

## Appendix A

### **Review of the Scheme of Members' Allowances and Allowances for Town and Parish Councils 2015 / 2016**

#### **Report of the Independent Panel on Members' Allowances and Parish Remuneration Panel**

##### **Introduction**

1. The Panel was convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 to make recommendations to the Council on a new Scheme of Members' Allowances and for allowances payable to Town and Parish Council Members. These regulations, which arise out of the relevant provisions in the Local Government Act 2000, require all local authorities to set up and maintain an advisory Independent Allowances Panel to review and provide advice on Members' allowances.
2. All Councils are required to convene their Panel before they make any changes or amendments to their Scheme of Allowances and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

##### **The Panel**

3. The following members serve on the Independent Panel on Members' Allowances:

David Grose (Proprietor, Thurlestone Hotel);

Richard Yonge (Yealmpton Parish Councillor); and

Don Latham (Local Government Consultant specialising in the field of Members' allowances and Chairman of the Panel).

##### **Methodology**

4. The Panel met at the District Council's offices in Totnes on Wednesday, 27 January 2016 at 1.30pm.
5. All Members of Council were invited to submit comments on the Scheme either directly to the Senior Specialist – Democratic Services or through the Leader of their respective Political Group in advance of this meeting. Comments were subsequently received from four Members. The Group Leaders were invited to join the Panel from 2.00pm. Cllrs Tucker and Hodgson duly attended and were also joined by Cllrs Holway, Pearce and Wright (who had each submitted advanced comments to the Panel for its consideration).

6. A letter was also sent to the clerks of all Town / Parish Councils advising them that a review of the allowances payable to Town / Parish Members was taking place and they were invited to submit comments.
7. The Panel was provided with a report that summarised the background to the Council's current Scheme of Members' Allowances and provided them with some issues to consider in recommending any revisions to the Scheme. The following summarises the Panel's deliberations and final recommendations.

### **The Basic Allowance**

8. Payment of a Basic Allowance to all Members at the same rate is mandatory.
9. The Basic Allowance is currently set at £4,386. The Panel considered options for revising the Basic Allowance, including:-
  - proposing a one-off lump sum increase;
  - increasing in line with the Retail Price Index (1.2% for the year to December 2015);
  - increasing in line with the Staff Pay Award; or
  - maintaining the Basic Allowance at the current rate.
10. On balance, and when taking everything into account, the Panel felt that, in light of the extensive recent boundary and governance changes, this was the one opportunity for the Council to significantly increase its Basic Allowance to ensure that it was brought more in line with the allowance paid to other comparable local authorities.
11. In recognising that there would still be a significant budget saving arising from the reduction in Council Size from 40 to 31 (in the region of £31,000), the Panel therefore recommended that the Basic Allowance should be increased to **£5,000**.

### **Electronic / Broadband Allowance**

12. The Panel considered a Member request to include an additional allowance of £10 per month in the Scheme to take into account the need for Members to be able to realise the benefits of high speed broadband capability.
13. The Panel recalled its discussions held during the last review following which the Council had decided to subsume the Electronic Allowance within its Basic Allowance. This, coupled with Members now being given either a Council owned iPad or laptop, resulted in the Panel concluding that it could not justify recommending payment of an Electronic / Broadband Allowance.

### **Index Linking the Scheme of Members' Allowances**

14. The Panel was reminded of the opportunity to fix the annual increase in allowances to a set index. If no other significant changes to the Scheme were envisaged, this could then remain in place for up to four years.

15. In future years, the Panel felt that it would be appropriate to align the Basic Allowance to a prescribed index and therefore recommended that, unless there were significant changes required to the Scheme, the Staff Pay Award should be used for this purpose for the next four years.

**RECOMMENDED**

1. That the Basic Allowance be increased to £5,000 per annum, with this being backdated to May 2015 and in place until the end of the 2016/17 Financial Year;
2. That the creation of an Electronic / Broadband Allowance be discouraged; and
3. That, for the next four years and assuming that there are no significant changes required to the Scheme, the Basic Allowance be aligned to the Staff Pay Award.

**Special Responsibility Allowances**

16. Payment of Special Responsibility Allowances (SRAs) are discretionary and are intended to be made to those Members who have significant additional responsibilities over and above the generally accepted duties of a Member. The Scheme currently includes provision for the payment of 15 SRAs (including the Chairman and Vice-Chairman of Council). There is no limit on the number which may be paid, although good practice suggests that payment of an SRA to just over half of a Council's membership would be at the top end of what is expected.
17. In discussion, the Panel was asked to specifically consider three issues:
- whether the reduction in Executive Members necessitated a need to increase the multiplier applied to this role;
  - whether the increased role played by the one Overview and Scrutiny Panel should result in an increase to the multiplier applied to the Chairman of the Panel role. In addition, such was the increased emphasis, whether the Panel Vice-Chairman role should also now be entitled to receive an SRA; and
  - whether the Audit Committee and Licensing Committee Vice-Chairmen roles should be in receipt of an SRA.
18. The Panel concluded that the SRA applied to the Executive Member role should be retained at 1 x the Basic Allowance.
19. In addition, the Panel was sympathetic to the increased responsibility of the Overview and Scrutiny Panel and considered it to be appropriate to increase the SRA applied to this role from 0.75 x the Basic Allowance to 1 x the Basic Allowance. Moreover, the increased role of the Panel Vice-Chairman was

also recognised and it was therefore recommended that a SRA of 0.5 x the Basic Allowance should be incorporated into the Scheme for this position.

20. In emphasising that an SRA should be only payable to those roles that had significant additional responsibility, the Panel was not minded to recommend that the Vice-Chairman roles for the Audit and Licensing Committees should be entitled to receive an SRA at this time.
21. For clarification, the Panel reiterated its previously held view that where a Member is entitled to receive more than one SRA, only one such Allowance, equivalent to the higher entitlement, shall be paid.

**RECOMMENDED:**

That the:-

1. list of responsibilities currently attracting a Special Responsibility Allowance (SRA) be retained as currently listed, subject to the addition of the Vice-Chairman of the Overview and Scrutiny Panel role, which should be entitled to claim an SRA of 0.5 x the Basic Allowance;
2. multipliers applied for the SRAs remain unchanged, with the exception of the Overview and Scrutiny Panel Chairman role, which should be entitled to claim an SRA of 1 x the Basic Allowance; and
3. Panel remain of the view that a Member should only be entitled to receive a payment of one SRA, equivalent to the higher entitlement.

**Co-optees Allowance**

22. Payment of an allowance to co-opted Members of Council Bodies is discretionary. The Council has co-opted Members serving on the Salcombe Harbour Board (of which there are 6) and three Independent Persons, who each support the Member Code of Conduct complaints process.
23. Having considered a request, the Panel was not minded to recommend any increase to the Independent Persons Allowance and concluded that it should remain set at £500 per annum.
24. The Panel also reaffirmed its previously held view whereby co-opted Members of the Harbour Board should not be entitled to an allowance. However, it was recognised that co-opted Members should be entitled to be reimbursed for any travel and subsistence costs incurred in relation to official Harbour Board related duties and these should be payable in line with the criteria outlined in the adopted Council Scheme.

**RECOMMENDED:**

- i) That the Independent Persons role should retain a fixed allowance of £500 per annum; and
- ii) That, for co-opted Members who serve on Salcombe Harbour Board, an allowance should not be payable, with the exception of the payment of expenses incurred on Harbour Board related work, which can be paid in line with the Council's Scheme of Members Allowances.

**Travel Allowances**

- 25. Payment of an allowance for travel is discretionary. The Panel recognised that the HM Revenue and Customs (HMRC) advisory rate for motor cars was currently 45p / mile which was the current rate payable through the Scheme.
- 26. The Panel was of the view that the travel allowance should remain linked to the HMRC rate, meaning that the 45p / mile rate should be retained and that the Scheme should automatically be adjusted to accord with the HMRC advisory rate; and that other rates should remain the same.

**RECOMMENDED:**

- i) That the rates for travel allowances be retained at:-
  - Motor Vehicle – 45p / mile
  - Motor cycle – 24p / mile
  - Bicycle – 20p / mile
- ii) That the passengers' allowance remain at 5p / mile for each passenger; and
- iii) That these rates be automatically adjusted in the event that the HM Revenue and Customs should adjust its advisory rate.

**Subsistence Allowances**

- 27. Payment of a subsistence allowance is discretionary. In recent years, the Panel has been of the view that the rates should be adjusted in line with those recommended by the National Joint Council (NJC) for Local Government.
- 28. The Panel acknowledged that Members appeared content with the current arrangements for Subsistence Allowances and reiterated its previous views that the onsite catering facility should be used wherever possible. In conclusion, the Panel also endorsed the suggestion that the subsistence allowance rate for offsite facilities should be retained at a maximum level of £5.00 per meal.

**RECOMMENDED:**

That the onsite catering facility should be used wherever possible and, on the occasions when using offsite facilities, the available subsistence allowance should be retained at a maximum of £5.00 per meal.

**Dependants' Carers' Allowances**

29. The payment of an allowance for the cost of employing a carer for a Members' dependants whilst (s)he performed Council duties is discretionary.
30. It was noted that the majority of Panels across the country were now recommending that the National Living Wage (£7.20 per hour) should be used as the appropriate indicator for the payment of a Dependants' Carers' Allowance. On balance, the Panel felt it to be appropriate for this measure to be used in the Scheme and, in the event of the National Living Wage being adjusted, the Panel was also of the view that this Allowance should be automatically brought in line with any nationally set adjustment.

**RECOMMENDED:**

1. That the Dependants' Carers' Allowance be updated in line with the National Living Wage (£7.20 per hour); and
2. That the Allowance be automatically adjusted in the event that the National Living Wage be adjusted.

**Allowances for Towns and Parish Councils**

34. The Panel acts in the capacity of the Parish Remuneration Panel in making recommendations on allowances payable to Members of town and parish councils. Town and parish councils may choose to pay:
  - 1) a Parish Basic Allowance (either to the Chairman only or all members)
  - 2) Travel and Subsistence Allowances

Both allowances are discretionary.

35. If a town / parish council was minded to pay a parish basic allowance, it is obliged to have regard to the recommendations of the Parish Remuneration Panel on the level payable.
36. The Panel recommended that the formula applied in previous years i.e. a percentage of the Basic Allowance based on the population size of the parish (as shown) was sound and should remain.

<b>Electorate</b>	<b>% of District Basic Allowance</b>
0 – 2,500	2.5%
2,501 – 5,000	5%
5,001 – 10,000	7.5%
10,001 – 15,000	10%

37. Travel and Subsistence Allowance payments have previously been recommended in line with those available in the District Council's Scheme of Allowances. The Panel was of the view that this approach should again be retained.

Independent Panel on Members' Allowances  
and Parish Remuneration Panel

27 January 2016