



Gravesham Borough Council

Report of Independent Remuneration Panel

April 2022

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This report is a synopsis of the deliberations and recommendations made by the Panel.

1. Background

- 1.1 The Panel is established under The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021) ("the 2003 Regulations"). These Regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an IRP to review and provide advice on Members' Allowances on a periodic basis. All Councils are required to convene the IRP and seek its advice before making any changes or amendments to its Members' Allowances Scheme.

2. Appointment of Panel

- 2.1 The Panel must comprise of no less than three and no more than five persons, none of whom is formally connected with the Council, has a publicly declared political affiliation and/or has been found guilty of a criminal offence. They must not, however, be disqualified from being a member of a local authority. The Panel must be independent, well qualified to discharge its functions and be representative of a broad cross-section of local communities.
- 2.2 Persons appointed to the Panel may each serve for a period of four years from the date of their appointment and may be re-appointed on the expiry of their term of office, subject to no person serving on the Panel for more than a total of eight years.
- 2.3 The Protocol for the Appointment of an IRP is set out in Annex 3.7 of the Council's Constitution.
- 2.4 The Panel was appointed by the Council on 12 April 2022, the Panel Members are as follows:-
- Jag Sidhu, Director of Nick Building Contractors Ltd;
 - Jasvinder Gill, Senior Partner of Hatten Wyatt Solicitors; and
 - Julie Hobson, Partner of Gullands Solicitors.
- 2.5 The Chair of the Panel is Jasvinder Gill.
- 2.6 The Panel's current term of office expires on 1 April 2026. After that date, Jag Sidhu and Jasvinder Gill will be not eligible for reappointment due to serving on the Panel for a total of eight years.
- 2.7 All members of the Panel declared that they were not active members of a political party or associated with any Councillors serving on the Council.

3. Terms of Reference

- 3.1 The role of the IRP is to make recommendations to Council about the type and level of allowances to be paid to Councillors. In particular, to make recommendations on:-
- the amount of basic allowance that shall be payable to elected Members;
 - the roles and responsibilities for which a special responsibility allowance is payable and the amount of each such allowance;

- the amount of travel, subsistence and dependant care allowances to be paid to Councillors and the means by which they are determined; and
- general issues associated with the allowances/scheme.

To work with other Panel Members and Officers of the Council to:-

- be compliant with all relevant codes of conduct;
- fully take part in the activities and decision-making role of the IRP;
- develop, as necessary, a working knowledge of the role of Councillors, the Members' Allowances Scheme, the structure and operation of Gravesham Borough Council and its policies and practices;
- develop as necessary a working knowledge of the statutory requirements, regulations and Government guidance concerning Councillors' allowances; and
- develop, as necessary, a working knowledge of the Councillors' Allowances Schemes operating in other local authorities and public bodies.

4. Purpose of the Review

- 4.1 The last review of the Members' Allowances Scheme was undertaken four years ago. One of the recommendations of the IRP, approved by the Council, was that the allowances be increased in line with any pay awards given to Gravesham Borough Council staff. The Regulations state that *'Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme'*. Therefore, as the allowances have been adjusted annually over the last four years, the Council requested that the IRP review the current scheme with a report of its recommendations being submitted to a future meeting of the Council.

5. Review Process

- 5.1 The Panel was convened in April 2022.
- 5.2 Prior to the first meeting, the Panel was issued with an agenda pack that included the following information/data:-
- Role of the IRP
 - Legislation and Guidance (including the allowances that can be paid)
 - Background information from the Constitution
How the Council operates
Responsibility of functions
Municipal calendar and frequency of meetings
 - Current Political Arrangements
 - Changes on the horizon
 - Financial envelope
 - Current Members' Allowances Scheme
 - Benchmarking of Members' Allowances Scheme (Kent & Nearest Neighbours)
- 5.3 The Panel was supported by Bhupinder Gill, Assistant Director (Legal and Governance) acting in the role of Monitoring Officer, Sarah Parfitt, Director (Corporate Services) and Carlie Simmonds (Committee Services Manager).

6. Legislation and Guidance

6.1 In formulating its recommendations, the Panel has taken into account the following statutory legislation and guidance:-

- the Local Government and Housing Act 1989, Section 18 (as amended by the Local Government Act 2000) - the underlying authority for basic, special responsibility and child and dependent carers' allowances;
- the Local Government (Members Allowances) Regulations 2003; and
- Government Guidance issued at the time of the 2003 consolidated Regulations.

6.2 The Panel also considered a chart that summarised the legal provisions relating to individual types of allowance together with a list of duties for which allowances were payable:-

Mandatory

Basic Allowance

Optional

Special Responsibility Allowance

Dependent Carers' Allowance

Travelling and Subsistence Allowance

Co-optees' Allowance

7. Current Members' Allowances Scheme

7.1 The last review of the Members' Allowances Scheme was undertaken in 2017. The previous methodology used to set the allowances was unclear therefore the 2017 review was in-depth with the IRP considering both the approach to determining allowances in addition to the figures to be recommended. The Panel recommended a methodology for both the basic and special responsibility allowances which was subsequently approved by the Council. The recommended methodology was the favoured approach taken by other local authorities.

Basic Allowance

7.2 The formula for calculating the basic allowance is as follows:-

The median weekly pay for all council employees, divided by 37 hours per week, multiplied by 12.5 hours per week spent on council duties (taken from GBC Councillors in a IRP survey), multiplied by 52 to give an annual sum and then discounted by the 40% voluntary/public service factor to recommend a basic allowance per annum.

Special Responsibility Allowances (SRA)

7.3 The formula for calculating the SRAs is to apply a multiplier (whole number or fraction) to the basic allowance. The Panel, in 2017, started with the recommendation of the SRA for the Leader of the Council and worked through the other levels of SRAs. If the Council was minded to reduce the level of SRA payable, the differentials within the hierarchy be maintained. Furthermore, if a Councillor was entitled to claim more than one SRA the lesser allowance should be paid at 50% of the agreed rate.

Travel and Subsistence

- 7.4 The travel and subsistence scheme for Councillors is aligned with that of Officers.

Dependent Carers' and Childcare

- 7.5 Childcare and dependent carers' allowance is paid at the National Minimum Wage with flexibility for an enhanced payment in exceptional circumstances.

Indexation

- 7.6 The basic and special responsibility allowances is increased in line with any pay awards given to Gravesham Borough Council staff.

8. Current Political Arrangement

- 8.1 The Panel note that there has not been any significant changes to the political arrangement/committee structure since 2017.
- 8.2 There continues to be 44 elected Councillors. The Labour Group forming the ruling administration. The current composition of the Council being:-
- Labour - 22 Members
 - Conservative - 20 Members
 - Independent - 2 Members
- 8.3 The Council continues to operate a Cabinet arrangement with seven Members of the Cabinet (Executive) including the Leader of the Council, Deputy Leader and five Portfolio holders. The Cabinet being the key policy making body.
- 8.4 The arrangements for the conduct of the Council's business provides for a number of Committees, Boards and Panels to deal with specific tasks and functions. These bodies have a Chair and a Vice Chair and their membership reflects the political balance of the Council.
- 8.5 The opposition groups have a Leader and Deputy Leader and, although they are not represented in the Cabinet, they play an important role in policy developments and implementation through the process of overview and scrutiny and/or participation in Cabinet Committees.

9. Changes on the horizon

- 9.1 The Panel recognises that there are a number of changes on the horizon. The Local Elections are taking place on 4 May 2023. In addition, the Local Government Boundary Commission for England recently undertook an electoral review and has recommended new patterns of wards so that each Councillor represents about the same number of electors. The review resulting in Gravesham's wards being reduced from 18 to 17 and the number of Councillors being reduced from 44 (2-3 per ward) to 39 (1-3 per ward). The changes will take effect from the Local Elections in May 2023.

10. Financial envelope

- 10.1 The Panel note that the existing Financial Envelope for the 2022/23 financial year is £281,040. Going forward, a 2% inflationary element has been added each year (matching assumptions around staffing costs) resulting in the following budgeted amounts for future years:-

2023/24	£286,660
2024/25	£292,390
2025/26	£298,240
2026/27	£304,200

- 10.2 There will be a reduced number of Councillors after the Local Elections in May 2023 (from to 39) so there will be a need to factor in the role taking up more time if the meeting structure remains as current, but with fewer Members to fill positions on Committees etc. Although, in the Council's size submission to the Local Government Boundary Commission for England, the intention was stated to reduce the size of the Cabinet sub-committees.

11. Benchmarking

- 11.1 In addition, the Panel considered the comparative information relating to allowances paid by other local authorities in Kent and CIPFA's nearest neighbours.

12. Conclusion

- 12.1 The Panel was asked to evaluate the evidence presented to them and agree a way forward in reviewing the Members' Allowances Scheme. The Panel was informed that reviews may be in-depth or more brief annual/interim reviews; this could be determined by changes such as Local Elections, changes to the committee structures/roles, Electoral reviews, impact of legislation, local/national issues, economic environment etc. In some cases, the Panel may determine that a scheme remains relevant and current and/or a further review to be undertaken at a later/specific date.
- 12.2 The IRP discussed the information/data contained within the agenda pack together with the briefing provided by and the Monitoring Officer and the Director (Corporate Services). The Panel considered that all of the evidence indicated that the Members' Allowances Scheme, including the methodology, is still fit for purpose. There had been limited change in governance arrangements and Member roles/responsibilities. Benchmarking also supported this conclusion.
- 12.3 The Panel acknowledged that it continues to be an economically tough climate for both the Council and its residents and that any proposals will have an impact on the Council's budgets and, consequently, its frontline services. However, the Panel was mindful that the scheme must ensure that people from all walks of life and financial circumstances can be attracted to fulfil the role of an elected Councillor within the community.
- 12.4 The Panel recognised that, from May 2023, there will be changes arising from the Electoral Review and Local Elections that will have an impact on the Council's governance arrangements and Member roles/responsibilities.

12.5 Taking into account all of the above, the Panel has determined that there be no change to the Members' Allowances Scheme until after the Local Elections in May 2023, at which time a further review of the scheme be undertaken by the IRP. The existing arrangement for the annual indexation of basic and special responsibility allowances, in line with the nationally negotiated pay awards given to Gravesham Borough Council Staff, be continued.

12.6 The Panel would like to extend its thanks to the Officers of the Council for their support.

13. Recommendation(s)

13.1 The Panel recommends that there be no change to the Members' Allowances Scheme until after the Local Elections in May 2023, at which time a further review of the scheme be undertaken by the IRP. The existing arrangement for the annual indexation of basic and special responsibility allowances, in line with the nationally negotiated pay awards given to Gravesham Borough Council Staff, be continued.

14. Work Programme 2023/24

14.1 A full review of the scheme to be undertaken after the Local Elections in May 2023.

15 Appendices

15.1 The following document is to be published with the report:

- Current Members' Allowances Scheme

16 Background Papers

16.1 The following background documents were used:

- Gravesham Borough Council's Constitution;
- Report to Council - Members' Allowances - 21 February 2017;
- Relevant legislation and guidance; and
- Benchmarking of Members' Allowances Scheme (Kent & Nearest Neighbours).

Mr Jasvinder Gill
Chair of Gravesham Borough Council's Independent Remuneration Panel
April 2022