allowances Panel at Appendix 1.

4.0 Alternative Options Considered

- 4.1 The Panel conducted a thorough and detailed review, considering a number of options for different parts of the Scheme. The recommendations and Scheme proposed represent the Panel's view on the appropriate level of allowances having disregarded the other options.
- 4.2 The Panel does not recommend making no changes to the current Scheme as they consider that it does not accurately reflect the time commitment and responsibilities of Members, nor does it provide sufficient detail in relation to the administration of the Scheme.

5.0 Reasons for Recommendations

- 5.1 When agreeing a Members' Allowances Scheme, the Council is required to have regard to the recommendations of an independent Members' Allowances Panel. The recommendations in the attached report represent the views of the Council's appointed Panel in light of the evidence reviewed.

6.0 Future Work and Conclusions

- 6.1 If the proposed Scheme is approved, it will take effect from 1 April 2015. The new Scheme will be published on the Council's website and advertised in the local press, as required by the Regulations.
- 6.2 It is proposed that the next detailed review be scheduled to report to Council in January 2019, which is in line with the four-yearly cycle. The Panel acknowledges that a review will be required when the outcome of the electoral boundary review

takes effect in May 2016, but considers that there is no need to depart from the existing review timetable because it provides the opportunity for a sufficient settling in period for the new arrangements.

- 6.3 In the intervening years a short exercise will be undertaken to identify whether there have been any significant changes that require the Panel to consider recommending any changes to the Scheme.

7.0 Financial Implications

- 7.1 The total cost of the proposed Members' Allowances Scheme is £295,680 per year, which represents an increase of £7,285 per annum on the cost of the current Scheme.

- 7.2 As part of the electoral boundary review currently taking place, the Local Government Boundary Commission for England have advised that they are minded to accept the Council's proposal to increase the number of Councillors from 36 to 39. Should this decision be confirmed in the statutory instrument, budgetary provision will need to be made from May 2016 for the payment of a Basic Allowance to three additional Members. This additional provision amounts to £16,800 per annum.

- 7.3 If approved, the total cost of the revised civic allowances for the Mayor and Sheriff/Deputy Mayor will be £9,500, which represents an increase of £963 per annum.

- 7.4 The additional costs can be managed through existing provisions within the budget for pay awards. The 2015-20 Money Plan to be approved by Council in February assumed an increase in line with employee pay awards.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

- 8.1 The review of Members' Allowances meets the Council's obligations under the Local Authorities (Members' Allowances) (England) Regulations 2003, which require the Council to make and publish a Scheme of Allowances each year that makes provision for the payment of a Basic Allowance; the Scheme may also make provision for the following allowances if the Council authority intends to make such payments:

- (a) special responsibility allowance;
- (b) dependants' carers' allowance;
- (c) travelling and subsistence allowance; and
- (d) co-optees' allowance.

- 8.2 The Council is required to maintain an independent panel which makes recommendations to Council on the matter of Members' allowances. The Council must have regard to the recommendations of the Panel when agreeing its Scheme.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

9.1 The Panel are satisfied that their recommendations do not present any risk to the Council.

10.0 People Impact Assessment (PIA):

10.1 During the PIA Screening Stage issues around age, gender and socio-economic factors were identified, however, the Panel considered that the impact on these areas was neutral as the scheme actively seeks to remove barriers by offering an appropriate level of remuneration, having taken into account time given on a voluntary basis. Any impact is further mitigated by offering payment towards the cost of engaging carers.

10.2 The Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 There are no community safety implications arising directly from this report.

Sustainability

11.2 There are no sustainability implications arising directly from this report.

Staffing & Trade Union

11.3 There are no staffing or trade union implications arising directly from this report.

Background Documents: None