

Report to: **Council**

Date: **28 September 2023**

Title: **Scheme of Members' Allowances – Review**

Portfolio Area: **Leader – Cllr Julian Brazil**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Immediately following this meeting and backdated to 10 May 2023**

Author: **Darryl White** Role: **Head of Democratic Services**

Contact: [darryl.white@swdevon.gov.uk](mailto:darryl.white@swdevon.gov.uk) or **01803 861247**

---

#### **RECOMMENDATION**

**That the Council RESOLVES that the recommendations of the Independent Panel on Members' Allowances (as presented at paragraph 3 below) be agreed and that the revised draft Scheme of Members Allowances (as shown at presented Appendix D) be adopted with immediate effect, with any consequent increases in Allowances being backdated to 10 May 2023.**

#### **1. Executive summary**

1.1 The Council's Scheme of Members' Allowances was last considered by the Council at its meeting held on 16 February 2023 (Minute 63/22 refers).

1.2 At this meeting, the Council resolved that:

*'the Remuneration Panel be respectfully asked to agree to defer a decision and to agree to extend the arrangements valid until April 2022 for the present Municipal year 2022-23, and to commit to reconvene in the summer to carry out an in-depth review of all aspects of Member remuneration.'*

1.3 As a result, the Council's Independent Panel on Members' Allowances was convened on Thursday, 21 September 2023 and proceeded to make a series of recommendations on a revised Scheme of Members' Allowances.

## **2. Background**

- 2.1 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 in turn then makes recommendations to the Council;
- 2.2 Prior to the Panel meeting being held on 21 September 2023, all Members were given the opportunity to complete a survey that sought to gain their views on the current Scheme. Survey submissions were subsequently received from 5 Members.
- 2.3 The Council's Independent Remuneration Panel meeting on 2 February 2023 was attended by all four Panel Members:
- Bryony Houlden (South West Councils' Chief Executive) (Chairman);
  - Cllr Piers Spence (Town/Parish Council Representative);
  - Janie Moor (Community and Voluntary Sector Representative); and
  - David Grose (Business/Commercial Sector Representative).

The meeting was also joined by the Leader of Council and the Leader of the Main Opposition Group, who were given the opportunity to address the Panel and respond to their questions.

As a basis for its deliberations, the Panel considered a report (attached at Appendix A) that asked it to focus on the following specific questions:

- Should the Basic Allowance be increased?
  - Moving forward, should the Basic Allowance be re-aligned to a prescribed index?
  - Should the current list of roles entitled to claim a Special Responsibility Allowance (SRA) be extended to include the role of Development Management Committee Member and Independent Audit & Governance Committee Member?
  - Should any of the multipliers applied to the SRAs be amended and should there be provision for 'acting up' within the Scheme?
- 2.4 A further issue was presented to the meeting whereby the Panel was asked to form a view on whether the Scheme should be revised to enable for Members to be able to claim for more than one Special Responsibility Allowance;
- 2.5 In addition, the Panel also considered the current Scheme of Members' Allowances (as set out at Appendix B); comparative benchmarking information (as detailed at Appendix C) and the submissions received from the completed surveys and a Briefing Note from the Chief Executive. The Panel meeting was attended (and supported) by the Head of Democratic Services and the Democratic Services Senior Case Manager.

### **3. Panel Recommendations**

#### **3.1 Basic Allowance**

- 3.1.1 The Panel noted that the current Basic Allowance was set at £5,492 per annum and, when compared to the other Devon District Councils, this Allowance sat slightly below the mean average;
- 3.1.2 The Panel also recognised that the Council had not accepted its previous recommendation for the Basic Allowance to be increased (for 2022/23) by 6% (from £5,492 to £5,822 per annum);
- 3.1.3 Since the Basic Allowance had not been increased since 2021/22, all Panel representatives were supportive of an increase being recommended. In so doing, representatives were concerned that the Basic Allowance could act as a major disincentive in being able to attract a diverse range of candidates from standing to be Councillors at future local elections (and by-elections). In an ideal world, the Panel made the point that is aspired to champion diversity.
- 3.1.4 The Panel was also mindful that it appeared that workloads (and therefore demands) on Members had significantly increased during and since the Covid Pandemic. This point was reiterated by those Members who had both attended the Panel meeting and had completed the Survey. However, the Panel also commented that, since only five Members had completed the survey, this could also suggest that the vast majority of Members were broadly content with the current Scheme;
- 3.1.5 The Panel was also very mindful about the impact of the cost of living crisis on both (current and prospective) Members as well as local residents. Whilst not the responsibility of the Panel to consider budgetary issues when making its recommendations, it was aware of the impact on the Council's running costs and services of the cost of living crisis and austerity, which meant that the timing of the review and recommendations on increases would be a difficult matter for the Council to determine;
- 3.1.6 The Panel considered what level should be applied to the Basic Allowance increase and debated three alternatives:
1. To recommend again a 6% increase (from £5,492 to £5,822);
  2. To recommend an increase to £6,000; and
  3. To recommend an increase to £6,125.

On balance, the Panel was initially minded to recommend an increase to £6,000. However, such were the compelling arguments made by the two attending Members with regard to the workload for Development Management Committee Members and those Members who were currently unable to claim more than one Special Responsibility Allowance (see conclusions at paras 3.2.2 and 3.2.4 below) that the Panel wished to **RECOMMEND** that:

*'The Basic Allowance be increased to:*

- £6,125 for 2023/24 (with this being backdated to 10 May 2023);
- £6,500 for 2024/25; and

*For 2025/26 onwards, the Basic Allowance be automatically adjusted in line with the annual Staff Pay Award (NB. in the event of the Award being a one-off lump sum, then the Panel recommends that the Basic Allowance be automatically adjusted in line with the mean average received by staff).*

### **3.2 Special Responsibility Allowances**

3.2.1 The representations to the Panel from Members and officers presented four issues in relation to the current list of Special Responsibility Allowances that were felt to warrant further consideration at this time. These were:

- Should the current list of roles entitled to claim a Special Responsibility Allowance (SRA) be extended to include the roles of:
  - o Development Management Committee Member; and
  - o Independent Audit & Governance Committee Member(s)?
- Should Members be able to claim more than one Special Responsibility Allowance?
- Should there be provision for 'acting up' within the Scheme?

#### **3.2.2 Development Management Committee Member**

The Panel recognised that there were a number of challenges for Members in being able to put the necessary time towards serving on the Development Management Committee. This has been reflected in the difficulties that Group Leaders have experienced in being able to nominate Members to serve on the Committee.

This had resulted in the request being made for the Panel to consider recommending that the Scheme include provision for all Members of the Development Management Committee to be in receipt of an SRA.

In debate, it became apparent that the Panel was divided on this matter. Whilst some Members were supportive of the proposal, other Members highlighted that SRAs were, by definition, deemed to be 'Special' responsibilities. As a result, the payment of 10 additional SRA's would result in the Scheme having provision for payment of 27 SRAs. When considering that this, in theory, could see 27 out of the 31 Members being able to claim an SRA this, as a principle, did not sit comfortably with some of the Panel representatives.

As a compromise, the Panel therefore **RECOMMENDED** that: *since the Basic Allowance is recommended to be increased to the higher level of £6,125 for 2023/24, a Special Responsibility Allowance should not be payable to Development Management Committee Members and that, at the time of the next Panel review, the Committee Chairman, Vice Chairman and some Committee Members be invited to attend to make representations on the workload of the Committee.'*

### 3.2.3 **Independent Audit & Governance Committee Member(s)**

Members will be aware that there is a legislative direction to include co-opted independent members, CIPFA (the Chartered Institute of Public Finance) recommends that each Local Authority Audit Committee should include two co-opted independent members to provide '*appropriate technical expertise*'.

Being a new role, the current Scheme of Members Allowances does not include any provision for this role to be supplemented by a SRA.

Having received the advice of the Section 151 Officer that the role should be entitled to claim an SRA of 0.5 x the Basic Allowance, the Panel was happy to support this view.

### 3.2.4 **Ability to Claim More than One SRA**

The Panel received a strong representation that Members should be able to claim more than one SRA if they were fulfilling the duties associated with both roles.

In discussion, the Panel did have sympathy with the viewpoint but also recognised that it was very unusual for a Scheme to include provision for the payment of more than one SRA.

Whilst the Panel was not minded to support this recommendation, it also hoped that the impact of this would be in part offset by the recommendations in relation to the increase in the Basic Allowance.

### 3.2.5 **'Acting Up' Provision within the Scheme**

In completion of the Survey, a Member asked that consideration be given to the Scheme having provision to the payment of an 'Acting Up' SRA if a Member is standing in for another Member who is unable to attend meetings or temporarily unable to fulfil their duties associated with their SRA.

Whilst not supportive of the request, the Panel did wish to remind all Members that, in such instances, a Member was able to ask that their SRA was re-allocated to another Member who was 'Acting Up' in their absence.

## 4. **Options available and consideration of risk**

4.1 In ultimately making a decision, the Council must pay due regard to the recommendations of its Independent Remuneration Panel. However, the Council does have the discretion to reach an

alternative view on some (or all) of the Panel's recommendations if it so wishes.

## 5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Local Authorities (Members' Allowances) (England) Regulations 2003.  The Council has a statutory requirement to adopt a Scheme of Members Allowances and to consider the recommendations of its Independent Panel in doing so.
Financial implications to include reference to value for money	Y	If all of the Panel recommendations are approved by the Council, then there will be an overall increase in cost of Members' Allowances to the Council of £34,613. It is proposed that the additional cost is met from the annual inflation provision within the Medium Term Financial Strategy.  It is noted that the Basic Allowance has not been increased since 2021/22 and all Panel representatives were supportive of an increase being recommended to £6,125 per annum.
Risk	Y	The risk implications are set out at Section 4 above.
Supporting Corporate Strategy	Y	Council Theme – <i>Efficient and Effective Council</i>
Consultation & Engagement Strategy	Y	All Members have been consulted (and invited to submit their comments) as part of this Review.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/A
Climate Change & Biodiversity	N	N/A
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A

Other implications	N	None
--------------------	---	------

**Appendices:**

A: The report presented to the Panel meeting;

B: The Current Scheme of Members' Allowances;

C: Members' Allowances – Benchmarking Information

D: The Updated Scheme of Members' Allowances (assuming all of the Panel recommendations were to be approved).

**Background Documents:**

The Council Constitution