

**A Review of
Members' Allowances
For
Stroud District Council**

**The 11th Report
by the
Independent Remuneration
Panel**

**Dr Declan Hall (Chair)
John Parker
Beth Whittaker**

January 2016

EXECUTIVE SUMMARY

The Panel has recommended that Basic Allowance remains unaltered at £5,161 and changes to some SRAs, see rationale and details in full report.

Stroud IRP Summary	Basic & Special Responsibility Allowances 2016/17 (recommended)					
REMUNERATED POSTS	Basic Allowance	Nos. Paid	SRA per Post	Ratio of Leader's SRA	Total per Member	SRA total per Category
All Members	£5,161	51				
Leader of Council + Chair Strategy & Resources Committee	£5,161	1	£10,322	100%	£15,483	£10,322
Chairs Service Committees (3)	£5,161	3	£6,193	60%	£11,354	£18,580
Vice Chairs Strategy & Resources + 3 Service Committees	£5,161	4	£1,239	20% of Chair	£6,400	£4,955
Chair Development Control Committee	£5,161	1	£5,161	50%	£10,322	£5,161
Vice Chair Development Control Committee	£5,161	1	£1,032	20% of Chair	£6,193	£1,032
Chair Audit and Standards Committee	£5,161	1	£5,161	50%	£10,322	£5,161
Vice Chair Audit & Standards Committee	£5,161	1	£1,032	20% of Chair	£6,193	£1,032
Chair Council	£5,161	1	£3,097	30%	£8,258	£3,097
Vice Chair Council	£5,161	1	£619	20% of Chair	£5,780	£619
Main Opposition Group Leader	£5,161	1	£4,856	47%	£10,017	£4,856
Other Opposition Group Leaders	£5,161	0	£1,032	10%	£6,193	£0
SUB TOTALS:						
BA SUB TOTAL	£5,161	51				£263,211
SRAs SUB TOTAL		15				£54,814
TOTAL (BA + SRAs)						£318,025

The Panel also recommends:

Opposition Groups- Clarifications

- **Clarification on definition of an Opposition Group:** For clarification, to be defined as an Opposition Group, Main or Other, then no Member of that group should be

remunerated as a Chair of a Committee or Vice Chair of a Service or Strategy & Resources Committee.

- **Leader of Other Opposition Group[s] - Qualification Criteria:** The SRA for a Leader of an Other Opposition Group is only payable if such a Group attains the qualifying criteria of having at least 5 Members.
- **If there are 2 or more Main Opposition Groups of the same size:** If there are two or more Main Opposition Groups of equal size, the SRA paid to each Leader of the Main Opposition Groups should be set at 25% of the Leader's SRA. This currently equates to £2,581 (subject to any index that may be applicable).
- **If the Main Opposition Group does not have 5 Members:** In the event that the Main Opposition Group does not have 5 members then the qualifying threshold should be suspended and the Main Opposition Group Leader is paid an SRA on a par with the SRA currently in place for the Other Opposition Group Leader's SRA, which equates to £1,032.

Confirmation of the 1-SRA only rule

The Council continues to impose a 1-SRA only rule within the Stroud District Council Members' Allowances scheme.

Co-optees' Allowances

The Council does not pay a Co-optees Allowance.

Travel and Subsistence Allowances

The current terms and conditions and rates for which Travel and Subsistence Allowances may be claimed, are maintained.

The Dependants' Carers' Allowance (DCA)

The allowances scheme is amended to clarify that the DCA

- Can only be claimed for approved duties as laid out in the 2003 Regulations paragraph 7.1
- That all claims under the DCA have to be supported by receipts
- That the DCA is not intended to cover all costs of care of dependants while on approved duties
- The maximum hourly rate for claims is based on the government's 'living wage', currently £7.20 per hour

The IT Contribution Allowance

The IT Contribution Allowance of £390 is maintained, however, it is recommended that Members receive guidance from the Council about the appropriate and compatible hardware for which this allowance may be claimed.

A Voluntary Payback

The Council does not seek to impose a voluntary payback from Members who are not attending all their scheduled meetings.

Confirmation of indexing

The Panel confirms and recommends that the following allowances continue to be indexed from 2016-2020 as follows:

- **Basic Allowance and SRAs:** updated annually in line with the annual percentage pay increase given to Stroud District Council employees (and rounded to the nearest £ as appropriate) as agreed by the National Joint Council for Local Government Staff
- **Mileage Allowance:** adjusted on the 1 April each year by reference to the HMRC AMAP (Authorised Mileage Allowance Payments) approved rates
- **Other travel:** reimbursement of actual costs taking into account the most cost effective means of transport available and convenience of use
- **Subsistence Allowance:** indexed to the maximum rates that apply to Officers of Stroud District Council
- **Dependants' Carers' Allowance:** the maximum hourly rate to be indexed to the government's national living wage, currently £7.20 per hour

The adjustments recommended above to be made each year for a period of up to 4 years period running from May 2016 to May 2020 without the need for a review by the Panel, unless a review is requested by the Council before then.

Implementation

The recommendations are implemented from the date of the Annual Meeting of Council on 19 May 2016 or any date before then as agreed by Council.

FULL REPORT

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the statutory independent remuneration panel (the Panel) appointed by Stroud District Council to advise the Council on its Members' Allowances scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* (the 2003 Regulations). These regulations, arising out of the relevant provisions in the *Local Government Act 2000*, require all local authorities to maintain an independent remuneration panel to review and provide advice on their Members' Allowances scheme. This is in the context whereby Council retains powers of determination regarding the level and scope of Members' allowances.
3. The Council is moving to all out elections from May 2016 and therefore establishing a new council and a new allowances scheme. Before the Council determines a new allowances scheme, it must first seek advice from the Panel in accordance with 2003 Regulations (19. 1) which states that before an authority:

.... makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel.
4. It is under this provision that Stroud District Council has reconvened its independent remuneration panel.

Terms of Reference

5. The Panel was asked to undertake "a robust general review of members' remuneration which potentially covers this four year term¹". The Panel, in accordance with the 2003 Regulations, adopted the following terms of reference:

21.1. An independent remuneration panel shall produce a report in relation to the authority or authorities in respect of which it was established, making recommendations -

- (a) as to the responsibilities or duties in respect of which the following should be available—
 - i. special responsibility allowance;
 - ii. travelling and subsistence allowance; and
 - iii. co-optees' allowance;
- (b) as to the amount of such allowances and as to the amount of basic allowance;
- (c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;

¹ As outlined in a letter to Declan Hall (IRP Chair) from Karen Trickey (Legal Services Manager) 28 October 2015.

- (d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated ... ;
 - (e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;
6. The Panel was further asked to consider
- (f) The IT Contribution Allowance currently paid to Members and whether it might be appropriate to include this sum into the Basic Allowance.
 - (g) On voluntary payback by Members and/or possible incentives to improve attendance at meetings.
7. In arriving at its recommendations the Panel is expected to take into account:
- The views, both written and oral, of Members
 - The scope and level of allowances paid in similar councils
 - The current budgetary situation of the Council.

The Panel

8. The Stroud District Council reconvened its Panel and the following Members were appointed to carry out the independent allowances review, namely:
- Dr. Declan Hall, Chair:
 - A former academic at Institute of Local Government now self employed consultant specialising in members' allowances and support
 - John Parker:
 - A non-executive director Newbury Building Society, Affordable Housing Finance Corporation and Housing Finance Corporation, Chair of Stroud Feoffees, Vice Chair of the Stroud & Rodborough Education Committee and a local resident
 - Beth Whittaker:
 - A local businessperson, a Gloucestershire Ambassador for GFirst (Local Enterprise Partnership), former school governor, on the committee of Stroud Businesswomen's Network and a local resident
9. The Panel was supported by Karen Trickey, Legal Services & Monitoring Officer and Eka Nowakowska, Principal Policy Officer at Stroud District Council.

Process and Methodology - Evidence Reviewed by the Panel

10. The Panel met at the Council Offices, Ebley Mill, Stroud, on 7th and 8th December 2015 to consider the evidence and hear representations, including factual briefings by Officers. All Members were invited to make written submissions to the Panel and all Members who wished to meet with the Panel were accommodated as far as practically possible. The Panel also reviewed relevant written information, such as council and

committee meetings schedules, benchmarking data, statutory guidance, etc². The Panel meetings were held in private session to enable it to consider the evidence and carry out its deliberations in confidence.

Benchmarking - the Stroud District Council comparator group of councils

11. The Panel has reviewed and evaluated the evidence and representations within a comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in the Stroud District Council against those paid in the five other Gloucestershire district councils and Stroud's 10 Nearest Neighbours as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA).
12. The Panel has not been driven by the levels of allowances paid in the benchmarking group but it was concerned to understand how the issues under review have been addressed elsewhere i.e. what is the most common and good practice. Moreover the Panel felt that it was important to place the Stroud District Council allowances scheme in a comparative perspective. Leaving aside the fact that this only gives relative values and is less a guide to the real worth of councillor's work, it does inform elected Members on the wider picture.

Principles and Key Messages

The purpose of a Members' Allowances scheme

13. One theme that emerged from the representations made to the Panel was that the level of allowances payable under the current Stroud District Council Members' Allowances scheme did not fully compensate the work and responsibilities undertaken by Members. Yet, members' allowances were never intended to be paid at full 'market rates.' The policy intention behind the requirement to establish a Members' Allowances scheme for all English councils is to enable and facilitate Members' roles and responsibilities as far as practically possible while taking into account such factors as the nature of the council, local economic conditions and good practice. Thus the Panel has sought to recommend a scheme that seeks to minimise financial barriers to public service so as to enable a wide range of people to become a Councillor without incurring undue personal financial cost.
14. On the other hand a key message emerging from the representations was that, based in the context of marginal change, the total spend on allowances should not be increased. Consequently the Panel adopted the principal that its recommendations should not increase the current spend on allowances. As it goes if the recommendations are adopted in full they should result in an annual saving of £493³.

Stroud District Council's allowances scheme - broadly fit for purpose

15. The Panel concluded that the current scheme was still broadly fit for purpose. The previous reviews (April 2013 and May 2014) have broadly achieved their objectives i.e., a scheme that reflects the committee model of governance and only marginal resetting of allowances are required where anomalies have arisen.

² See Appendices 1 & 2 for further details

³ See appendix 4 for details.

Recommendations - Recalibrating the Basic Allowance

16. The Panel 'recalibrated' the Basic Allowance by following the formulaic approach as laid out in the 2003 Statutory Guidance (paragraphs 67-69) which recommends the consideration of three variables - namely time, public service and a rate of remuneration. The Panel, for recalibration purposes, adopted the following values for each variable:
- Time required to fulfil duties: 12 hours per week/624 hours per year
 - Public Service Discount: 35% (or 218 hours)
 - Rate of Remuneration: £13.32 per hour

Time to fulfil duties for which the Basic Allowance is paid

17. The Basic Allowance is primarily a time-based payment (see 2006 Statutory Guidance paragraph 10). The Basic Allowance was originally based on 10 hours per week as the minimum required input from a Member to fulfil those duties for which the Basic Allowance is paid, including preparing for and attending meetings, both formal and informal, addressing constituents' concerns, representing and engaging with local communities, external appointments and other associated work including telephone calls, emails and meetings with Officers.
18. The most up to date information available on what Members of district councils on average put into their duties for which the Basic Allowance is paid comes from the 2013 Councillors Census. In data supplied by the Panel Chair it shows that Councillors in district councils who "hold no positions" of responsibility report that they put in on average 14 hours per week "on council business".
19. The Panel has always been explicit that, rather than basing the expected time inputs on what Members put in, it considers what is required to do the job. The Panel recognises that the committee system has placed more demands on Members and has compromised between the historical expectation of 10 hours per week and the LGA average, which equates to 12 hours per week or 624 hours per year.

The Public Service Discount (PSD)

20. The Public Service Discount (PSD) recognises the principle that not all of what a Councillor does should be remunerated – there is an element of public service. This principle is realized by discounting an element of the expected time inputs associated with the Basic Allowance; the Panel has historically used 1/3. In other words a third of the minimum expected time inputs for the Basic Allowance are unremunerated. For the purposes of recalibration the Panel has increased the PSD marginally and reset it at 35% as it more closely reflects the element of a Members' time that relates to ward and constituent work.
21. Thus, of the expected minimum time input of 624 hours per year, 35% of that time, or 219 hours per year, are deemed public service, leaving 405 remunerated hours per year.

The rate of remuneration

22. Historically the Panel has used a local rate of remuneration on the basis that the Basic Allowance is based on the average salary of Members' constituents, and therefore publically defensible. The most up to date data available shows that in 2015 the median gross hourly earnings for all full time employees resident within the district of Stroud to be £13.32⁴.

The Recalibrated Basic Allowance

23. By replicating the previous methodology in accordance with the 2006 Statutory Guidance but with the updated variables, it produces the following recalibrated Basic Allowance:

- (624 hours minus 219 hours) multiplied by £13.32 per day = £5,395

Benchmarking the Basic Allowance

24. The current Basic Allowance is £5,161 (including an uplift of £156 to cover telephone and broadband and computer consumables) has lost value relative to the recalibrated Basic Allowance. However, benchmarking shows that the Stroud Basic Allowance is not low when compared to peers:

- Mean BA - Benchmarking Group: £4,598
- Median BA - Benchmarking Group: £4,338

25. While the benchmarking needs to be treated with a degree of caution as it does not account for those councils which pay any extra allowances (mostly for telephone and broadband costs) and which offer direct support mostly in the form of IT consumables, it does indicate that there is not a strong case to recommend the recalibrated Basic Allowance. More specifically, the current Basic Allowance is still appropriate considering that Members are required to be more involved in a committee form of governance, which is only the case in 2 of the councils in the benchmarking group and the Panel has explicitly eschewed 'market rates' i.e., the Basic Allowance suggested by recalibration.

26. **The Panel recommends that the Basic Allowance payable in the Stroud District Council remains at £5,161 for 2016/17, subject to any index that may be applied.**

27. **The Panel further recommends that the Basic Allowance continues to include the range of current expenses as currently set out in the Members' Allowances scheme.**

Special Responsibility Allowances

The Leader/Chair of Strategy & Resources Committee

28. Following the 2013 Review, the Leader's SRA was reduced to £9,000, (currently £9,290 with indexation), by setting it at 1.5 times the recommended SRA (£6,000) for the Chairs of the Service Committees. At the time, the Panel recognized this

⁴ See ASHE, 2015, Table 8.1a - Median hourly pay - gross - for full time employees by home geography. The ONS advises that the median is a more accurate measure of average earnings due to a handful of high earners and large number of employees earning the minimum wage or just above it.

recommendation was being made without experience of what a Leader's role would be like in a committee form of governance.

29. Although the Panel confirmed the Leader's SRA in the 2014 Review, the evidence now indicates that the Panel slightly underestimated the demands placed on the Leader. The Leader chairs the Strategy & Resources Committee; its central role underpinned by the fact that the Chairs of the three service committees and other leading Members also sit on the Strategy & Resources Committee. Moreover, the time demands have increased. In particular the Leader now has a larger external role. This will increase with the advent of a Combined Authority and, regardless of what form it eventually takes, local devolution - both of which are and will continue to impact on the Leader's time the most. Indeed, in advance of the formal establishment of a Combined Authority, the Leader is already attending many additional external meetings.
30. Moreover, benchmarking shows the Leader's SRA to be markedly below that of peers:
 - Mean Leaders SRA: £11,920
 - Median Leaders SRA: £11,543
31. It is appropriate that the Stroud Leader's SRA is below the benchmarked average as 12 councils in that group have executive Leaders. On the other hand, the current SRA is clearly in need of revision in light of the enhanced demands being placed on the Stroud Leader.
32. The Panel has followed the 2006 Statutory Guidance, which suggests arriving at the Leader's SRA as a factor of the Basic Allowance (paragraph 76). In the benchmarking group, the mean Leader's SRA (£11,920) is a factor of 2.6 over the mean Basic Allowance (£4,598). To account for Stroud having a non-executive Leader, the Panel has opted for a factor of two over the Stroud recommended Basic Allowance (£5,161), which equates to £10,322.
33. **The Panel recommends the Leader's SRA is set at £10,322 for 2016/17, subject to any index that may apply.**

Arriving at other SRAs - the 'pro rata' approach

34. In arriving at the other recommended SRAs, the Panel has explicitly adopted the 'pro rata' approach as set out in the 2006 Statutory Guidance (paragraph 76). In most cases the current ratios, as expressed as a percentage of the Leader's SRA, have been maintained except where there is a case to reset the original ratio.

Chairs of the Service Committees (3)

35. No evidence was received to indicate that the SRA (£6,193) for Chairs of the 3 Service (Community Services & Licensing Environment and Housing) Committees required revising. It now equates to 60% of the Leader's recommended SRA. Benchmarking is of no value as there are only 2 councils in comparator group that have a committee governance model, which is too small a group to make meaningful comparisons.

36. **The Panel recommends that the SRA for the Chairs of the 3 Service Committees remains at £6,193 (60% of the Leader's recommended SRA) for 2016/17, subject to any index that may apply.**

Vice Chairs of the Service and Strategy & Resources Committees

37. Currently the Vice Chairs of the 3 Service Committees and Vice Chair of the Resources & Strategy Committee receive an equal SRA of £2,064, set at 1/3 of the Service Committees Chairs' SRA. The Panel has not set the SRA for the Vice Chair of the Resources & Strategy relative to the Leader's SRA as the post holder does not undertake a formal Deputy Leader's role, as opposed to Deputy Group Leader or Vice Chair role.
38. The SRA for the Vice Chairs of the Service and Resources & Strategy Committees was set in 2014 at 1/3 of the Service Committee Chairs' SRA, as opposed to the standard ratio of 20%, on the basis that there is an expectation under the committee form of governance that they have a greater role than simply standing in when their Chair is absent. The Stroud District Council Constitution (Role Profiles for Councillors, Section 16 page 16.4 Version August 2015) states that Vice Chairs of committees will, when appropriate, "take a lead in some areas of work as agreed by their Chair."
39. In the 2014 Review the Panel expressed concerns that the role of Vice Chairs of the Service and Strategy & Resources Committees had not developed as intended, but the Panel opted to wait and give it time. However, no evidence was received to suggest that the role of these Vice Chairs has developed any further. It remains a variable one which in the main does not routinely involve chairing task and finish groups or other discrete tasks on a regular basis.
40. The 2014 SRA recommendation for the Vice Chairs of the Service and the Strategy & Resources Committees is now considered an anomaly. Therefore, the 'standard' Vice Chair ratio of 20% of a Chair's SRA, as applied in the case of the Vice Chairs of the Development Control and Audit & Standards Committees, is more appropriate.
41. **The Panel recommends that the SRA for the Vice Chairs of the Service and Strategy & Resources Committees is reset at £1,239 for 2016/17, subject to any index that may be applied.**

Chair of Development Control Committee (DCC)

42. The representation received suggested that the current SRA (£4,856) paid to the Chair of the Development Control Committee (DCC) underestimated the role. There was a view, by no means unanimous, that the post is on a par with the Chairs of the Service Committees. The Panel does not accept this argument as the Service Committees have a wider policy and review remit. Under the committee model of governance, the Service Committees in particular, while not meeting as often as DCC, are more proactive, charged with developing policy, making delegated decisions and more wide ranging in their remit.
43. Moreover, benchmarking shows the SRA for Chair of DCC in the comparator group as follows:

- Mean DCC Chairs' SRA: £4,148
- Median DCC Chairs' SRA: £4,247

44. In this case benchmarking does have a greater resonance. All Councils regardless of their model of governance are required to have a planning committee, which is a regulatory committee to discharge their statutory responsibility regarding planning applications.
45. On the other hand the Panel recognises that the Chair of DCC is a time consuming role and has a high public profile which brings its own challenges. This is particularly the case in Stroud where planning pressures are particularly high. Consequently, the Panel has compromised and reset the SRA for the Chair of DC at 50% of the Leader's recommended SRA, which equates to £5,161.
46. **The Panel recommends that the SRA for the Chair of the Development Control Committee is set at £5,161 for 2016/17, subject to any index that may be applied.**

Vice Chair of Development Control Committee (DCC)

47. The current SRA (£971) for Vice Chair of DCC was determined by setting it at the standard Vice Chair's ratio of 20% of their Chair's SRA. No evidence was received to alter this ratio, which now equates to £1,032. This is supported by benchmarking which shows that, out of the 8 out of 14 comparator councils that remunerate their DCC Vice Chair, the average SRA is:
- Mean DCC Vice Chair's SRA: £1,508
 - Median DCC Vice Chair's SRA: £1,370
48. **The Panel recommends that the SRA for the Vice Chair of the Development Control Committee for 2016/17 is maintained at 20% of the DCC Chair's recommended SRA, which equates to £1,032, subject to any index that may be applied.**

The Chair of the Audit & Standards Committee

49. The SRA (currently £3,986) for the Chair of the Audit and Standards Committee was set on a dual basis as follows
- Audit function: set at 1/3 of the Leader's SRA
 - Standards function: set at 10% of the Leader's SRA
50. Representation received argued that the SRA for the Chair of Audit & Standards should be on a par with the Chair of DCC. In particular the Audit & Standards Committee in the committee governance model has an important scrutiny function in relation to the Council's finances. This is reiterated by the Chartered Institute of Public Finance and Accountancy (CIPFA) which advocates separate Audit committees as good practice. In particular they provide "to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual

governance processes.⁵ In the Stroud context, where there are no separate scrutiny committees, there is an additional dimension in that the Audit & Standards Committee is only place where a detached scrutiny of finance and resources can take place.

51. Benchmarking shows the SRA for Chair of Audit Committees in the comparator group as follows:
- Mean Audit Chairs' SRA: £2,289
 - Median Audit Chairs' SRA: £2,222
52. Although benchmarking shows that the Stroud Chair of Audit & Standards is already remunerated above peers, the Panel has not been unduly influenced by benchmarking as many comparator councils have a single function i.e., audit only, committee. For instance, South Staffordshire has an audit-only committee and a separate Standards Committee, whose Chair also receives an SRA.
53. Regardless, the Panel accepts the case to increase the SRA for the Chair of Audit & Standards to place it on a par with the Chair of DCC and has reset it at 50% of the Leader's SRA, which equates to £5,161.
54. **The Panel recommends that the SRA for the Chair of the Audit & Standards is reset at 50% of the Leaders' recommended SRA which equates to £5,161 for 2016/17, subject to any index that may be applied.**

The Vice Chair of the Audit & Standards Committee

55. Similarly, as the Panel is recommending a revised SRA for the Chair of the Audit & Standards Committee then it must logically extend this revision to the SRA for the Vice Chair of the Audit & Standards Committee. However, the Panel received no evidence to revise the standard Vice Chair's ratio, namely 20% of the Chair's recommended SRA, which equates to £1,032.
56. **The Panel recommends that the SRA for the Vice Chair of the Standards & Audit Committee for 2016/17 remains at 20% of their Chairs' SRA which equates to £1,032, subject to any index that may be applied**

Chair and Vice Chair of the Council

57. The Panel received no evidence to suggest that the current SRAs (£3,097 and £619) for the Chair and Vice Chair of the Council require reconsideration. Benchmarking is difficult in this respect as Council Chairs elsewhere receive support and remuneration from a couple of other sources and the wider picture is hard to discern. Nonetheless, although it makes no substantive difference to their current SRAs, to be consistent in line with the pro rata approach, the Panel recommends the SRAs for the Chair and Vice Chair of the Council remain as follows:
- Chair of Council - 30% of the Leader's SRA: = £3,097
 - Council Vice Chair - 20% of the Council Chair's SRA = £619

⁵ <http://www.publicfinance.co.uk/analysis/2014/03/keeping-close-watch>

58. **The Panel recommends that the SRAs for the Chair and Vice Chair of the Council remain at £3,099 and £619 respectively for 2016/17, subject to any index that may be applied.**

Clarification on definition of an Opposition Group

59. **For clarification, to be defined as an Opposition Group, Main or Other, then no Member of that group should be remunerated as a Chair of a Committee or Vice Chair of a Service Committee.** Under the current administration this means only the Conservative Group is considered an Opposition Group; furthermore it is also the Main Opposition Group.

If there are 2 or more Main Opposition Groups of the same size

60. As the Panel is seeking to recommend a scheme fit for 2016-2020 it reiterates its recommendation from the April 2013 Review, namely that **if there are two or more Main Opposition Groups of equal size, the SRA paid to each Leader of the Main Opposition Groups should be set at 25% of the Leader's SRA, which equates to £2,581 subject to any index that may be applicable in such a context.**

If the Main Opposition Group does not have 5 Members

61. Similarly, to future proof the scheme, the Panel **recommends that in the unlikely event that the Main Opposition Group does not have 5 members, then the qualifying threshold should be suspended and the Main Opposition Group Leader is paid an SRA on a par with the SRA currently in place for the Other Opposition Group Leader's SRA, which equates to £1,032.**

The Leader of the Main Opposition Group

62. The SRA (currently £4,856) for the Leader of the Main Opposition Group was set in 2013 on a par with the Chair of the DCC Committee. With the revision in the recommended SRA for the Chair of DCC Committee, the case to retain this link is now less compelling. This is emphasised by benchmarking which shows the average SRA for Leaders of Main Opposition Groups as follows:

- Mean Leader Main Opposition Group SRA: £3,089
- Median Leader Main Opposition Group SRA: £3,500

63. Yet, the Panel has not been guided by benchmarking as the Opposition Leader in Stroud is *ex officio* on the Strategy & Resources Committee and, in the absence of formal scrutiny committees; it falls on the Leader of the Main Opposition Group to provide challenge to the administration. Moreover, due to the current political configuration and the informal pact of 3 groups (Labour, Green and Liberal Democrats) that forms the administration, the Main Opposition Group is, unusually, the largest group on Council with 23 Members. Of all group leaders the Leader of the Main Opposition Group has the largest group management role. Finally, the importance of a properly resourced Opposition is enshrined in the 2003 Regulations (5. 2.b), which requires the payment of an SRA to at least one Member who is not a member of the controlling group[s], where the council is divided into political groups and one or more form the administration - a situation that exists in Stroud.

64. As such, the Panel has decided that there should be no change to the current SRA for the Leader of the main Opposition Group. To be consistent with the pro rata approach, this equates to 47% of the Leaders' recommended SRA.
65. **The Panel recommends that the SRA for the Leader of the Main Opposition Group remains at £4,856 for 2016/17, subject to any index that may apply.**

Leader of Other Opposition Group[s]

66. Although there are currently no Minority Opposition Groups on Council that meet the qualifying criteria of having at least 5 group members, the allowances scheme contains provision for an SRA (currently £1,032). To future proof the scheme, the Panel has decided to maintain this provision at the current ratio, which is 10% of the Leader's recommended SRA, which equates to £1,032.
67. **The Panel recommends that the provision for an SRA for a Leader of an Other Opposition Group is maintained at £1,032 and only payable if such a Group attains the qualifying criteria of having at least 5 Members.**

Confirmation of the 1-SRA only rule

68. The 2003 Regulations do not prohibit the payment of multiple SRAs to Members, as the benchmarking clearly shows. But as per good practice, Stroud District Council has adopted a 1-SRA only rule. In other words, regardless of the number of remunerated posts individual Members may hold, they can only be paid 1 SRA. This cap on the payment of SRAs to Members means that posts are not simply sought out for financial reasons; i.e. collecting remunerated posts does not enhance remuneration. Indeed, the logic of the 1-SRA only rule is that it helps to spread such posts around more. It also makes for a more transparent allowances scheme and acts as a brake on the total paid out each year in SRAs, as in practice it will be highly unusual if all SRAs are paid out annually, resulting in a saving to the council.
69. **The Panel recommends that the Council continue to impose a 1-SRA only rule within the Stroud District Council Members' Allowances scheme.**

Co-optees' Allowances

70. The Council does not appoint any Co-optees under the *Local Government Act 2000*. Therefore the Panel is not making any recommendations regarding Co-optees.

Travel and Subsistence Allowances

71. No evidence was received to suggest the Travel and Subsistence Allowances required revising.
72. **The Panel recommends that the current terms and conditions and rates for which Travel and Subsistence Allowances may be claimed are maintained.**

The Dependents' Carers' Allowance (DCA)

73. The Dependants' Carers' Allowance (DCA) is an allowance that was expressly laid out in the 2003 Regulations and is designed to assist those with caring responsibilities to become Councillors. Stroud makes provision for a DCA in its allowances scheme. While it is not often claimed, there was widespread support for its continuation as it reinforces the principle that Stroud wishes to widen representation.
74. However, as the allowances scheme stands, greater clarification is required on the nature and parameters of the DCA. **Therefore the Panel recommends that the allowances scheme is amended to clarify that the DCA**
- **Can only be claimed for approved duties as laid out in the 2003 Regulations paragraph 7.1**
 - **That all claims under the DCA have to be supported by receipts**
 - **That the DCA is not intended to cover all costs of care of dependants while on approved duties**
 - **The maximum hourly rate for claims is based on the government's 'living wage', currently £7.20 per hour**

The IT Contribution Allowance

75. Currently Members are able to claim an IT equipment contribution allowance of up to £390 per 4 year term of office towards the purchase of IT equipment to be owned, maintained and used by Members for Council and personal use. The £390 limit does not have to be claimed in one single claim.
76. There was general support to maintain this allowance as a cost effective means to meet Members' IT requirements. However, it became clear that Members would appreciate guidance on what was appropriate and compatible hardware for which they could claim for.
77. **The Panel recommends that the IT Contribution Allowance is maintained and guidance included in the allowances scheme on appropriate and compatible hardware for which this allowance may be claimed.**

A Voluntary Payback

78. Once again, concern was expressed to the Panel that not all Members were as assiduous as they should be in attending all their scheduled meetings. However, the evidence shows that it is not such a widespread issue that some Members may perceive. Moreover, even where it was perceived as an issue, the overwhelming view was that in the absence of legal sanctions through the allowances scheme, ultimately, this is a political group management issue and the final arbiter in this matter is the electorate. Although, Members' attendance records are published on the Council website, the Panel suggests that they should feature more prominently.
79. **As such the Panel is not recommending that the Council seek to impose a voluntary payback from Members who are not attending all their scheduled meetings.**

Confirmation of indexing

80. **The Panel confirms and recommends that the following allowances continue to be indexed from 2016-2020 as follows:**

- **Basic Allowance and SRAs:** updated annually in line with the annual percentage pay increase given to Stroud District Council employees (and rounded to the nearest £ as appropriate) as agreed by the National Joint Council for Local Government Staff
- **Mileage Allowance:** adjusted on the 1 April each year by reference to the HMRC AMAP (Authorised Mileage Allowance Payments) approved rates
- **Other travel:** reimbursement of actual costs taking into account the most cost effective means of transport available and the convenience of use.
- **Subsistence Allowance:** to be indexed to the maximum rates that apply to Officers of Stroud District Council
- **Dependants' Carers' Allowance:** the maximum hourly rate to be indexed to the government's national living wage
- The adjustments recommended above to be made each year for a period of up to 4 years period running from May 2016 to May 2020 without the need for a review by the Panel, unless such a review is requested by the Council before then.

Implementation

81. **The Panel recommends that the recommendations contained in this report are implemented from the date of the Annual Meeting of Council on 19 May 2016 or any date before then as agreed by Council.**

Appendix One

Members and Officers who met with the Panel

Members

Cllr E. Ashton:	Labour Member
Cllr K. Pearson:	Group Leader Main Opposition - Conservatives
Cllr N. Studdert-Kennedy:	Chair Audit & Standards Committee & Conservative No Group Member
Cllr G. Wheeler:	Leader of Council, Chair Strategy & Resources Committee & Labour Group Leader
Cllr T. Williams:	Vice Chair Audit & Standards Committee & Labour Member

Written Submissions from Members

Cllr P. Hemming:	Group Leader Liberal Democrats
Cllr N. Hurst:	Conservative Member
Cllr J. Jones:	Conservative Member
Cllr J. Marjoram:	Vice Chair Development Control Committee and Green Member
Cllr D. Mossman	Conservative Member
Cllr M. Whiteside:	Group Leader - Greens
Cllr P. Wride:	Conservative Member

Factual briefings from Officers

David Hagg:	Chief Executive
Karen Trickey:	Legal Services & Monitoring Officer
Eka Nowakowska:	Principal Policy Officer

Appendix Two

Information Received by the Panel

1. Stroud District Council Members' Allowances scheme 2015/16
2. Statutory publication of Members' allowances & expenses, including sub totals, 2014/15
3. Stroud District Council IRP Report May 2014 plus covering report to council
4. Flow chart of Stroud DC Committee Structure
5. Schedule of Council/Committee Meetings 2015/16 & Members attendance records
6. List of members of committees/panels
7. Summary of mean hours worked per week by Councillors by type of council and position held (2013 Councillors Census)
8. Terms of Reference for Committees
9. Copy of letter sent to Chair of IRP outlining background and main issues for review 28 October 2015
10. Member role profiles
11. Relevant section on Members from Stroud District Council submission for Boundary Review July 2014
12. National Joint Council for Local Government Services LGS Pay Scales 2014-16, 14 November 2014
13. Comparative summary of allowances schemes from benchmarking councils BM1-3 - see appendix 3 for further details
14. Written submissions from Members - see appendix 1 for further details
15. Power point Presentation by IRP Chair on Reviewing Allowances: The Stroud Allowances, benchmarking, options and issues to consider
16. New Council Constitutions: Guidance on Regulation for Local Authority Allowances, reissued May 2006, Department for Communities & Local Government
17. The Local Authorities (Members' Allowances) (England) Regulations 2003, SI 2003/1021
18. Hard copies of allowances schemes from benchmarking councils - CIPFA 10 Nearest Neighbours + other Gloucestershire district councils 2015-16
19. Annual Survey of Hours & Earnings (ASHE), November 2015

The 11th Report of the IRP
 Dr Declan Hall (Chair), John Parker, Beth Whittaker
 January 2016

BM1 Stroud BM Group: 10 CIPFA Nearest Neighbours & Other Gloucestershire DCs: BA + Leader, Opposition Leader & Chairs Main SRAs										
Comparator Council	Basic Allowance	Leader	Leader Total Package	Deputy Leader	Chairs Service Committees	Vice Chairs Service Committees	Leader Main Opposition Group	Deputy Leader Main Opposition Group	Chair Council	V/Chair Council
Bromsgrove	4,326	12,978	£17,304	8,653	NA - Exec & Scrutiny in place		1,254		NA	NA
Cheltenham	5,217	16,428	£21,645	12,930	NA - Exec & Scrutiny in place		605		454	
Cotswold	4,000	12,000	£16,000	8,000	NA - Exec & Scrutiny in place		2,000		4,000	2,000
E. Norants	4,600	8,000	£12,600	5,000	3,250	1,228	3,683		NA	NA
Forest of Dean	4,350	10,440	£14,790	6,960	NA - Exec & Scrutiny in place		4,350		4,350	2,175
Gloucester City	5,600	19,600	£25,200	12,600	NA - Exec & Scrutiny in place		5,600	1,400	3,360	1,120
Hinckley & Bosworth	4,000	15,500	£19,500	5,500	NA - Exec & Scrutiny in place		3,500		8,000	3,000
Lichfield	3,547	11,610	£15,157	6,966	NA - Exec & Scrutiny in place		2,322	580	2,800	838
Maldon	4,590	11,476	£16,066	4,590	4,590	1,148	4,590		4,590	459
Mendip	3,733	10,452	£14,185	4,479	NA - Exec & Scrutiny in place		£150 p/mbr		4,106	1,867
S. Staffs	5,000	10,000	£15,000	5,000	NA - Exec & Scrutiny in place		2,500			
Stafford	3,913	8,364	£12,277	7,424	NA - Exec & Scrutiny in place		3,570			
Taunton Deane	4,301	12,098	16,399	4,705	NA - Exec & Scrutiny in place		NA		8,998	1,644
Tewkesbury	7,200	7,937	£15,137	5,953	NA - Exec & Scrutiny in place		No Groups		2,000	1,250
Mean	4,598	11,920	16,519	7,054	3,920	1,188	3,089	990	4,266	1,595
Median	4,338	11,543	15,579	6,457	3,920	1,188	3,500	990	4,053	1,644
Stroud	5,161	9,290	£14,451	NA	6,193	2,064	4,856		3,097	619

Appendix Three: Stroud Benchmarking 1-3: CIPFA 10 Nearest Neighbours & Gloucestershire DCs 2015/16

BM2 Stroud BM Group: 10 CIPFA Nearest Neighbours & Other Gloucestershire DCs: Regulatory SRAs									
Comparator Council	Chair Development Control	Vice Chair Development Control	Chair Licensing &/or Regulatory	Vice Chair Licensing	Chair Audit	Vice Chair Audit	Chair Standards	Chair Personnel or HR	Chair Appeals
Bromsgrove	5,624		1,298		1,254				
Cheltenham	3,025	1,512	1,361		681		302		
Cotswold	6,000	2,000	function of DCC		2,000				
E. Norants	2,683	1,228	2,000	600	3,250	1,083		1,228	
Forest of Dean	4,350		4,350		2,175				
Gloucester City	4,480	1,120	2,800		2,800				
Hinckley & Bosworth	3,500		3,500		3,500			2,500	3,500
Lichfield	6,385	2,322	2,322	580	2,322		£50 p/meeting	2,322	
Maldon	4,590	1,148	function of DCC		3,443				
Mendip	4,106	1,867	2,613		1,867		1,867		
S. Staffs	2,500		2,500		2,500		2,500		
Stafford	4,144	863	1,554		2,268		920	921	1,554
Taunton Deane	4,705		1,344		2,000				
Tewkesbury	1,984		1,984		1,984		1,984		
Mean	4,148	1,508	2,302	590	2,289		1,515	1,743	2,527
Median	4,247	1,370	2,161	590	2,222		1,867	1,775	2,527
Stroud	4,856	971	function of a Service Committee		3,986	787			

BM3 Stroud BM Group: 10 CIPFA Nearest Neighbours & Other Gloucestershire DCs: Other Group & Other SRAs & Comments				
Comparator Council	2nd Opposition Group Leader	Other Opposition Group Leaders	ITC	Other or Comments
Bromsgrove	1,082	1,082	BA inclusive all communications costs	Numerous regulatory SRAs paid on per meetings basis
Cheltenham	605	605	Not known from scheme	Voluntary repayment up to 25% of BA if attend less than 2/3 + SRAs per month
Cotswold			Additional £300 per year	Opposition Leader SRA (£2,000) is paid pro rata to all Opposition Group Leaders
E. Norants			"The cost of Broadband not covered by the BA"	Chairs Service Committee Subs £1,000 & V/Chairs £250
Forest of Dean			Not known from scheme	Opposition Leader SRA (£4,350) is paid pro rata to all Opposition Group Leaders
Gloucester City			Hardware & most running costs provided. BA covers home phone & printer ink	
Hinckley & Bosworth	3,500		Not known from scheme	2 SRAs payable per Member
Lichfield			BA inclusive of tel, IT & other office expenses	
Maldon			Broadband Allowance £220	O&S Chair + Area Chairs X 3 SRA £3,443
Mendip	£150 p/mbr	£150 p/mbr	Not known from scheme	Opposition Groups need 5 members for Group Leader SRA to be payable + Chair Community Partnerships £1,867
S. Staffs			Not known from scheme	
Stafford	2,856		Tel costs included in BA. Broadband £269	Leader's SRA consists of 3 parts: Leader £2,754 + Group Leader £2,652 + £102 p/mber (29). Other Group Leaders: £2,652 + £102 p/mber (Lab 9 & Ind 2). DCC V/Chair & HR Chair SRA only paid if chaired a meeting in a quarter
Taunton Deane				
Tewkesbury			Tel costs included in BA. IT provided separately	
Mean	2,011			
Median	1,969			
Stroud	1,032	1,032	Broadband, Tel & IT consumables included in BA	<i>IT equipment allowance of £390 every 4 years</i>

Appendix 4 - Cost of BA and SRAs 2015/16 and recommendations 2016/17

	BA & SRAs 2015/16 (current)					BA & SRAs 2016/17 (recommended)					
REMUNERATED POSTS	Basic Allowance	Nos. Paid	SRA per Post	Total Per Member	SRA total per Category	Basic Allowance	Nos. Paid	SRA per Post	Ratio of Leader's SRA	Total per Member	SRA total per Category
All Members	£5,161	51				£5,161	51				
Leader of Council + Chair Strategy & Resources Committee	£5,161	1	£9,290	£14,451	£9,290	£5,161	1	£10,322	100%	£15,483	£10,322
Chairs Service Committees (3)	£5,161	3	£6,193	£11,354	£18,579	£5,161	3	£6,193	60%	£11,354	£18,580
Vice Chairs Strategy & Resources + 3 Service Committees	£5,161	4	£2,064	£7,225	£8,256	£5,161	4	£1,239	20% of Chair	£6,400	£4,955
Chair Development Control Committee	£5,161	1	£4,856	£10,017	£4,856	£5,161	1	£5,161	50%	£10,322	£5,161
Vice Chair Development Control Committee	£5,161	1	£971	£6,132	£971	£5,161	1	£1,032	20% of Chair	£6,193	£1,032
Chair Audit and Standards Committee	£5,161	1	£3,986	£9,147	£3,986	£5,161	1	£5,161	50%	£10,322	£5,161
Vice Chair Audit & Standards Committee	£5,161	1	£797	£5,958	£797	£5,161	1	£1,032	20% of Chair	£6,193	£1,032
Chair Council	£5,161	1	£3,097	£8,258	£3,097	£5,161	1	£3,097	30%	£8,258	£3,097
Vice Chair Council	£5,161	1	£619	£5,780	£619	£5,161	1	£619	20% of Chair	£5,780	£619
Main Opposition Group Leader	£5,161	1	£4,856	£10,017	£4,856	£5,161	1	£4,856	45%	£10,017	£4,856
Other Opposition Group Leaders	£5,161	0	£1,032	£6,193	£0	£5,161	0	£1,032	10%	£6,193	£0
SUB TOTALS											
BA SUB TOTAL	£5,161	51			£263,211	£5,161	51				£263,211
SRAS SUB TOTAL		15			£55,308		15				£54,814
TOTAL PAYABLE (BA + SRAs)					£318,519						£318,025
Difference between 15/16 & recommendations 16/17											- £493