

<b>NAME OF COMMITTEE</b>	<b>Special Council</b>
<b>DATE</b>	<b>31 March 2015</b>
<b>REPORT TITLE</b>	<b>Members' Allowances 2015/16</b>
<b>Report of</b>	<b>The Democratic Services Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

**Summary of report:**

To consider a report that seeks Council approval to determine a new Scheme of Members Allowances for the 2015/16 Municipal Year.

In addition, the report also presents the conclusions of the Political Structures Working Group in respect of:-

- the role profile for a Hub Committee Member;
- the areas of responsibility for Hub Committee Members; and
- the process to determine the areas of responsibility for each appointed Hub Committee Member.

**Financial implications:**

Based upon the current political balance of the Council (and assuming that no Member has more than one role which entitles them to claim a Special Responsibility Allowance) then there will be a £29,495 cost to the Council if each of the Independent Panel recommendations are adopted (an increase from the current amount of £166,094 to £195,589).

During the budget setting process for 2015/16, the budget for Members' Allowances was increased by £28,000 to reflect any potential increases which may arise from the new governance arrangements.

In addition, there will be a further (albeit unquantifiable) cost arising from the Panel recommendation to enable Members to claim their mileage for attendance at town and parish council meetings within their local Ward of which they are not already a Member.

## **RECOMMENDATION:**

That, for the 2015/16 Municipal Year, the Council **RESOLVES** that:

1. the conclusions of the Independent Remuneration Panel (as outlined at paragraphs 2.1.1, 2.1.2 and 2.1.3 below and Appendix B of the presented agenda report) be agreed;
2. Members should be entitled to claim their mileage for attendance at town and parish council meetings within their local Ward of which they are not already a Member; and
3. the role profile for a Hub Committee Member (Appendix C); the areas of responsibility for the Hub Committee Members (Appendix D) and the process to determine the areas of responsibility for each appointed Hub Committee Member (as outlined at paragraph 2.4 of the presented agenda report) be noted.

### **Officer contact:**

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## **1. BACKGROUND**

- 1.1 The Council is required by legislation to appoint an Independent Remuneration Panel to make recommendations in relation to its Scheme of Members' Allowances.
- 1.2 Members will recall that, at the last Council meeting on 17 February 2015, it was agreed that (CM 83 refers):
  - *'The proposed appointments (Don Latham (Chairman), Marshall Davis (Parish Council representative), Simon Earland (Business Sector representative) and Karen Nolan (Community and Voluntary Sector representative)) be made to the Independent Remuneration Panel; and*
  - *The next review of the Scheme of Members' Allowances be completed before the new Council be elected in May 2015.'*
- 1.3 Consequently, the newly appointed Remuneration Panel held its inaugural meeting on Monday, 23 March 2015. As a basis for its deliberations, the Panel considered a report (as attached at Appendix A) and was joined by Cllrs Baldwin, Benson, Cann, Musgrave, Pearce, Sanders and Whitcomb.

## **2. ISSUES FOR CONSIDERATION**

### **Panel Conclusions and Recommendations**

- 2.1 The Panel's conclusions and recommendations to the Council are summarised below:

### 2.1.1 **Basic Allowance**

When compared nationally, the Panel recognised that the Basic Allowance was currently in the bottom quartile and felt that this was largely attributed to the Council not always accepting the recommendations made by the previous Panel to increase Allowances. Therefore, the Basic Allowance would now need to be increased substantially in order to be comparable to a number of neighbouring councils.

The Panel was sympathetic to the strong views made by some Members who considered that a significant increase in Basic Allowance was appropriate and justifiable. However, the Panel was also swayed by the arguments made in relation to the adverse public perception and potential impact on staff morale that a substantial increase would generate.

The Panel therefore concluded by recommending that the Basic Allowance should be increased from £4,133.40 to £4,200. In reaching this conclusion, the Panel did wish to recognise that the Basic Allowance would still be the lowest in the county.

### 2.1.2 **Aligning the Basic Allowance to a Prescribed Index**

The regulations include the provision to enable the annual adjustment of the Basic Allowance to be made by reference to a specified index. The Panel felt that, unless a Review was deemed necessary, the time was now right to recommend aligning the Basic Allowance to a prescribed Index and concluded that the staff pay award was the appropriate measure.

In such instances, whilst there would not be a requirement to seek recommendations from the Panel, the Council would still need to formally approve any adjustments to the Basic Allowance.

### 2.1.3 **Special Responsibility Allowances**

In making its recommendations, the Panel emphasised that the underlying principle of a Special Responsibility Allowance (SRA) was to reflect significant additional responsibility and should therefore not be indicative of workload.

On the whole, the Panel recommended that the status quo should be retained for the applied Multiplier in all instances, with the exception of:

- The deletion of the Chairman of the Community Services Committee role;
- Both Chairmen of the Overview and Scrutiny Committees being in receipt of a SRA at a multiple of 90% of the Basic Allowance. In making this recommendation, the Panel recognised the potential for added value and cost savings to be generated from an effective overview and scrutiny function;

- All 7 Members (excluding the Leader and Deputy Leader, who will be the Chairman and Vice Chairman of the Hub Committee respectively) being in receipt of a SRA at a multiple of 100% of the Basic Allowance. In making this recommendation, the Panel highlighted that this was consistent with the multiplier applied for Executive/Cabinet Members at a number of other local authorities and reflected the view that it was inappropriate to try to differentiate between the workloads of each of the roles on the Hub Committee. Furthermore, the Panel did recognise the financial implications arising from this recommendation, but considered that the payment of an additional 7 SRAs (which would result in the Scheme including provision for half of the total membership to receive a SRA) would partly offset the Basic Allowance being comparatively low.

The Panel also reiterated its support for the following existing principles:-

- That Members should only be entitled to claim one SRA;
- That the Civic Allowance should be kept separate from the list of SRAs; and
- That payment of SRAs should be limited to Committee Chairmen and should not be extended to include Committee Vice-Chairmen.

These recommendations are illustrated in the attached Appendix B.

#### 2.1.4 **Travel Allowances – Town and Parish Council Meetings**

The Panel expressed its support for the retention of the car mileage allowance being set at a flat rate of 45p per mile, which accords with the HM Revenue and Customs (HMRC) advisory rate (any payment above this threshold is regarded as a benefit upon which Income Tax and National Insurance contributions are payable).

The Panel was also asked to consider whether it supported the principle of Members being able to claim their mileage for attendance at town and parish council meetings within their local Ward. In recognition of the particularly rural nature of the West Devon Borough and the Panel not wishing to penalise those Members with sizeable rural wards, it was recommended that the policy should be changed and Members should be entitled to claim their mileage for attendance at town and parish council meetings within their local Ward of which they are not already a Member.

#### 2.1.5 **Panel's Concluding Comments**

In reaching its conclusions, the Panel did recognise the budgetary implications arising from its recommendations, particularly in what is a difficult economic climate for local government. However, the Panel highlighted that the consequent total cost of the Scheme would still be very low in comparison to the vast majority of other local authorities.

Finally, the Panel acknowledged the views of those Members present whereby a further Review into the Scheme would be required once the new governance arrangements had been given the opportunity to settle down.

### **Hub Committee Member Role Profile**

- 2.2 The Political Structures Working Group last met on Monday, 2 March 2015 and considered in detail a potential role profile for a Hub Committee Member. Subject to inclusion of a few minor amendments, the Working Group endorsed the role profile and this amended document (as attached at Appendix C) is presented to the Council for information and noting purposes.

### **Areas of Responsibility for Hub Committee Members**

- 2.3 The Working Group also considered a number of potential options to divide the areas of responsibility amongst the 7 Hub Committee Members (excluding the Leader and Deputy Leader of Council). The Group discussed a range of potential options and acknowledged that there would be an inevitable disparity in terms of Committee Member workload. However, on the basis that this matter would evolve and be reviewed again in twelve months time, the Group concluded that the Council should proceed on the basis that the areas of responsibility be divided in accordance with Appendix D.

### **The Process to Determine the Areas of Responsibility for each Appointed Hub Committee Member**

- 2.4 Members of the Working Group also sought to establish a process for determining the areas of responsibility for those Members who were appointed on to the Hub Committee. In so doing, and in accordance with political balance provisions, it was concluded that, once the Leader, Deputy Leader and remaining Hub Committee Members had been appointed at the Annual Council meeting in May, then delegated authority should be given to the Group Leaders to determine the areas of responsibility for each of the appointed 7 Hub Committee Members.

## **3. RISK MANAGEMENT**

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

## **4. OTHER CONSIDERATIONS**

<b>Corporate priorities engaged:</b>	All
<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
<b>Appendices attached:</b>	<ul style="list-style-type: none"> <li><b>A.</b> The report presented to the Independent Remuneration Panel;</li> <li><b>B.</b> The conclusions of the Independent Remuneration Panel;</li> <li><b>C.</b> The role profile for a Hub Committee Member; and</li> <li><b>D.</b> The areas of responsibility for Hub Committee Members.</li> </ul>

### 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.	3	1	3	↔	The Independent Panel has met and made a series of evidence based recommendations to the Council in line with statutory requirements and the revised governance arrangements which will come into effect for the 2015/16 Municipal Year.	Democratic Services Manager

Direction of travel symbols ↓ ↑ ↔