

## **Appendix 1**

### **Report of the Independent Remuneration Panel to Mid Devon District Council**

**29 April 2015**

#### **Introduction**

Following a retirement from the Panel and an individual's decision to leave as a result of a personal interest there was a need at the end of 2014 to recruit new members to Mid Devon's Independent Remuneration Panel. Advertisements were placed in the local press as well as the Council's website and various social media forums. Interviews were held in December 2014 where several excellent candidates emerged and subsequently kindly agreed to join the Panel. The Panel therefore now consists of the following Panel members:

- Paul Baker – NHS Deputy Director of Commissioning
- Jonathan Rich – Senior Lawyer
- Karen Stone – Business Manager, South West Councils
- Richard Watkins – Retired business man
- Sylvia Vallis – Retired teacher

The new Panel received a half day training session in January 2015 with the Chairman of the South West Board of Panel Members and Advisers. They then subsequently met for the first time as a new Panel on 26 February 2015 where they were informed that the current Members Allowances Scheme was due to expire in May 2015 when the District Council election was due to be held. It was therefore imperative that the new Panel recommended a scheme to take the new Council forward following the election.

The Panel have been supported throughout the process by the Monitoring Officer and a Member Services Officer.

#### **General Comments**

The timing of the review of the current scheme has come at a very politically sensitive time in that it coincides with a District Council election. The Panel has therefore taken this into account when making their recommendations mindful that Members would be debating their allowances one week prior to an election. However, the Panel are also of the view that a fundamental review of the scheme is also necessary given that a thorough analysis has not been conducted since December 2011.

At their first meeting, the Panel were informed that it was likely that several current Members would be standing down but that those Members, even though they would be 'retiring', would be present to vote on 29 April 2015 on a future scheme that they would not be a part of.

The Panel have indicated that they are very keen to talk to newly elected Members and returning Members to listen to their views on their roles and responsibilities during the first 12 months of the new Council. For this reason therefore the Panel are recommending that the current scheme remains in place until 31 July 2015 to take the Council over the election period.

However, in the meantime there are some areas that they wish to consider sooner rather than later and the Panel intends to meet in May 2015 to recommend an interim scheme to Council at their meeting on the 15<sup>th</sup> July 2015 which would apply between August 2015 and July 2016. There are some areas in their view that cannot wait until a fundamental review.

It is hoped that by Spring 2016 new Members will have had enough opportunity to have formed a view as to whether their allowances adequately recompense them for their time and effort in being a District Councillor.

The Panel's recommendations are therefore summarised as follows and are made as a 3 staged approach:

1. To extend the current scheme with no changes for a period of 3 months from the day after the District Council election until 31 July 2015.
2. To implement an interim scheme (which may include some minor changes to the current scheme and which will be presented to full Council for consideration on 15 July 2015) between 1 August 2015 until 31 July 2016.
3. That a fundamental review be undertaken of Mid Devon's Members Allowances Scheme between August 2015 and Spring 2016 with a report presenting the Panel's views and findings coming before Council in July 2016. This will recommend a scheme of allowances from August 2016 onwards.

In reaching its decision the Panel have analysed what the current allowances are for benchmarked authorities across Devon. They have also considered any legislative changes which have taken place since 2011.

In addition to this, in January 2015, the Panel offered all Members of the Council the opportunity to express their views on their allowances, only eight Members responded to this invitation which did not provide the Panel with enough feedback as to the strength of feeling regarding allowances amongst the membership as a whole.

As part of the recommendation to extend the current scheme for a period of three months, the Panel continue to recommend that any increases in the Basic Allowance be linked to the staff pay award.

## **Basic Allowance**

In accordance with the approved recommendations in the last Panel report, the Basic Allowance has been uplifted in line with the staff pay awards that have been made since December 2011. This has meant that the current Basic Allowance has increased from £4500 to £4645 per annum. The Panel remain of the view that during this interim period this adequately recompenses Members in their basic role as district councillors bearing in mind government guidance which states that between 30 – 40% of a councillor's work ought to be undertaken on a voluntary basis.

The Panel have compared the current Basic Allowance with other Devon and neighbouring local authorities and remain of the view that at the current time this average payment for Devon is appropriate.

As part of the recommendation to extend the current scheme for a period of three months, the Panel continue to recommend that in the interest of simplicity future increases in the Basic Allowance, be linked to the staff pay award.

## **Special Responsibility Allowances**

As with the Basic Allowance the Panel feel that the current Special Responsibility Payments adequately reflect the roles and responsibility of certain positions within the Council. It was noted that as there is a link between the Basic Allowance and SRA's in that, a weighting is applied based upon the Basic Allowance, SRA's had also increased since the last Panel report and are currently paid at the following rates:

<b>Position</b>	<b>Weighting (multiple of the Basic Allowance)</b>	<b>SRA in December 2011</b>	<b>SRA as at March 2015</b>
Leader of the Council	3.0	£13500	£13935
Deputy Leader	1.50	£6750	£6968
Cabinet Member	1.25	£5625	£5806
Scrutiny Committee Chair	1.25	£5625	£5806
PDG Chair	0.75	£3375	£3484
Audit Committee Chair	0.75	£3375	£3484
Planning Committee Chair	1.25	£5625	£5806
Licensing / Regulatory Chair	0.50	£2250	£2323
Standards Chair	0.25	£1125	£1161

The Panel were keen that the link between the Basic Allowance and Special Responsibility Allowances be maintained. They make the point however, that these linkages will be reconsidered once the review is under way, as will an analysis as to whether the weightings applied to the above roles in December 2011 are still valid and appropriate.

As part of the recommendation to extend the current scheme for a period of three months, the Panel continue to recommend that in the interest of simplicity future increases in SRA, based upon a weighting applied to the Basic Allowance, be linked to the staff pay award and that Members should not be entitled to claim more than one SRA.

## Travelling and Subsistence

The Panel recommend that until the next review the existing arrangements within the Mid Devon Scheme of Members Allowances be maintained. That is, that the reimbursement of approved mileage be linked to the rates published by HMRC.

These are currently as follows:

- 45p per mile for the first 10,000 miles pa.
- 25p per mile for mileage over 10,001 miles pa.
- Passenger rate is 5p per passenger per mile (max 4 passengers per journey).
- Bicycle allowance: 20p per mile.

Any increases or decreases to these rates should automatically be reflected in the payment to Members in the future.

The Panel continues to recommend that subsistence allowances should be the same as for employees and be increased each year in line with the RPI.

These are currently as follows:

- Breakfast – £6.83
- Lunch - £9.43
- Tea - £3.71
- Dinner – 11.68

## **Chairman's Allowance**

The Panel recommend that for the period up until 31 July 2015, the Chairman of the Council continues to receive an allowance of £4200 per annum. This is to cover incidental expenses that arise during his/her term of office. This will be reviewed with input from former chairmen on the role and range of expenses covered.

## **Carers' Allowances**

The Panel recommend that until the next review the existing arrangements within the Mid Devon Scheme of Members Allowances be maintained. That is, that the provision for the carers' allowance should be the hours of care required at the actual expenditure up to the national minimum hourly rate of a person over 21.

## **Pensions**

There was no change to the Panel's previous recommendation that Members of the Authority are not entitled to pensions (and therefore that neither the Basic Allowance nor the SRA be treated as allowances in respect of which pensions are payable).

## **Payments for IT**

The Panel recommend that between the period of 8 May 2015 (the day after the election) and 31 July 2015 the current payment arrangements for IT remain the same.

That is:

Members who have their own IT equipment will receive a one-off payment of £75 per year plus a Broadband payment of £15.00 per month. Members who use Council IT equipment will not receive a one-off payment but will have their Broadband costs paid directly by the Council.

## **Conclusions**

The Panel's recommendations are therefore as follows:

1. To extend the current scheme with no changes for a period of 3 months from the day after the District Council election until 31 July 2015.
2. To implement an interim scheme (which may include some minor changes to the current scheme and which will be presented to full Council for consideration on 15 July 2015) for the period between 1 August 2015 and 31 July 2016.

3. That a fundamental review be undertaken of Mid Devon's Members Allowances Scheme between August 2015 and Spring 2016 with a report presenting the Panel's views and findings coming before Council in July 2016. This will recommend a scheme of allowances from August 2016 onwards.

Panel Members

- Paul Baker
- Jonathan Rich
- Karen Stone
- Richard Watkins
- Sylvia Vallis

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