
Report To:	Inverclyde Council	Date:	27 February 2025
Report By:	Head of Legal, Democratic, Digital & Customer Services	Report No:	LS/012/25
Contact Officer:	Lynsey Brown	Contact No:	01475 712710
Subject:	Implementation of SLARC Report's Recommendations		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to (i) request that the Council notes the outcome of the report by the Scottish Local Authorities Remuneration Committee's (the SLARC Report) relating to remuneration of elected members of local authorities in Scotland and the forthcoming implementation by legislation from 1 April 2025 of some of the recommendations in that report including updated salaries for elected members; (ii) noting that, at its statutory meeting in May 2022, the Council decided to pay the Provost the maximum amount permitted by the regulations in force at that time, to recommend that the Council confirms that it will continue to pay the maximum as updated by the legislation; (iii) noting that the legislation allows the Council to designate a maximum of 10 Senior Councillors and provides discretion on the salaries payable to such Senior Councillors subject to a prescribed maximum, to request Council to consider whether to increase the number of Councillors which will be designated as Senior Councillors and the remuneration to be paid to Senior Councillors, taking into account the recommendation of officers set out in the report.

1.3 The SLARC Report recommended a number of changes to be made to the banding arrangements and remuneration applying to elected members throughout Scotland. The Scottish Government has advised that the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (the 2025 Regulations) will come into force to bring these changes into effect from 1 April 2025.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Council:

1. notes the recommendations of the SLARC Report and the forthcoming implementation by the 2025 Regulations of the report's recommendations relating to pay and banding;
2. notes the remuneration to be paid to the Council's Leader and elected members who are not Senior Councillors from 1 April 2025;

3. considers the options presented in paragraph 3.14 in respect of the number and remuneration of Senior Councillors and decides to follow Option 2; and
4. confirms the level of remuneration payable to the Civic Head of the Council in terms of the 2025 Regulations (up to a maximum of £37,458 per annum), and that the same will be paid to the Provost of the Council.

Lynsey Brown
Head of Legal, Democratic, Digital & Customer Services

3.0 BACKGROUND AND CONTEXT

3.1 Having last issued a report in 2011, the Scottish Local Authorities' Remuneration Committee (SLARC) was reconvened in April 2023 to undertake an independent review of Councillor remuneration. Its remit was set by the Scottish Government and COSLA.

Key Recommendations

3.2 The outcome of the review was published in February 2024. The full report can be found by following the following link: [Councillors' remuneration and expenses: recommendations - gov.scot](https://www.gov.scot). The key recommendations which are relevant to remuneration of the Council's elected members are as follows:

- all councils currently within Band A (including Inverclyde Council) should move into Band B;
- all bandings are to be reviewed by SLARC in advance of each Council election;
- a proportionate link to median public sector salaries in Scotland is accepted as the methodology on which councillor salaries are established and, as such, that the salaries of councillors be set at 80% of the median salary for all employees in the public sector in Scotland as published in the Annual Survey of Hours and Earnings (ASHE);
- the salaries of Council Leaders in the combined Bands A and B (including Inverclyde Council) will be set at 70% of the salary of Leader in Band D councils; and
- the salaries of Civic Heads and Senior Councillors continue to be set at up to a maximum of 75% of the salary of their Council Leader.

3.3 The Scottish Government has introduced the 2025 Regulations to implement the pay and banding related changes recommended by SLARC with effect from 1 April 2025.

Remuneration

3.4 Current councillor remuneration is governed by Local Government (Scotland) Act 2004 (Remuneration) Amendment Regulations 2022 and the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007. The 2007 regulations will be amended by the 2025 Regulations which enshrine the SLARC Report's recommendations relating to pay and banding and come into force on 1 April 2025. Salaries to be paid from 1 April 2025 will be those recommended in the SLARC Report but uplifted to reflect the normal annual uplift that would have been paid if the new salaries had been introduced from April 2024. This will result in the following remuneration to be paid to Inverclyde Council's elected members. The current remuneration paid in respect of each role is stated in brackets for reference.

- Leader of the Council - £50,063 (current - £35,585)
- Councillors who are not Senior Councillors - £25,982 (current - £21,345)

See below in respect of the remuneration payable to Senior Councillors and the Provost.

3.5 In respect of Senior Councillors (which are councillors designated as such by the Council – see further below), the 2025 Regulations specify that the maximum salary that can be paid to each Senior Councillor is the lower amount of £37,458 (please note that it has been flagged to and agreed by Scottish Government that this may not be the correct calculation and the figure might be closer to £37,547, an update to the legislation is expected) and an amount calculated by

reference to the total amount payable for all Senior Councillors (see paragraph 3.6 below) but provide that each council shall determine the remuneration to be paid to its Senior Councillors within this limit.

- 3.6 A formula is provided to calculate the maximum total amount payable for all Senior Councillors in each council. For Inverclyde Council that figure is £317,646.25. Consequently, as there are currently 9 Senior Councillors, the maximum salary of £35,294 is payable to Senior Councillors in Inverclyde Council. If the Council decides to amend the number of Senior Councillors to 10 as described in paragraphs 3.12 and 3.13 below then this figure will be £31,765.
- 3.7 The Council can decide whether the maximum salary or some other lesser amount will be paid to Senior Councillors. For context, the current salary paid to Senior Councillors is £24,015.
- 3.8 In respect of the Provost, as the Council's Civic Head, each local authority can determine the level of remuneration to be paid up to a to a maximum of £37,458 (please note that it has been flagged to and agreed by Scottish Government that this may not be the correct calculation and the figure might be closer to £37,547, an update to the legislation is expected). The Provost's current salary is £26,685. Council decided at its statutory meeting in May 2022 that the maximum amount should be paid and it is proposed that Council should confirm that that should continue based on the new maximum amount.

Number of Senior Councillors

- 3.9 The SLARC Report recommended that all 10 councils currently within Band A (including Inverclyde Council) should be funded to enable the appointment of up to a maximum of 10 Senior Councillors.
- 3.10 The Scottish Government accepted this recommendation in principle and reflected it within the 2025 Regulations whilst highlighting that, as councils are responsible for paying councillor salaries from their existing annual budgets, the costs of increasing the number of senior councillors would need to be met from existing allocations.
- 3.11 Current legislation provides that the maximum number of Senior Councillors in Inverclyde Council is 9. Senior Councillors are defined as "*for the purpose of payment of remuneration, a councillor who is designated as such by the local authority of which that person is an elected member*". At the Statutory Meeting of the Council of 19 May 2022 the following positions were designated by the Council as Senior Councillors:
 - (a) Leader of the Largest Non-Administrative Group
 - (b) Convenor – Audit Committee
 - (c) Depute Leader
 - (d) Convenor – Education & Communities Committee
 - (e) Convenor – Environment & Regeneration Committee
 - (f) Convenor – Health & Social Care Committee (now Social Work and Social Care Scrutiny Panel)
 - (g) Chair – Inverclyde Licensing Board
 - (h) Chair – General Purposes Board
 - (i) Chair – Planning Board
- 3.12 The 2025 Regulations provide that the Council can now designate a **maximum** of 10 Senior Councillors. It is not mandated or recommended that there should be 10 Senior Councillors. This is a matter for the Council to consider having regard to its particular constitution, committee structure and budget.

- 3.13 The cost of the introduction of a new Senior Councillor position would require to be met from the total maximum amount payable to all of the Council's Senior Councillors together as set out in paragraph 3.6. This would mean that the maximum amount payable to each individual Senior Councillor would require to be £31,765. If the Council decides to pay less than the maximum to Senior Councillors, the introduction of a new additional Senior Councillor would result in an additional cost to the Council.

Options in respect of Senior Councillors

- 3.14 It is considered by officers that there are five options available to the Council in respect of Senior Councillors as follows:

Option 1 - Keep the number of Senior Councillors at 9 and decide to pay the maximum amount based on 9 Senior Councillors of £35,294 from 1 April 2025. This would result in no contingency being kept for an additional Senior Councillor so if Council decides at some point in the future to increase the number of Senior Councillors to 10 then salaries of all existing Senior Councillors would need to reduce to £31,765.

Option 2 - Keep the number of Senior Councillors at 9 but decide to pay the maximum salary based on 10 Senior Councillors of £31,765 from 1 April 2025. This would mean that a contingency would be retained for any future changes to the number of Senior Councillors and would avoid the need for salaries for existing Senior Councillors to reduce.

Option 3 - Keep the number of Senior Councillors at 9 but decide to pay those Senior Councillors some other amount which is below the maximum referred to above. The financial impact of this would have to be calculated by officers when a figure was suggested.

Option 4 - Increase the number of Senior Councillors to 10 and decide to pay those Senior Councillors the maximum salary of £31,765 from 1 April 2025.

Option 5 - Increase the number of Senior Councillors to 10 and some other decide to pay those Senior Councillors some other amount which is below the maximum referred to above. The financial impact of this would have to be calculated by officers when a figure was suggested.

- 3.15 It is not considered by officers that there is a requirement to increase the number of Senior Councillors at the current point. If the Council was to decide not to increase the number of Senior Councillors so designated, this position can be reviewed at any time, if it were considered that a new Senior Councillor position would be appropriate in light of the Council's committee structure and/or constitution from time to time.

- 3.16 Officers also consider that it would be prudent to build in a contingency to accommodate a possible future increase to the number of Senior Councillors without adversely impacting upon the salaries of the existing Senior Councillors who may have accounted for their higher salary by that point. Officers consider that it would be beneficial for future consideration on the need for an additional Senior Councillor to be uninfluenced by considerations of the financial impact upon other elected members.

- 3.17 Consequently, officers' recommendation is that Council adopts **Option 2**, so that the number of Senior Councillors remains at 9 and that there are paid £31,765 so that a contingency is build in for an additional Senior Councillor to be added in the future within minimal impact. However this is entirely a matter for Council to consider and decide upon.

4.0 IMPLEMENTATION

4.1 The updated salaries will be payable from 1 April 2025. Based on the options present in paragraph 3.14, the cost to the Council of the uplifted salaries per year from 2025/26 would be as follows:

- Option 1 - £236,000
- Option 2 - £197,000
- Option 4 - £204,000

The cost of Options 3 and 5 would require to be calculated when amounts were proposed.

5.0 PROPOSALS

It is proposed that:

- 5.1 the Council notes :(i) the recommendations in the SLARC Report relating to banding and remuneration of elected members and the introduction of the legislation which will come into force on 1 April 2025 to give effect to some of these recommendations; and (ii) the new salaries that will be payable to the Leader and Councillors who are not Senior Councillors from 1 April 2025;
- 5.2 In respect of the Provost’s remuneration, the Council confirms that the maximum amount as set out in the 2025 Regulations should be paid.
- 5.3 In respect of Senior Councillors, the Council considers and decides which option it will adopt from those set out in paragraph 3.14 above, noting the recommendation by officers in paragraph 3.17.

6.0 IMPLICATIONS

6.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources	X	
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People’s Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

6.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings) Based on **Option 2**

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Services to Members	Remuneration	2025/26	£0.197m		Reflects option 2 and is factored into the draft 2025/26 Budget

6.3 **Legal/Risk**

The 2025 Regulations give effect to the SLARC report's recommendations regarding remuneration of councillors and, as such, the Council is legally obliged to implement them.

6.4 **Human Resources**

Changes to payroll will be required to reflect the uplift in remuneration which will be set out in legislation.

6.5 **Strategic**

There are no strategic plan implications.

7.0 **CONSULTATION**

7.1 N/A

8.0 **BACKGROUND PAPERS**

8.1 N/A