

INDEPENDENT REMUNERATION PANEL

**REPORT ON MEMBERS' ALLOWANCES FROM
1 SEPTEMBER 2016 TO 31 MARCH 2017**

FOR

MID DEVON DISTRICT COUNCIL

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1. INTRODUCTION

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.

2. BACKGROUND

The Independent Panel operates under the provisions of the Local Authorities (Members' Allowances) (Regulations) 2003. These regulations require that all councils should set up independent panels and take account of their advice before agreeing their councillors' allowances scheme.

3. MEMBERSHIP

Since the Panel last undertook a fundamental review in 2011 there had been a change in the membership of the Panel. Following the retirements from the Panel of Bryony Holden, Duncan Wood and Rosemary Bennett a recruitment process took place which strictly adhered to government guidance and in October 2014 four new Members were appointed to the Panel. Panels are required to have a minimum of three members but it was felt that by having a Panel of five members it would allow for greater flexibility if illness or holiday arrangements prevented the Panel from meeting. The Panel now comprises:

- Richard Watkins – retired business man
- Paul Baker – Deputy Director for Primary Care, NHS
- Jonathan Rich – Solicitor
- Karen Stone – Business Manager, South West Councils
- Sylvia Vallis – retired schoolteacher

The previous fundamental review had taken place during 2011 and had proposed a scheme of allowances until the District Council elections in May 2015. This was subsequently extended until 31st July 2016 to allow the new Council to become established and for new Members to form an understanding of the time commitments involved.

However, at a meeting of full Council on 29 June 2016, Members resolved to further extend the current scheme with no changes for an interim period. This was because they had wanted the Panel to

consider the burgeoning partnership arrangements with the Greater Exeter authorities (Exeter, East Devon and Teignbridge) and the effects of Devolution on Members workloads, the extent of which was not yet known.

4. CONDUCT OF THE REVIEW

4a. Scope of the review

The 'new' Panel met on 19 October 2015 to scope a fundamental review and decided that the following was essential if they were to come to a decision about levels of responsibility, time commitments and whether there had been any changes regarding these since the last review:

- A questionnaire to all Members.
- Interviews with returning and new Members of the Council, particularly those holding positions attracting a Special Responsibility Allowance.
- Two sets of benchmarking data, one focussing on the other 13 similar authorities across Devon and its nearest neighbours and one focussing on the Strata authorities only.
- A meeting with the Chief Executive and the Head of Finance to gain an understanding regarding the Greater Exeter proposal and Devolution and the effect this would have on Members workloads.

4b. Questionnaire

17 Members out of 42 completed the questionnaire (40% of the membership). This was a comprehensive list of open ended questions inviting comments on all areas of Members allowances.

4c. Interviews

Of those who responded to the questionnaire the Panel requested that they meet with eight Members occupying key roles. These included:

- The Chairman of the Council – Cllr John Daw
- The Leader – Cllr Clive Eginton
- A Cabinet Member – Cllr Ray Stanley
- A Policy Development Group (PDG) Chairman – Cllr Peter Heal
- Planning Committee Chairman – Mrs Polly Colthorpe
- Audit Committee Chairman – Cllr Bob Evans
- A newly elected Member – Cllr Andrew Moore
- Scrutiny Committee Chairman – Cllr Frank Rosamond

4d. Comparative data

Set one:

The Panel were in receipt of information regarding the basic allowances, special responsibility allowances, travel and subsistence, IT allowances and carers allowances from the following 13 authorities:

- East Devon District Council
- Exeter City Council
- Mendip District Council
- North Devon District Council
- North Dorset District Council
- Sedgemoor District Council
- South Hams District Council
- Taunton Deane Borough Council
- Teignbridge District Council
- Torridge District Council
- West Devon Borough Council
- West Dorset District Council
- West Somerset Council

Set two (Greater Exeter authorities only):

- Exeter City Council
- Teignbridge
- East Devon District Council
- Mid Devon District Council

5. SCHEME OF ALLOWANCES

5a The Basic Allowance

The Basic Allowance is intended to recognise the time commitment of all Councillors, including such inevitable calls upon their time as meetings with officers and constituents and attendance at group meetings, parish and town councils and other outside bodies. Regulations state this must be paid at the same rate to all Members of the Council. It is intended to cover costs such as telephone calls, postage, travel costs of journeys not eligible for separate payment and other incidental expenses of the job. The Panel's recommendations are made in accordance with government guidance in that between 30 – 40% of a councillor's work is undertaken on a voluntary basis. This was also reflected in the questionnaire to Members when they were asked what percentage they considered to be voluntary.

Throughout their deliberations the Panel's key consideration was that any increase needed to have firm justification. They noted recent rises in the basic allowance paid to 3 other councils (noting that one of these

had had some boundary changes) but were also mindful of the fact that Mid Devon's current basic allowance when compared to all 13 authorities was above the average paid generally across similar authorities within Devon and its nearest neighbours. Indeed it was noted that MDDC's basic allowance of £4,645 was above the sample average of £4,422 placing it 5th highest out of the 13 councils in the comparison. Therefore the Panel considered that Mid Devon was far from being out of kilter the 13 other local councils compared in set one.

However, when comparing the data from the Greater Exeter authorities it was noted that the average Basic Allowance across the 4 authorities with whom Mid Devon was now working in partnership with was £4865, a difference of £220 p.a (based on the allowances prior to 1st April 2016). However, as the Members Allowances Scheme agreed that increases against the current scheme would be the same as staff increases this means that the basic allowance for all Members increased from £4,645 to £4,691 from 1st April 2016. This means that the difference between our Members Allowance and the average for the Greater Exeter Councils is now £174.

Additionally, feedback from the questionnaires and interviews revealed that there was a large disparity amongst the membership regarding the numbers of hours 'worked' and whilst some put in many hours, some did not and the Basic Allowance needed to reflect this. It was also evident that whilst some Members did not feel the current Basic Allowance adequately recompensed them for their role, some Members were perfectly satisfied that it did. For this reason and the fact that it was still early days in terms of working with partners the Panel are recommending that there be no increase in the Basic Allowance except in relation to any staff pay award.

The Panel wished for it to be known that whilst they are very aware of the current financial restraints facing local authorities it was not their role to factor this in as a consideration but to analyse the levels of responsibility, accountability and time commitment required for a district councillor role across all levels and to ascertain whether they were adequately recompensed.

5b. **Special Responsibility Allowances (SRA)**

The Local Authorities (Members' Allowances) Regulations 1991 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 SRA's originally the Panel had 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. The Panel remain of the view that the link between the Basic Allowance and SRA is an important one.

In the main the Panel were comfortable with the current weightings applied to each SRA position except in relation to the following:

- Licensing and Regulatory Committee Chairman – it was noted that the Licensing Committee (in common with the Standards Committee) only meet on an ad-hoc basis and at most two or three times a year. They therefore were unable to justify recommending that the current weighting of 0.5 continue and felt more comfortable grouping the level of responsibility with that of the Chairman of Standards. The Panel are therefore recommending that the weighting applied to the SRA for the Chairman of Licensing be reduced from 0.5 to 0.25.

The Panel wished for the following to be noted:

- **The Cabinet** – there were two elements in relation to the role of a Cabinet Member that the Panel considered important at the current time:
 - a) Generally, regarding their role as a Mid Devon Cabinet Member, thorough consideration was given to the feedback provided. It was felt that perhaps some Cabinet Members gave up more of their time than others in performing their role. Whether or not this was 'right' was not a matter for the Panel to decide but it was their responsibility to recommend an allowance that was fair and appropriate for a Cabinet role across the board. They therefore did not feel justified in recommending an increase at the present time. They had also considered the weightings applied to the basic by other authorities.
 - b) In the light of the Greater Exeter proposal and Devolution and the extra workload that this may place upon Cabinet Members, the Panel had met with the Chief Executive and Head of Finance. They had been informed that regarding the Greater Exeter partnership different governance arrangements would exist, joint decision making would be taking place between authorities with Leaders from each council taking turns in chairing joint board meetings. Additionally in relation to Devolution the Leader and Deputy Leader would be sitting at a 'table of equals' across Devon and Somerset but at the moment their allowances were not on an equal footing. Having listened to this the Panel were minded to recommend an increase in the weightings applied to the Leader from 3.00 to 3.30 and Cabinet Member roles from 1.25 to 1.40. However, at this early stage they felt uncomfortable doing this without quantifiable evidence that the additional workload existed and would continue to exist on a regular basis. They therefore requested that the Leader and

Cabinet Members keep a record over the coming months of the work they were having to do over and above their existing Mid Devon role. Once they were in receipt of this evidence the Panel would meet again to review the SRA's for Cabinet Members and make recommendations for a new scheme of allowances to commence from 1 April 2017. Any increased award to the Leader and Cabinet Members to be implemented simultaneously.

- In terms of accountability and public scrutiny, the position of **Planning Committee Chairman** was felt to be commensurate with that of a Cabinet Member. The Panel considered that this was probably one of the Council's most challenging chairmanships with the incumbent often being in 'the firing line'. Planning Committee meetings were often very long with special additional meetings occurring on a regular basis. The Panel were therefore happy to continue to recommend the current weighting for this SRA.
- The Panel were unclear why the SRA for the **Scrutiny Committee Chairman and the Planning Committee Chairman** were on a par. However, they were satisfied that this was an important role leading a committee which had responsibility for holding the Cabinet to account, was able to scrutinise both internally and externally as well as being able to call on local MP's and other senior figures within the community to come and answer questions. However, they wished to reserve the right to reconsider this position at the next review.
- The responsibility and work commitments of the **Policy Development Groups and the Audit Committee** were given thorough consideration with all areas considered to be reasonably challenging. The Panel were comfortable to recommend that the current weightings for these chairmanships continue at the same rate.

The Panel therefore recommends the following SRA's within the Allowances Scheme from 1 September 2016 to 31 March 2017 based on the weighting indicated of the Basic Allowance, which currently stands at £4,691:

Position	Weighting x basic	SRA
Leader of the Council	3.00	£14,073
Deputy Leader	1.50	£7,037
Cabinet Member	1.25	£5,864
Scrutiny Committee Chair	1.25	£5,864
PDG Chair	0.75	£3,518
Audit Committee Chair	0.75	£3,518

Planning Committee Chair	1.25	£5,864
Licensing/Regulatory Chair	0.25	£1,173
Standards Chair	0.25	£1,173
Chairman of the Council	0.50	£2,346

The Panel recommends that Members should not be entitled to claim more than **one** SRA.

Planning Committee Members

The Panel had received a lot of feedback from members of the Planning Committee who felt that due to the length and frequency of meetings (in addition to the responsibilities involved in the decisions that they made) they ought to receive an additional allowance. The Panel were very sympathetic with this view and spent a great deal of time considering the representations made. However, they were also mindful of the fact that there was no evidence of any other local authority nationally making an additional payment to their Planning Committee members and to do so would mean that over 50% of the membership would receive an SRA which arguably could lead a member of the public to question the 'special' nature of the payment if the majority were receiving one. The Panel did not wish to recommend an 'attendance allowance' but considered whether an additional payment for long meetings ought to be paid. However they struggled to determine what an acceptable length of a meeting might be and were concerned at the administration of such a scheme on an ad hoc basis.

However, the Panel remain of the view that members of the Planning Committee know the time commitment involved before they sign up to the role.

This was a difficult issue to resolve but for the reasons given they concluded that SRA's for Planning Committee members were not appropriate at the current time but they wished to review this again if circumstances changed.

5c. **Chairman's Allowance**

There was no change to the Panel's previous recommendation that the allowance paid to the Chairman of the Council be split between his civic role and his constitutional role. That is, a small budget (not exceeding £2,000 and to be agreed each year during the budget setting process) be allocated to him or her for civic functions. The Special Responsibility Allowances paid to him or her at the above rate should be for the constitutional role in chairing full Council meetings.

5d. **Carers' Allowance**

Other than a slight change to the wording from 'national minimum wage' to 'national living wage' there was no change to the Panel's

previous recommendation that the provision for the carers' allowance should be the hours of carer required at the actual expenditure up to the national living wage for a person over the age of 25 which for 2016/17 is currently £7.20.

5e. **Travel and Subsistence Allowances**

The Panel considered that the HMRC rates for travel were generous and higher than the actual cost of running a vehicle. They also wished for the wording in the final Allowance Scheme to be clear regarding the distance a Member could claim for and recommended that the start point for a Member to travel to attend a meeting be at the Mid Devon border.

They continue to recommend that reimbursement of approved mileage continue to be linked to the rates published by HMRC which for 2016/17 are:

Travelling Allowances

- 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)
- 25p per mile for pushbikes

Subsistence Allowances

The Panel recommends that subsistence allowances should be the same as for employees which for 2016/17 are:

- Breakfast - £7.02
- Lunch - £9.70
- Tea - £3.81
- Dinner - £12.00

5f. **IT Allowance**

The Panel had been disappointed that their previous recommendations in relation to IT had been rejected as they considered that their reasoning behind the recommendations had been sound. The Panel remain of the same view and continue to strongly view the current allowance paid as generous given that most households will have Broadband installed for non-council use already. They received evidence that very few council's nationally pay an additional allowance for IT assuming that the basic allowances in those authorities cover such expenses.

However, bearing in mind the Council's views expressed last time and in an effort to incentivise the use of digital devices as well as a

reduction in postal and printing costs the Panel recommends that one sum of £150 per annum be paid as an overall IT allowance only to those Members going 'paperless' and that it be renamed from a two part IT allowance to a single generic 'Digital Allowance'.

5g. **Pensions**

The Government has now removed the entitlement of elected councillors to join the Local Government Pensions Scheme.

5h. **Town and Parish Council Scheme of Allowances**

The Panel do not consider that there needed to be any change to the previous scheme of Town and Parish Council Allowances. They therefore recommend that the current scheme remain in place until such time that a town or parish council requests that the Panel meets to discuss their particular circumstances.

SUMMARY OF RECOMMENDATIONS

The Panel recommends that from 1 September 2016 until 31 March 2017:

- The Basic Allowance to be paid to all Councillors remain at the current level of £4691 with any increases being linked to the staff pay award.
- There be a reduction in the weighting applied to the Licensing and Regulatory Committee Chairman's SRA from 0.5 to 0.25.

All other Special Responsibility Allowances be paid to the following Members at the levels indicated:

Position	Weighting x basic	SRA
Leader of the Council	3.00	£14,073
Deputy Leader	1.50	£7,037
Cabinet Member	1.25	£5,864
Scrutiny Committee Chair	1.25	£5,864
PDG Chair	0.75	£3,518
Audit Committee Chair	0.75	£3,518
Planning Committee Chair	1.25	£5,864
Licensing/Regulatory Chair	0.25	£1,173
Standards Chair	0.25	£1,173
Chairman of the Council	0.50	£2,346

- No Member should be entitled to claim more than **one** Special Responsibility Allowance.
- Cabinet Members keep a record of the additional workload experiences as a result of the Greater Exeter proposal and Devolution.
- Having received evidence from the Cabinet the Panel will meet to recommend a new scheme of allowances from 1 April 2017.
- Carers' allowances be calculated on the current basis namely, the actual expenditure up to the national living wage of a person over 25.
- 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)
 - 25p per mile for pushbikes

That only travel from within the Mid Devon border to attend an official duty be recompensed to the Member.

- That the subsistence allowances be linked to those of the staff, currently these are as follows:
 - Breakfast - £7.02
 - Lunch - £9.70
 - Tea - £3.81
 - Dinner - £12.00
- That all claims for travel and subsistence reimbursement be accompanied by an appropriate receipt.
- That an annual digital allowance of £150 be paid to Members using digital devices only.
- That the current Town and Parish Council Scheme of Allowances remain in place.
- That Members of the Authority are not entitled to pensions and therefore neither the basic allowance nor SRA be treated as an allowance in respect of which pensions are payable.

ELECTIONS

The regulations provide that a Member may, by notice in writing, given to the proper officer (The Head of Finance) elect to forgo any part of his or her entitlement to an allowance under the scheme.

Paul Baker
Jonathan Rich
Karen Stone
Sylvia Vallis
Richard Watkins

August 2016