

Report of the Independent Remuneration Panel on the Scheme of Members' Allowances for Tewkesbury Borough Council 2023/24

SUMMARY OF RECOMMENDATIONS

- A Basic Allowance of £7,650
- Special Responsibility Allowances as follows:

	£
Leader	9,150
Deputy Leader	6,860
Other Lead Members	4,575
Support Members	180
Committee Chairs	2,290
Mayor	2,290
Deputy Mayor	1,400
- A Dependant Carers' Allowance of £10.42 per hour.
- Scheme to be in place for 12 months from 1 April 2023 – 31 March 2024.
- No other changes be made to the current Scheme of Allowances.

INTRODUCTION

The report has been prepared by the Independent Remuneration Panel (IRP) for Tewkesbury Borough Council comprising five individuals drawn from the community; three of which have been established members for a number of years and two having joined at the start of the current review.

LEGAL REQUIREMENTS

The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) apply to all Local Authorities.

The Regulations require Local Authorities to make a scheme providing for the payment of a Basic Allowance to each Member of that Authority. The Basic Allowance must be the same for each Member of the Authority.

An Authority's Scheme of Allowances may also provide for the payment of Special Responsibility Allowances (SRAs) to such Members as have additional responsibilities. The specified categories of special or additional responsibilities which may be considered in a Scheme of Allowances include:

- i) Acting as Leader or Deputy Leader.
- ii) Acting as a Member of an Executive where the Authority is operating Executive arrangements within the meaning of Part 2 of the Local Government Act.
- iii) Presiding at meetings of a Committee or Sub-Committee of the Authority.
- iv) Representing the Authority at meetings of or arranged by any other body.
- v) Acting as a Member of a Committee or Sub-Committee of the Authority which meets with exceptional frequency or for exceptionally long periods.

- vi) Acting as a spokesperson of a Political Group on a Committee or Sub-Committee of the Authority; and
- vii) Carrying out such other activities in relation to the discharge of the Authority's functions as require of the Member an amount of time and effort equal to or greater than would be required of him or her by any of the above-mentioned activities.

SRAs need not be the same and may reflect the different expectations, time and effort involved in particular roles.

Member Allowance Schemes may also provide for the payment of a Carers' Allowance and also for Members' travelling and subsistence whilst acting in connection with their duties as a Member of the authority (Approved Duties).

Before a Local Authority may make or amend a Scheme of Allowances it must have regard to recommendation made in relation to the Scheme by its Independent Remuneration Panel.

CONTEXT OF THE REVIEW

The current Scheme of Allowances expires on 31 March 2023 and a new Scheme needs to be in place for 1 April 2023.

When the current Scheme had been presented to Council in January 2022 a number of Members had mentioned rising inflation and real term cuts in the Basic Allowance as this had not been increased for several years. There had also been a discussion concerning SRAs and, in particular, the SRA for Chairs which was the same for all Committees despite some meeting much more frequently than others.

In 2002, the Council's Scheme of Allowances allowed for a Basic Allowance of £6,500pa increasing by £1,300 on an annual basis, as part of a four-year scheme, rising up to £10,400.

In 2004 a Basic Allowance of £9,100 was proposed increasing to £10,400 in 2005.

In 2008 a Basic Allowance of £9,000 was approved for a three-year period.

In 2011 the then Independent Remuneration Panel recommended the following Scheme of Allowances which was adopted by the Council:

- Basic Allowance of £7,200 (four years).
- That the following Special Responsibility Allowances be payable:

Leader of the Council	£7,937
Deputy Leader	£5,953
Lead Members (7)	£3,969
Committee Chairmen (4)	£1,984
Mayor	£2,000
Deputy Mayor	£1,250
- Councillors who carried out more than one role which would attract a Special Responsibility Allowance were only entitled to claim the highest applicable Special Responsibility Allowance.

- That the Independent and Parish Members of the Standards Committee receive a Co-Optees Allowance of £1,000, to be kept under review should the Council opt to introduce voluntary arrangements.
- That Co-Optees/invitees should not receive an Allowance but the Council should ensure that they are fully reimbursed for any travel expenses incurred in attending meetings.
- That no reference to IT be included in the Council's Scheme of Allowances.
- That no change be made to the existing arrangements in respect of the payment of Travel Allowances.
- That no change be made to the existing arrangements in respect of the payment of Subsistence Allowances.
- That the existing arrangements for the Dependant Carers' Allowance remain unchanged.
- That Tewkesbury Borough Councillors should not currently be entitled to be part of the Local Government Pension Scheme.
- That no change be made to the current provisions on Suspension and Renunciation.
- That the following provision be included in the Council's Scheme:

"If a Councillor does not attend at least two-thirds of the total number of scheduled meetings of the Council, or of the Executive, or of Committees of which he/she is a Member, the Councillor concerned should be invited to pay back an appropriate percentage of his/her Basic Allowance up to a maximum of 25% of the Basic Allowance."

"If a Member is absent from Council business for more than one continuous month (other than on illness grounds) the Member concerned should be invited to pay back a sum equivalent to the amount of Basic and Special Responsibility Allowances paid for any single period of absence which exceeds one month."

"For periods of long term absences due to illness the Council should review its position on a case by case basis."
- That the Scheme be introduced for four years but, should the political structure of the Council change following the Elections in May, the Panel be reconvened to review its recommendations.
- That no other changes be made to the Scheme of Allowances, including the Schedule of Approved Duties.

That the Scheme run from 1 April 2011.

In 2015 two members of the current panel joined and it was recommended that the Scheme adopted in 2011 should remain unchanged for the forthcoming 12 months.

In 2016 the current Chair of the Panel was elected and the following Scheme recommended to, and adopted by, the Council:

- Basic Allowance unchanged.
- SRAs amended:
 - Leader of the Council - £8,400
 - Deputy Leader - £6,300
 - Lead Members (7) - £4,200
 - Committee Chairmen (5) - £2,100
 - Mayor - £2,100
 - Deputy Mayor - £1,300
- That the provision which states that Councillors who carry out more than one role which would attract a Special Responsibility Allowance are only entitled to claim the highest applicable Special Responsibility be deleted from the Scheme and that any Member carrying out a role subject to a Special Responsibility Allowance should receive payment for each role undertaken. *(In respect of the current Mayor particularly, who was also a Lead Member; this provision should be back-dated so that he receives both Special Responsibility Allowances during his Mayoral Year. Accordingly, it is recommended that the provision in the 2015/16 Scheme restricting claims to one Special Responsibility Allowance be removed).*
- That no reference to IT be included in the Council's Scheme of Allowances.
- That the arrangements for travel allowances remain unchanged except that the reference to 'journeys exceeding 50 miles in total will be payable at a mileage rate of 1p per mile after the first 50 miles' be deleted as the Panel cannot see any rationale for this to remain in the Scheme.
- That the arrangements for subsistence allowances remain unchanged except that the Democratic Services Group Manager be given delegated authority to approve increased amounts in special circumstances, such as visits to London, subject to them being reasonable and upon the production of receipts.
- That the Dependent Carers' Allowance remains in place but that the maximum amount payable be increased from £6 per hour to £7.20 in line with the living wage.
- That it be noted that, from 1 April 2014, the entitlement of local Councillors to join the Local Government Pension Scheme was abolished.
- That the repayment provision within the Scheme remain unchanged.
- That the Scheme be introduced for one year from 1 April 2016 to 31 March 2017, during which period the Panel will meet to review the Scheme and recommend any amendments if necessary.

That no other changes be made to the Scheme of Allowances, including the Schedule of Approved Duties.

From 2017-2020 the Basic Allowance remained unchanged but the Panel did propose increases and changes to the SRAs and the Dependent Carers' Allowance which were adopted by the Council.

In 2020 the Panel proposed that the Scheme to run from April 2020 to March 2021 remain unchanged other than an increase in the Basic Allowance of £150 to £7,350pa which represented a 2% increase. This was adopted by the Council.

In 2021 and 2022 the Panel proposed no changes to the Scheme other than in 2022 an increase in the Dependent Carers' Allowance from £7.50 to £9.50 per hour in line with the National Living Wage.

The pay award for staff in 2022 had been accepted and was a lump sum which equated to 5% additional cost to the manpower budget whereas individual staff awards ranged from 10.5% down to 1.5%.

Inflation was now running in excess of 10%.

The Council's financial position was as previously advised to the Panel with significant deficits forecast over the medium term.

EVIDENCE AND METHODOLOGY FOR THE REVIEW

The Panel met on five occasions which included discussions with the Chief Executive, the Head of Finance and Asset Management and 10 Members of the Council. All Members of the Council had been invited to either meet with the Panel or submit comments to them.

The Panel also reviewed the following information:

- The number of meetings and hours spent in those meetings
- List of Councillors and the allowances they currently received
- Allowance payments made by Councils from across the country that operated Committee structures as opposed to executive (Cabinet) arrangements
- Comparison of allowances paid by the other authorities within the country.

FINDINGS

Significant amounts of time were spent on Councillor duties particularly dealing with Ward matters and could easily be equated to a full-time job.

Some Members dedicated more time than others to the role depending upon their Ward and time available to commit to the duties. A number of Members were also Parish Councillors and several were Parish and County Councillors. This made it difficult to assess time spent specifically on Borough Council work or assess an average number of hours dedicated to Borough Council work.

Allowances were not a factor taken into account when decisions were made to stand for election, as this was borne out of an overriding desire to help and support the community but they did help in meeting the costs involved in terms of loss of earnings, using homes as offices, travelling in the Ward particularly the very rural areas where Members could attend a large number of Parish Council meetings.

Allowances are not salaries and could not be set at a level to compensate fully the time spent on Council business.

Some Members had felt the allowances were sufficient if other sources of income were available such as a pension. However, it was acknowledged that without other sources of income it would not be feasible for someone to undertake the role.

There were varying views on whether the allowances were sufficient or should be increased particularly bearing in mind the Council's financial position and the rising cost of living.

No definitive view was given on SRAs in terms of whether they were at the right level or should be increased, whether there should be a differential between Committee Chairs based on number and length of meetings and whether there should be changes to which positions received the allowance for instance Members serving on Committees that met more frequently such as Planning. A couple of Members were of the view that the focus should be on increasing the Basic Allowance and not SRAs to reflect the collective decision making of the Council.

The comparisons with other Authorities operating a Committee structure showed that whilst Tewkesbury still had one of the highest Basic Allowances the gap was narrowing. However, when the Basic Allowance was linked with the SRAs paid by other Authorities it showed that Tewkesbury was not the highest in terms of expenditure. In addition, these figures related to 2022 and it was not known what increases would be proposed for 2023 particularly given the high rate of inflation.

In terms of the Dependent Carers' Allowance being in line with the National Living Wage, this would be increasing to £10.42 in April 2023.

CONCLUSIONS

In view of rising inflation now was the right time to recommend an increase in the Basic Allowance.

Further detailed examination of SRAs was required to understand fully the roles that should be eligible for this Allowance and what payments they should attract. This would be the main focus of the Panel's work for the 2024 Scheme once the elections had taken place and the Council had confirmed its democratic structure moving forward. In the meantime, the differential between the Basic Allowance and the SRAs should be maintained therefore any increase in the Basic Allowance should also be applied to the SRAs.

RECOMMENDATIONS

- That the Scheme for 2023/24 should include a Basic Allowance of £7,650 rising from the current £7,350.
- That SRAs be payable as follows:

	Current	Proposed
	£	£
Leader of the Council	8,800	9,150
Deputy Leader of the Council	6,600	6,860
Other Lead Members	4,400	4,575
Support Members	175	180
Committee Chairs	2,200	2,290
Mayor	2,200	2,290
Deputy Mayor	1,350	1,400

- That the Dependant Carers' Allowance be increased from £9.50 to £10.42 in line with the National Living Wage.
- That this Scheme be in place for a period of 12 months beginning on 1 April 2023 and ending on 31 March 2024.
- All other provisions within the existing 2022/23 Scheme be unchanged and remain in place for the 2023/24 Scheme of Allowances.