

## WEST DEVON BOROUGH COUNCIL

<b>NAME OF COMMITTEE</b>	<b>SPECIAL COUNCIL</b>
<b>DATE</b>	<b>24 June 2014</b>
<b>REPORT TITLE</b>	<b>Members' Allowances 2014/15 – Interim Review</b>
<b>Report of</b>	<b>The Independent Panel on Members' Allowances</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:**

To consider a report which presents the views of the Independent Panel on Members' Allowances and, as a consequence, which seeks to determine the new Scheme of Members' Allowances for the 2014/15 financial year.

*(NOTE: this is a slightly updated report to the version which was considered (and subsequently deferred) at the Annual Council meeting on 13 May 2014.)*

**Financial implications:**

If Council supports the recommendations of the Independent Panel, there will be a consequent budget saving of £4,235.94. This saving is generated from the proposal to apply a minimum size threshold to a Group (at least 8 Members) to enable a Group Leader the ability to claim a Special Responsibility Allowance.

**RECOMMENDATION:**

**That the Council RESOLVES that:-**

- 1. the revised Schedule A: Basic and Responsibility Allowances 2014/15 (as shown at presented Appendix A) be adopted with immediate effect and be in place until the Annual Council meeting in May 2015;**
- 2. a provision be formally adopted in relation to attending and claiming travel and/or subsistence for attendance at a conference, course, seminar or other event whereby reimbursement as an 'Approved Duty' must be signed off by the Leader of Council and the Leader of the Main Minority Group (appendix C refers);**

3. the Panel recommendations on allowances payable to members of town and parish councils be noted; and
4. on behalf of the Council, a letter of thanks be sent to the Panel members for their thirteen years of service on the Panel.

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**1. BACKGROUND**

- 1.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, it is a requirement that any changes to a Council's Scheme of Members' Allowances are considered initially by an Independent Panel appointed for that purpose, which then makes recommendations to the Council.
- 1.2 The Council's Independent Panel comprises of:-
  - Mike Leece – Independent Business Consultant;
  - Brian Medhurst – former Executive Director, Prudential Corporation (Panel Chairman); and
  - Caroline Mitchell – Independent Consultant Solicitor.
- 1.3 The Panel has been tasked with undertaking an interim review into the following issues:-
  - Whether or not the Basic Allowance should be increased?
  - Whether the current list of roles entitled to claim a Special Responsibility Allowance (SRA) should be amended?
  - Should any of the multipliers applied to the SRAs be amended?
  - Should a process for claiming travel and subsistence allowances as 'approved duties' be formally approved?
  - Should a parish basic allowance be recommended and, if so, at what rate?
- 1.4 The Panel proceeded to meet to discuss these issues in February 2014. Whilst this meeting was attended by the Democratic Services Manager, the Panel did not wish to be joined by any Members.
- 1.5 When this report was initially considered at the Annual Council meeting on 13 May 2014, the following was agreed (Minute CM 18 refers):

*“That consideration of this matter be deferred until the Special Council meeting on 24 June to enable for a meeting to take place in the meantime between designated Members and the Independent Panel.”*
- 1.6 This meeting was subsequently held on Thursday, 19 June 2014 and was attended by Messrs Leece and Medhurst from the Panel and Cllrs Benson, Clish-Green, Marsh, Moyse, Sampson, Sanders and Whitcomb.

- 1.7 Summary notes arising from this meeting are attached at Appendix B. However, in its concluding comments, the Panel confirmed that it was satisfied with its original recommendations and it was a matter for the Council to determine whether or not it wished to agree with these views.

## **2. ISSUES FOR CONSIDERATION**

### **Basic Allowance for 2014/15**

- 2.1 When last considering this issue (in 2012), the Panel's recommendation to freeze the Basic Allowance at that time was strongly influenced by the economic climate and in particular the freeze on staff salaries. As a consequence, the recommendation then was that there should be no increase in the Basic Allowance until the freeze on staff salaries was lifted.
- 2.2 Having been informed that the staff had been in receipt of a 1% salary increase for 2013/14, the Panel felt it now to be justified to make an increase in the Basic Allowance and that it would be fair and consistent to set this at the same level.
- 2.3 If agreed by the Council, this will result in the Basic Allowance being increased by £40.92 from £4,092.48 to **£4,133.40**.
- 2.4 Whilst noting that this would still result in the Basic Allowance being lower than a number of other local authorities in Devon, the Panel felt that this is offset by the Council decision to introduce a somewhat generous IT Allowance.
- 2.5 Finally, the Panel consider that any further adjustment to the Basic Allowance should be best left for consideration during the next comprehensive review, which will be required before the May 2015 local elections.

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

- 2.6 A principle that the Panel has followed consistently since their initial report was produced in 2001 is that Members should be restricted to receiving only one SRA. The Panel remain of this view.
- 2.7 A second principle that the Panel has consistently applied is that SRAs should only be paid for 'significant additional responsibilities'. As a consequence, the Panel has not recommended payment of a SRA to Vice Chairmen of Committees. The one exception to this principle is the recommendation to continue to recognise that the Deputy Leader of Council, who is also Vice Chairman of the Resources Committee, should be entitled to claim a SRA. To avoid any confusion, the Panel wish to clarify that this recommendation is made in light of the combined role and to reflect the overall scale of responsibility being carried out. The Panel also wish to stress that this is not intended to suggest a departure from the general principle of not making payments to Committee Vice Chairmen.

- 2.8 In respect of the current schedule of SRAs referring to 'Leaders of the other 2 political groups', the Panel note that there has been an increase in the number of political groups. The Panel has taken into account the Guidance that 'where one political group is in control, the authority must make provision for the payment of a SRA to at least one Member of a Minority Group'. In coming to a recommendation, the Panel had to decide what constituted a 'Minority Group' and came to the judgement that the scale of responsibility to merit receipt of a material SRA should require a minimum size of 8 Members within that Group.
- 2.9 The Panel confirmed that it is content to recommend that the existing multipliers applied to SRAs are retained and considered again during the next review.
- 2.10 The Panel also remain of the view that the Civic (Mayor and Deputy Mayor) Allowances should be kept separate from the list of SRAs. The Panel consider that civic responsibilities should be considered, and rewarded, separately from general council responsibilities. Therefore, in the event that either the Mayor or Deputy Mayor should qualify for one of the listed SRAs through Council responsibilities, it was considered right that they should not be prevented from receiving the relevant SRA in addition to their Civic Allowance.

### **Travel and Subsistence Allowances**

- 2.11 The Panel was asked to consider whether it was happy to support a provision being included in the list of approved duties for Travelling and Subsistence within the Allowances Scheme, whereby reimbursement for attendance at conferences, courses, seminars and events must be 'signed off' by both the Leader of Council and the Leader of the Main Minority Group. This suggestion was made in light of some Member confusion around the definition of an 'Approved Duty' (e.g. when Members were (and were not) able to be reimbursed for attendance at a conference, course, seminar or event).
- 2.12 Since this is deemed to be an internal Council procedure, the Panel did not wish to make a recommendation in this regard. However, to enable clarity and consistency for Members, officers are recommending that this provision be approved and built into the Scheme (appendix C refers).

### **Town and Parish Council Allowances**

- 2.13 The Panel also acts in the capacity of the Parish Remuneration Panel in making recommendations on allowances payable to members of town and parish councils. Payments of allowances in this regard are discretionary.
- 2.14 When the Panel last considered this issue in 2010, it was of the view that only those towns and parishes with a budget of over £50,000 should be eligible to claim a Basic Allowance of up to £300 and a Chairman's Allowance of up to £750.
- 2.15 For the same reasons as given in recommending an increase to the Basic Allowance for Borough Council Members Allowance, the Panel again felt that any

increase in Town and Parish Council Allowances should be limited to the same 1% ceiling.

### Postscript

- 2.16 In their concluding remarks, the three Panel members have given notice that they are not willing to serve beyond the end of 2014, except in a consultative capacity.
- 2.17 Panel Members would like to put on record that they have all enjoyed working with the Council over the last thirteen years, but feel it is now the right time to make a complete change in time for the next full review in 2015 in order to allow a fresh look at the overall Scheme of Members' Allowances.

### 3. RISK MANAGEMENT

- 3.1 The risk management implications are shown at the end of this report in the Strategic Risks Template.

<b>Corporate priorities engaged:</b>	None directly related to this report.
<b>Statutory Powers</b>	The Local Authorities (Members' Allowances)(England) Regulations 2003.
<b>Considerations of equality and human rights:</b>	None directly related to this report.
<b>Biodiversity considerations:</b>	None directly related to this report.
<b>Sustainability considerations:</b>	None directly related to this report.
<b>Crime and disorder implications:</b>	None directly related to this report.
<b>Background papers:</b>	The Council Constitution The Local Authorities (Members' Allowances)(England) Regulations 2003.
<b>Appendices attached:</b>	<b>A:</b> Copy of the Proposed Schedule A of the Basic and Special Responsibility Allowances for 2014/15. <b>B:</b> Summary notes arising from the meeting of Panel representatives and some Members held on 19 June 2014; and <b>C:</b> Proposed criteria for Member Attendance at Courses, Conferences and Events.

### STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Statutory Requirement	The Council has a statutory requirement to adopt a Scheme of Allowances and to consider the recommendations of its Independent Panel in doing so.	2	1	2	↔	In making its decision, the Council pays due attention to the recommendations of the Panel.	Democratic Services Manager

Direction of travel symbols ↓ ↑ ↔