

**MID DEVON DISTRICT COUNCIL  
INDEPENDENT REMUNERATION PANEL**

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**REPORT ON MEMBERS' ALLOWANCES  
1 APRIL 2025 – 31 MARCH 2028**

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**MEMBERSHIP**

Mid Devon District Council's Independent Remuneration Panel ("the IRP") consisted of Jeremy Filmer-Bennett, John Smith and Karen Stone (Panel Chair) all of whom have considerable experience of undertaking reviews for the Council on the matter of Member Allowances and/or Standards.

(NB: For personal reasons Jeremy Filmer-Bennett resigned from the Panel half way through the review. A recruitment process will now be undertaken in order to facilitate future reviews. This will also be needed following the retirement of Karen Stone in December 2024. This will therefore be the last review with the current Panel).

**1. INTRODUCTION - LEGISLATION**

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to the recommendations of an independent panel in agreeing allowances paid to councillors.
- 1.2 The Independent Panel operates under the provisions of the Local Authorities (Members' Allowances) (Regulations) 2003. These regulations require that all councils set up independent panels and take account of their advice before agreeing their councillors' allowances scheme.

**2. BACKGROUND**

**2.1 Last report of the Panel**

The last Panel report had recommended that the Basic Allowance receive an average percentage increase of the staff pay award which at the time was 6.44% taking it from £6000 p.a. to £6386. The Panel noted that upon receipt of this recommendation Council had moved an amendment to freeze their allowances for 2024/25 and maintain the Basic Allowance as £6000 p.a. This had been approved by Council in December 2023.

## **2.2 Role of the Panel**

Council had made a request that a full Fundamental Review of Members Allowances at Mid Devon District Council (MDDC) be undertaken after the new Council had had a full year in office and were able to provide extensive views on their roles and responsibilities and the allowances they received for them.

Accordingly the MDDC Independent Remuneration Panel (IRP) undertook a full Fundamental Review of the Members Allowances Scheme during 2024.

The primary role of the Panel has been to assess the allowances for being an elected Councillor. The Panel's function has been to ensure that Councillors have the financial recognition to fulfil some of the most demanding roles that exist in public life.

## **3. EVENTS SINCE THE LAST REVIEW**

The Panel noted that the following had taken place since their last report to Council:

- The new Council, elected in May 2023, was now well embedded
- A new Cabinet post had been created – Cabinet Member for Parish and Community Engagement.
- A new Policy Development Group (PDG) had been created to support delivery of the new Corporate Plan.
- There had been an appointment of an Independent Person to the Audit Committee.
- Council was shortly to receive a recommendation to appoint 3 Co-opted Tenants to the Homes PDG.
- An extensive Member training and development programme was being developed.
- Significant budget pressures remained with rigorous approval processes in place for replacements when staff left the authority.
- There had been a General Election in July 2024 and a shift in top down priorities.
- There were increased cost of living pressures for everyone.
- Councillors faced increased abuse online and in person.

## **4. FUNDAMENTAL REVIEW**

### **4.1 Timetable and conduct of the Panel's Review**

The Panel met early in 2024 and decided that the only way to gather the essential data needed was to request that Members complete an extensive survey with a range of questions in different formats

providing ample opportunity to provide views and evidenced opinion. A survey was accordingly sent out to all Members in May 2024.

In addition, the Panel felt it was imperative that they meet with Members in a variety of roles to speak to them directly (and in confidence) to hear first-hand what their views were. Interviews took place in September 2024.

As well as this, the Panel also received a range of information which included:

- The latest South West Councils' survey detailing the allowances paid to councillors in similar local authorities across the South West.
- A comparison of Carer's Allowances across similar councils.
- The current Scheme of Members' Allowances.
- Published Government advice.
- The latest cost of living pay award agreed for 23/24 for MDDC employees via the Chair of the IRP.

### 4.2 Survey to all Members

A detailed questionnaire was sent out in May 2024. Reassurance was provided that all responses would be treated anonymously. Members had 2 months (with regular reminders) to complete it. There were 72 questions including some closed and some open providing the opportunity for detailed responses.

#### 4.2.1 A range of questions were asked including the following:

- Is the Basic Allowance, too little, too much or just enough?
- Are you adequately recompensed for your role?
- How many hours do you work a month on Council business?
- Level of responsibility, accountability and difficulty of each role receiving a Special Responsibility Allowance (SRA)?
- Views on travel and subsistence and the link to HMRC rates
- Views on the Carer's Allowance
- Is the role of a councillor changing?
- Views on barriers to standing as a councillor.
- Whether or not they were prepared to meet the IRP?

#### 4.2.2 It was noted that 16 Members out of 42 completed the survey, representing approximately 38% of the membership.

The IRP reflected on the relatively low level of uptake in Members who expressed their views on their allowances. They questioned what could be interpreted by the fact that 62% of the membership did not respond? They considered at length how much weight should be given to this low response rate and contemplated whether it meant 62%

were 'content' with the allowance/s they received? The Panel felt that if Members had strong feelings either way then an attempt would have been made to complete the survey even if only in part.

(NB: It may have been the case that there was an issue with the survey itself, for example, perhaps it was too long? However, this feedback was not received.)

Of those that did respond, whilst there was some agreement there was also some deviation in the answers provided to the open questions.

Despite this, the Panel were informed by the supporting officers that the response rate had been better than previous attempts to gather such views on the same subject.

### **4.3 Interviews with Members**

6 Members agreed to meet with the IRP and have an interview. These Members had a range of roles and SRA's, unfortunately one Member had to pull out at the last minute, therefore the Panel spoke with 5 Members. Their comments and views were borne in mind when reaching their conclusions and recommendations, therefore the Panel wish to thank the Members for their invaluable contributions.

### **4.4 Benchmarked data**

The Panel considered the latest benchmarked data collated by South West Council's and continued to be of the opinion that this was an extremely useful tool for ascertaining how the Council compared with other similar local authorities in the region.

### **4.5 Annual Meeting of IRP Chairs and Advisers**

The Chair of the MDDC Panel regularly attended the South West IRP Chairs and Advisers meetings to hear the views of other IRP Chairs across the region. A common theme at the last two meetings had been the challenge of the lump sum pay award, with several Council's opting to link to the increase in officer allowances of 4.04%, others looking at the average or median on the increase for staff.

## 5. FINDINGS AND CONCLUSIONS

### 5.1 Basic Allowance

#### 5.1.2 Survey results:

Do you consider the current Basic Allowance of £6000 p.a.

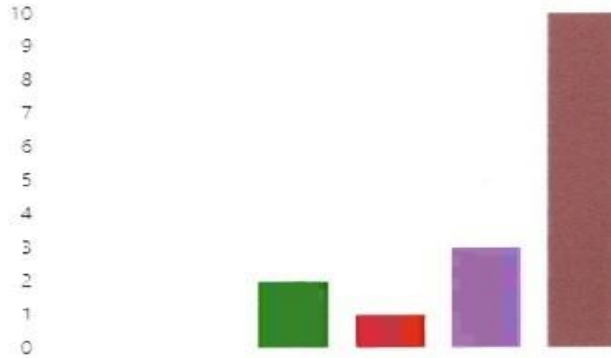


Do you consider the current Basic Allowance adequately recompenses you for the time spent as a Member of Council?



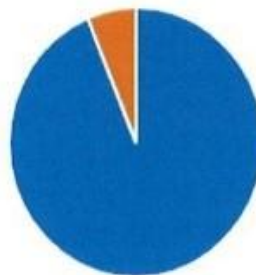
How many hours per month do you spend on Council business?

1 - 5	0
6 - 10	0
11 - 15	2
16 - 20	1
21 - 25	3
Over 25	10



The annual uplift of allowances has been linked to the staff pay award (National Joint Council for Local Government services Green Book) or in the last 2 years when a flat rate was paid, the % increase in allowances. Do you consider this to be appropriate?

Yes	15
No	1



## 5.2 Comparison with other similar local authorities

The Panel received benchmarked data comparing all allowances with other similar councils across the South West. Regarding the Basic Allowance, it was noted that the Council paid the average amount at £6000 p.a. when compared to the 9 other councils it was listed beside. Only two other councils paid more (one being Exeter) and these had larger populations.

Given the lack of strong feelings either way regarding the current level of Basic Allowance and the fact that the Council already fared pretty well in the amount paid compared to others, the Panel were minded to recommend the Basic Allowance remain unchanged and that it continue to be linked in some way to the staff pay award.

## 5.3 Member Feedback

The Panel were mindful of comments from the majority of Members during the interviews and survey that there was a wish to set the allowances (and any annual increases) for the rest of the term of the Council so as to remove opportunities to politicise the process each year.

## 5.4 Linking the Basic Allowance to an annual index

5.4.1 The Panel were advised that Government guidance stated the following:

- a) A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index as may be specified by the authority and contained in the scheme.
- b) Where the only change made to a scheme is that caused by the annual impact of an index contained within that scheme, the scheme shall not be deemed to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.
- c) Where a panel makes a recommendation that allowance levels should be determined according to an index, it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel

- 5.4.2 The Panel therefore felt it was legally possible to recommend a Scheme of Members Allowances until the year following the next District Council election when the new administration would receive a fresh set of recommendations from the Panel.
- 5.4.3 The Panel were informed about the recent Local Government pay settlement being a flat rate of £1290 for most staff and 2 ½ % for those on the top spinal points.
- 5.4.4 The Panel reflected that to make a link to a fixed percentage rate was potentially unfair and that it would be better to link it to something that was variable. A link to inflation or the Consumer Prices Index was considered as well as a link to the staff pay award.
- 5.4.5 The Panel were in agreement that it was not helpful to keep reviewing the situation every year but to set it for a longer period of time so that everybody knew where they were.
- 5.4.6 In conclusion, it was felt that it was fairer for the Basic Allowance to be increased at the same rate as for all MDDC employees. Therefore, the Panel were minded to recommend that the Basic Allowance of £6,000 p.a. be increased by the median (average) % of the cost of living pay rise awarded across the workforce of MDDC employees (which for this year is 4%) for a period of 3 years from 1 April 2025 and would cease on the 31 March 2028. The Basic Allowance from 1<sup>st</sup> April 2025 would therefore be recommended as being £6240 p.a. until the next staff pay award where upon the Panel's recommendation to link it to the average % increase of the staff pay award would apply.

## **5.5 Special Responsibility Allowances (SRA)**

The Regulations provide that SRA may be paid to those Members of the Council who have “significant additional responsibilities” over and above the generally accepted duties of a Councillor. In setting the SRAs, the Panel has in the past concluded that the best approach was to use the Basic Allowance as the starting point and then give a weighting to the role attracting the SRA which could be applied to the Basic Allowance. This is an approach applied by many authorities. The Panel remains of the view that the link between the Basic Allowance and SRA is an important one. It was also noted that if the Basic Allowance recommendation from the Panel was to be approved by Council then the associated uplifts to the SRA's would also take effect as a result of this. The Panel did not feel they had received enough evidence to suggest an adjustment to the weightings currently applied was needed.

- 5.5.1 The Panel noted from the survey that there were no extreme views either way regarding the SRAs. Responders were generally in



agreement and nothing stood out to the Panel and the current levels were roughly commensurate with other similar councils.

- 5.5.2 The Panel considered several comments made during the interviews and the survey regarding the Vice Chair’s role and whether or not this warranted a SRA. They considered the number of times a Vice Chair may have to Chair a meeting in the absence of the Chair and it was felt this did not happen sufficiently often enough to warrant paying a SRA. It would lead to a situation that takes the Council above the 50% SRA rule and a risk that Vice Chair’s were effectively paid for doing nothing for the vast majority of the year, if not all of it.

The Panel did consider what would happen if a Chair was sick or unable to fulfil their Chairing role for a long period of time and needed to be deputised on a regular basis. It was felt that there needed to be appropriate wording within the Scheme of Allowances to cover this eventuality and this was discussed further under the Parental Leave section.

- 5.5.3 The Panel therefore recommend that the following levels of SRA’s are recommended to apply from 1 April 2025 with future increases to be applied annually when the staff pay award is known and the Basic Allowance is adjusted:

Position	Current Council approved weightings	Recommended SRA (based upon BA of £6240)
Leader of the Council	2.00	£12,480
Deputy Leader’s	1.00	£6,240
Cabinet Member	1.00	£6,240
Scrutiny Committee Chair	1.00	£6,240
PDG Chair	0.50	£3,120
Audit Committee Chair	0.50	£3,120
Planning Committee Chair	1.00	£6,240
Licensing/Regulatory Chair	0.25	£1,560
Standards Chair	0.25	£1,560
Chairman of the Council	0.50	£6,240

- 5.5.4 For the avoidance of doubt, the Panel continues to take the view that Members should only be entitled to claim **one** SRA. This was also borne out by the views of Members in the survey who felt that colleagues should not be encouraged to take on more than they can realistically deal with in terms of time and responsibility.

## 5.6 Carers Allowance

### 5.6.1 Survey results:

#### Carer's / Dependents Allowance

Do you consider that the current Dependent Carers Allowance (which is the National Living Wage hourly rate, 25 & over, which is currently £11.44) is:



5.6.2 The Panel felt that of all the allowances discussed during the interviews and the survey, the Carer's Allowance was the one that attracted most vociferous comment. This was because all responders were in favour of a Carers Allowance and where a more detailed view was expressed, it was felt that the allowance needed to be higher so as to be financially worthwhile for future councillors spending time away from domestic responsibilities. Members comments included a feeling that those with caring responsibilities were not compensated enough and also that prospective candidates were not made sufficiently aware that there was an allowance to cover caring costs. There was a lack of knowledge about what potential candidates could claim and how to claim it.

5.6.3 The Panel concluded that there needed to be a better means of advertising prior to and following elections.

5.6.4 The Panel noted that there was a broad range of repayment levels across the South West from reimbursement of 'the actual expenditure incurred' to reimbursement at the National Living Wage rate. Few said that they 'met the full cost'. The Panel felt that it was difficult to ascertain what a sensible rate of reimbursement was since all carers would charge different rates depending on the carer and the level of care needed.

As a minimum, an invoice or receipt would need to be produced by the Member claiming reimbursement.

5.6.5 The Panel agreed to recommend that the Carer's Allowance continue to be linked to the National Living Wage. It was noted that this had recently been increased in the Government's budget and it was not unreasonable to suggest it would go up further before the next General Election.

5.6.6 In conclusion, it was felt that both the Council and the political parties could do better at advertising the existence of a Carer's Allowance and how to go about claiming it. This information needed to be much more visible to potential candidates especially if parties were wanting to recruit candidates of a younger age with family responsibilities. It was also noted that only 3 out of the 16, who responded to the survey, said the current Carer's Allowance was 'too little'.

## 5.7 Parental Leave

5.7.1 The Panel noted that they had undertaken a thorough review of this area several years ago and had greatly expanded this section within the Members Allowances Scheme to cover this circumstance.

5.7.2 However, the Panel considered what provision there was for Members who were suffering ill health and who needed deputising for in their chairing roles and other councillor responsibilities on a prolonged basis. It was felt that there needed to be some wording within the Scheme of Allowances to cover this. It was noted in the current scheme that under parental leave there already was a provision for paying those replacing a period of parental leave and that perhaps this could be amended to also include period of prolonged illness: See below:

Councillors entitled to a Special Responsibility Allowance (SRA) will continue to receive this in full subject to:

- (a) Where a replacement is appointed to cover the period of leave, that person will receive an SRA on a pro rata basis for the period of the temporary appointment;
- (b) The payment of SRA's (to the primary SRA holder or replacement), shall continue for six months, until the date of the next Annual Council Meeting or the date when the Councillor is up for election (whichever is the earliest);
- (c) At that point, the position will be reviewed, and will be subject to a possible extension for a further six-month period; and
- (d) Should another Councillor appointed to replace the Councillor on leave already hold an SRA position, the ordinary rules relating to one SRA payment apply.

5.7.3 The Panel recommends a similar provision for those with long term health conditions on the basis that the Councillor may not want to stand down.

### 5.8 Travel and Subsistence

#### Survey results:

Do you consider the link to the HMRC rates to be valid? Yes / No



Do you consider that you are adequately recompensed for your expenses?



5.8.1 The Panel were mindful of comments made in the survey about the HMRC travel allowances being set in 2011 and not having been reviewed since that date. It was felt that they had not kept pace with

inflation or the cost of living rises. This particularly affected Members who had to travel long distances to meetings due to the very rural nature of the district. The Panel felt this was a reasonable comment to make and so took the opportunity to investigate why the HMRC rates had not increased since this date.

#### 5.8.2 The Panel Chair provided the following information:

The unions' 2022 claim asked that, "*A separate urgent review of all mileage rates currently applying is undertaken.*" However, the unions' claim admitted, "*Most local government employers use HMRC rates for calculating mileage allowances. These rates have remained unchanged since 2011-12...*" and, "*Though NJC Green Book mileage rates do exist, they have not been updated since 2010 and are not widely used.*"

The National Employers have no role in determining HMRC rates and there is no mechanism in place for the NJC rates (apparently used by so few councils) to be reviewed.

Councils in England were advised at that year's pay briefings that should they wish the Local Government Association (LGA) to lobby HMRC to review its rates, they needed to raise the issue through the LGA Political Group offices. The Regional Employers Organisations representing councils in London, North East and Yorkshire & The Humber did so. On 13 Jul 22, the relevant board of the LGA determined to write to HMRC to request a review of that organisation's mileage rates in order to more accurately reflect the costs council workers are incurring.

His Majesty's Treasury (HMT) replied on 5 September 2022 stating that:

"The Government sets the Approved Mileage Allowance Payment (AMAP) rates to minimise administrative burdens.....AMAPs are intended to create administrative simplicity and certainty by using an average rate, which reflects vehicle running costs including fuel, depreciation, servicing, insurance, and Vehicle Excise Duty. As it is an average, the rate is necessarily more appropriate for some drivers than others.

Employers are not required to use the AMAP rates. Instead, they can agree to reimburse a different amount that better reflects their employees' circumstances. If an employee is paid less than the AMAP rate, they can claim Mileage Allowance Relief (MAR) on the shortfall. **However, where payments exceed the relevant AMAP rate, there will be an Income Tax and National Insurance charge on the difference.**

Like all taxes and allowances, the Government keeps the AMAP rate under review and any changes are considered by the Chancellor and announced at fiscal events.”

The unions haven't raised the issue with the LGA since then. Therefore, at the current time, until the Government changes the AMAP rate there would be tax implications for payments made above the 45p per mile reimbursement.

- 5.8.3 Bearing this in mind and rather reluctantly the IRP are minded to recommend that the current link to the HMRC rates for Travel and Subsistence remain the same until such time as the Government amends the AMAP rates.
- 5.8.4 The Panel did also make the comment that staff may feel a little aggrieved if Members received a higher level of reimbursement for travel and subsistence than they do. It was also noted that one other local authority in the South West area only reimburses Members at a rate of 35p per mile, 10p less than the Council.
- 5.8.5 The Panel wished for Members to know that they had thoroughly considered this situation and the very valid comments that had been made but had felt constrained by the HMT and unable to come to any other recommendation until the AMAP rates are amended by the Government's Treasury Department.
- 5.8.6 Accordingly the Panel therefore recommends the Travel and Subsistence Allowances continue to be linked to the HMRC rates.
- 5.8.7 They continue to recommend that all claims must be submitted with receipts.

## 6. RECOMMENDATIONS

The Independent Remuneration Panel recommends to Full Council that from 1 April 2025 until 31 March 2028:

- a. **The Basic Allowance** of £6,000 p.a. be increased by the median (average) % of the cost of living pay rise awarded across the workforce of MDDC employees for a period of 3 years from 1 April 2025 until 31 March 2028. (NB: the % rise for 2024/2025 is 4%).

The Basic Allowance from 1<sup>st</sup> April 2025 would therefore be recommended as being £6240 p.a. until the next staff pay award where upon the Panel's recommendation would apply with whatever the median % rise is at that time.

- b. **Special Responsibility Allowances** be paid to the following Members at the levels indicated:

Position	Current Council approved weightings	Recommended SRA (based upon BA of £6240)
Leader of the Council	2.00	£12,480
Deputy Leader's	1.00	£6,240
Cabinet Member	1.00	£6,240
Scrutiny Committee Chair	1.00	£6,240
PDG Chair	0.50	£3,120
Audit Committee Chair	0.50	£3,120
Planning Committee Chair	1.00	£6,240
Licensing/Regulatory Chair	0.25	£1,560
Standards Chair	0.25	£1,560
Chairman of the Council	0.50	£3,120

- c. No Member should be entitled to claim more than **one** Special Responsibility Allowance.
- d. Carers' allowances be calculated on the current basis namely, the actual expenditure up to the National Living Wage of a person over 25.

- e. That travel allowances be linked to HMRC rates and calculated at the national levels indicated, currently:
- 45p per mile for the first 10,000 miles
  - 25p per mile thereafter
  - 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
  - 24p per mile for motorcycles
  - 20p per mile for push bikes
- f. That subsistence allowances be linked to those of the staff, currently these are as follows in each case up to a maximum of:
- One meal (5 hour) ceiling Upper limit £5
  - Two meal (10 hour) ceiling Upper limit £10
  - Three meal (12 hour) ceiling Upper limit £15
  - 24 hour ceiling Upper limit £20
- g. That **all** claims for travel and subsistence reimbursement be accompanied by an appropriate receipt.
- h.** That the wording in the scheme regarding parental leave and SRA's also will apply to prolonged illness and Vice Chairs:

Councillors entitled to a Special Responsibility Allowance (SRA) will continue to receive this in full subject to:

- (a) Where a replacement is appointed to cover the period of leave, that person will receive an SRA on a pro rata basis for the period of the temporary appointment;
- (b) The payment of SRA's (to the primary SRA holder or replacement), shall continue for six months, until the date of the next Annual Council Meeting or the date when the Councillor is up for election (whichever is the earliest);
- (c) At that point, the position will be reviewed, and will be subject to a possible extension for a further six-month period; and
- (d) Should another Councillor appointed to replace the Councillor on leave already hold an SRA position, the ordinary rules relating to one SRA payment apply.



**THANKS**

The Panel wishes to thank all Councillors who took part in the Fundamental Review of Members Allowances. The process would not have been possible without their time and input.

Independent Remuneration Panel

John Smith  
Karen Stone

18 December 2024

Draft