

# **REPORT OF THE INDEPENDENT REMUNERATION PANEL TO GLOUCESTER CITY COUNCIL**

## **Introduction**

1. On 26<sup>th</sup> January, 2023 the City Council confirmed all of the recommendations made by the Independent Remuneration Panel (IRP) following our review of members' allowances. We are grateful for the Council's support for our recommendations which, as always, had a sound base in the evidence we received.
2. Within those recommendations there were a number of issues which we wished to flag up for ongoing review, with a view to making further recommendations, if appropriate, for implementation wef May, 2024 i.e. after the Council elections that month.
3. These issues were:
  - how the Basic Allowance was calculated;
  - role of/allowance for the Deputy Chair of the Overview and Scrutiny Committee, in the light of operational experience;
  - an alternative approach to Group Leaders' allowances related to both governance and group size;
  - Member Champions and any Council response to our findings.
4. In addition, we have invited members of the Council to advise us of any issues with the Scheme of Allowances, by way of an annual check.
5. The Panel was also invited to consider the Scheme's provisions relating to expenses that could be claimed by councillors for dependent care support.

## **The Basic Allowance**

6. The Council approved our recommendation that the Basic Allowance be set at £6,465 for 2023/24, to include a 4.04% uplift to reflect the rather unique flat rate approach to the staff award for that year. It has since been uplifted by a further 3.88% to £6,716 following the most recent staff pay award.
7. The Panel was minded to give further consideration to how the Basic Allowance was calculated, and the possibility of updating the formula that was used in 2015 for this purpose.

8. The elements of the original formula were:
  - number of hours per week worked by councillors;
  - a relevant local employment figure for hourly pay;
  - a percentage reduction to account for voluntary service.
9. The Panel was anxious to reflect in any revised formula (a) a realistic figure to reflect the number of hours per week that councillors devoted to Council and constituency work – *19.5hpw was the likely average figure revealed in the survey of all councillors in 2022*; (b) an up-to-date and relevant local employment statistic for Gloucester – *the gross median hourly pay for part-time, rather than full-time, employees in Gloucester is £10.62*; and (c) a more relevant and realistic percentage of hours that were unremunerated, in accordance with Government guidelines – *the original formula used a 33% reduction but the Panel felt that a figure nearer 20% was more relevant*.
10. While the Panel would have liked to work with this data to produce a meaningful and robust formula for the future, it has not proved possible to develop this approach in a way that results in an acceptable level of allowance to recommend to the Council.
11. The Panel is however satisfied that the present allowance, indexed as it is to staff pay awards, has origins in the formulaic approach adopted in 2015 (see recommendation 2 below re. any future flat-rate staff awards).
12. **RECOMMENDATION 1: That the Council note the Panel’s position; and**
13. **RECOMMENDATION 2: That the Council approves that any flat-rate staff increase awarded in the future be applied to councillors’ allowances at the percentage level adjustment applied in the award to Officers’ expenses.**

#### **Deputy Chair of Overview and Scrutiny Committee**

14. The Council accepted our recommendation that there was parity in the roles and responsibilities of the Chairs of the Planning and Overview and Scrutiny Committees, each entitled to an allowance of £5,373.

15. The Panel did not feel however that the same parity existed at Deputy Chair level, in the context of needing detailed subject and procedural knowledge. It therefore did not recommend an allowance for the Deputy Chair of the Overview and Scrutiny Committee, but agreed to keep the matter under review in the light of operational experience.
16. The Panel has noted that all three main parties have a role in directing the work programme of the Committee, including a spokesperson from the administration. It might therefore be invidious to consider an allowance for the Deputy Chair in isolation.
17. The Panel has been advised that, as a result of the Peer Review, there is a desire to rebalance the focus of the overview and scrutiny function, with a greater emphasis on policy development work.
18. In these circumstances, it would seem appropriate for the Panel to take no action on this matter for the time being and to monitor the situation in the light of operational experience of the change in focus.
19. **RECOMMENDATION 3: That the Council note the intention of the Panel to monitor this situation and to reconsider the matter as and when the Council requests a review.**

### **Allowances for Political Group Leaders (Particularly Minority Group Leaders)**

20. One of our recommendations to the Council in January 2023 was to note our intention to bring forward a recommendation relating to Group Leaders' allowances for implementation post-May 2024 elections.
21. The Panel has looked carefully at Gloucester's role description for a Group Leader which includes :
  - credible checks and balances when in opposition;
  - co-operation with other political groups;
  - monitoring performance of the Council;
  - 'shadow' one or more service or corporate areas of the Council;
  - effective political group management and leadership;
  - ensuring compliance with codes of conduct and protocols.

22. The Panel believes that the Group Leader role is instrumental in the good governance of the whole Council, irrespective of being in administration or opposition/minority and irrespective of group size.
23. We have explored the principle that all group leaders should receive an identical allowance to recognise their contribution, in that capacity, to good governance with an additional variable uplift to reflect political group size.
24. While initially we felt the principle might not apply to the Deputy Leader role, we have been persuaded that, in line with our criteria for awarding SRAs, the role should be recognised in this way.
25. The following tables represent a possible allocation to Group Leaders and Deputy Group Leaders in Gloucester based on the present Basic Allowance of £6,716. It covers the range 2 to 19 members since the leadership of any group beyond 19 in size is likely to be the Council Leader/Deputy Leader and receive an allowance in those capacities anyway.
26. Its make-up can be applied to any formation of political groups and works on the legal basis that a legitimate group may comprise no fewer than two members giving notice to the Monitoring Officer that they wish to be recognised as a political group on the Council.

<b>Group Leader</b>	<b>Governance Element (50% BA)</b>	<b>(19-13 members) (75% BA)</b>	<b>(12-6 members) (50% BA)</b>	<b>(5-2 members) (25% BA)</b>	<b>Total – Governance and Group size</b>
<i>Leader of Group</i>	£3,358	£5,037			<b>£8,395</b>
<i>Leader of Group</i>	£3,358		£3,358		<b>£6,716</b>
<i>Leader of Group</i>	£3,358			£1,679	<b>£5,037</b>

(Note: By virtue of the "one member one SRA" rule, not all of these allowances may be taken up as post-holders may have other SRA positions of higher level)

<b>Deputy Group Leader</b>	<b>Governance Element (12.5% BA)</b>	<b>(19-13 members) (25% of Group Leader)</b>	<b>(12-6 members) (25% of Group Leader)</b>	<b>(5-2 members) (25% of Group Leader)</b>	<b>Total – Governance and Group size</b>
<i>Deputy Leader of Group</i>	£839	£1,259			<b>£2,099</b>
<i>Deputy Leader of Group</i>	£839		£839		<b>£1,680</b>
<i>Deputy Leader of Group</i>	£839			£420	<b>£1,259</b>

27. We believe that the above structure is a fairer and more relevant way of determining leadership allowances and can be applied to whatever balance of political administration exists immediately post- May 2024 elections and beyond.
28. **RECOMMENDATION 4: That the special responsibility allowances for Political Group Leaders and Deputy Political Group Leaders be as set out in the above tables, effective from May 2024;**
29. **RECOMMENDATION 5: That the Scheme of Allowances be amended to delete reference to [allowances applying to] a maximum of 2 Minority Group Leaders and 2 Minority Deputy Group Leaders (i.e. Note 2 to the Schedule of Special Responsibility Allowances.)**

### **Dependent Care and Child Care Allowances**

30. The Panel has noted the present provisions of the Scheme regarding dependent care support expenses for councillors as follows:
- Registered childcare – actual costs up to a max hourly rate equivalent to the current UK Living Wage for each child being cared for;
  - Non-registered childcare – actual costs up to a max £10 per hour (flat rate)
  - Care for dependent children with severe disabilities and care for dependent adult relatives – actual costs up to a max £10 per hour for each dependent.
31. The Panel has voiced concern that councillors do not appear to be taking advantage of the provisions of the Scheme designed to support them in

meeting council commitments. The Panel has strived to understand the reasons for this and, if possible, to consider proposing any change in the Scheme of Allowances to facilitate better take up and to remove any potential barrier.

32. Firstly, the Panel has noted that the Council is committed to the UK Living Wage. While this is recognised in the Scheme in its payment for registered childcare, there is no stated equivalent for non-registered childcare. The Panel feels this anomaly should be remedied.
33. One particular piece of evidence we have considered indicates that the cost of securing relevant, safe and professional support for a dependent relative could potentially cancel out any allowance received and could place a limit on the degree to which a councillor was able to get involved in civic and Council duties. It is worth emphasising also that, as Gloucester City Councillors' regular duties tend to take place in the evening, unlike child care/babysitting for these times, which a family member or friend may provide, the care for dependent relatives is likely to require qualified and specialised support for the particular needs of the person cared for.
34. It seems that dependent care support arranged through the local authority or private provider, which would normally comprise a series of care visits throughout the day or night, would not be structured to cover say a 4 x hour block of care while a councillor was attending an evening meeting. It is noted that Gloucester City Councillors' regular duties tend to take place in the evenings.
35. Putting in place an alternative provision for dependent care will need to provide safeguards for the authority balanced with robust support for councillors who need to arrange proper cover. We have considered the following:

*To what extent should any payment under the Scheme take account of any "attendance payment" received by the councillor from the Government?*

*To what extent should the Scheme require verification of care support provided?*

*To what extent should support under the Scheme of Allowances be limited in either value or time covered?*

*Should cover/support be available in respect of all approved duties under the Scheme?*

36. Our conclusion is that the Scheme of Allowances should aim to cover the full cost of providing cover for dependent care support at a rate that is reflective of the real costs incurred by Councillors in Gloucester, but that a reasonable maximum rate per hour should be set as a safeguard. As with all expenses, claims will relate to any aspect of the Approved Duties covered in the Scheme and for any reasonable time period.
37. There should however be provision within the Scheme for any payment in excess of the specified hourly maximum to be authorised by the appropriate nominated senior officer in exceptional circumstances.
38. Such claims should not be subject to means testing and therefore, for these purposes, the receipt of other financial allowances (e.g. Government attendance payment) will not be relevant. We feel that the practice of submitting a simple declaration form identifying the duties for which the allowance is being claimed should continue.
39. Additionally, claimants should provide relevant invoices from their registered care provider to support their claims (a principle we feel should apply also to claims for registered childcare providers). The Panel believes that the underlying principle must be that there is a duty on all councillors to claim honestly within the provisions of the Scheme of Allowances. The Panel is aware that payments under the Scheme of Allowances could be audited under the Council's internal audit work programme.
40. **RECOMMENDATION 6: That the Scheme of Allowances be amended to reflect the following::**

***Registered childcare:*** actual costs up to a maximum hourly rate equivalent to the current UK Living Wage for each child cared for, with self-declaration and claims backed by invoices submitted from the care provider;

***Non-registered childcare:*** actual costs up to a maximum hourly rate equivalent to the current UK Living Wage (flat rate) with self-declaration;

***Care for dependent children with severe disabilities and care for dependent adult relatives:*** actual costs up to a maximum of £30 per hour for each dependent, with self-declaration and claims backed by invoices submitted from the care provider.

*In all cases, an appropriate nominated senior officer be authorised to approve claims that exceed these levels in exceptional circumstances.*

*Claims may be made against all aspects of the Approved Duties specified in the Scheme.*

41. The Panel sees no reason why the proposed changes to the dependent care/childcare allowances should not be implemented with immediate effect.
42. **RECOMMENDATION 7: That the above changes to dependent and child care allowances be implemented with immediate effect.**

Graham Russell  
Chair of Panel

October, 2023.