

Report to: **Council**

Date: **22 November 2022**

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

Portfolio Area: **Leader – Cllr Neil Jory**

Wards Affected: **All**

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

Date next steps can be taken: **Immediately following this meeting and backdated to 1 May 2022**

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## **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 C) be adopted with immediate effect, with any consequent increases in Allowances being backdated to 1 May 2022.**

### **1. Executive summary**

1.1 The Council's Scheme of Members' Allowances has been automatically aligned to the Staff Pay Award for the maximum period permissible (five years) and this provision expired on 30 April 2022.

1.2 As a result, the Council is required to conduct a review into the contents of the Scheme and the Council's Independent Panel on Members' Allowances was convened on Tuesday, 15 November 2022 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 15 November 2022, all Members were given the opportunity to make representations on the current Scheme of Members' Allowances, with submissions subsequently being received from Cllrs Leech and Pearce;
- 2.3 The Council's Independent Remuneration Panel meeting on 15 November 2022 was attended by all four Panel Members:
- Bryony Houlden (South West Councils' Chief Executive) (Chairman);
  - Cllr Ursula Mann (Town/Parish Council Representative);
  - Karen Nolan (Community and Voluntary Sector Representative); and
  - Janna Sanders (Business/Commercial Sector Representative).

As a basis for its deliberations, the Panel considered a report that asked it to focus on the following specific questions:

- Should the Basic Allowance be increased?
  - 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 amended?
  - Should any of the multipliers applied to the SRAs be amended?
- 2.4 In addition, the Panel also considered the current Scheme of Members' Allowances (as set out at Appendix A); comparative benchmarking information (as detailed at Appendix B) and the submissions received from Cllrs Leech and Pearce and was supported at its meeting by the Democratic Services Manager and the Democratic Services Senior Case Manager.

### **3. Panel Recommendations**

#### **3.1 Basic Allowance**

- 3.1.1 In discussion, the Panel acknowledged that, with the exception of East Devon District Council, the current Basic Allowance (£4,660 per annum) was the lowest in the county. The Panel recognised that the Basic Allowance for other Devon District Councils ranged from £4,360 (East Devon) to £6,425 (Exeter City), with the average of Devon Districts (excluding West Devon) was currently £5,499;
- 3.1.2 In other District Councils in the South West region (where the Panel had the information available), the Panel acknowledged that none of these local authorities had a lower Basic Allowance than West Devon and these ranged from £4,731 (Mendip) to £7,350 (Tewkesbury);

- 3.1.3 The Panel also noted that the Council had in effect penalised itself by historically not always accepting the Panel's recommended increase to the Basic Allowance;
- 3.1.4 The Panel was concerned that the Basic Allowance should not get even more out of kilter with other local authorities. The Panel was also concerned that the Basic Allowance should not be a disincentive in attracting a range of candidates representative of the community from standing for election, particularly when it appeared that workloads (and therefore demands on Members), had increased since the Covid Pandemic. Finally, the Panel was very mindful about the impact of the cost of living crisis which also affected Members. Whilst not the responsibility of the Panel to consider budgetary issues when making its recommendations, it was also aware of the impact on the Council of the cost of living crisis and austerity, which meant that the timing of the review and recommendations on increases would be particularly difficult for the Council;
- 3.1.5 Therefore, on balance, and recognising the need to both attract candidates to stand for election and for the Basic Allowance to not be too far out of kilter with other local authorities, the Panel is recommending an increase in the Basic Allowance. However, in recognising the financial challenges facing the Council, the Panel is recommending an increase they believe to be appropriate, which would move the Council closer to the average (but not above it), should be phased over a two year period. The Panel therefore **RECOMMENDED** that:

*'The Basic Allowance be increased by 5% for both 2022/23 (from £4,660 to £4,893) and 2023/24 (from £4,893 to 5,138), with the Panel being reconvened during the early Autumn of 2023 to review the Scheme and specifically the merits of re-aligning the Basic Allowance to a Prescribed Index for the forthcoming years.'*

## 3.2 **Special Responsibility Allowances**

### 3.2.1 **Leader of Council**

From the benchmarking information, the Panel recognised that the current SRA for the Leader of Council was very low. The Panel proceeded to consider the current multiplier applied to the Leader of Council role (2 x the Basic Allowance) and discussed the merits of recommending that the multiplier be either increased to 2.5 x the Basic Allowance or 3 x the Basic Allowance in order to deliver a more appropriate SRA for the Leader role;

- 3.2.2 In recognition that the Panel is proposing that it should be reconvened for a more detailed review in the Autumn of 2023, it was **RECOMMENDED** that:

*'For 2022/23, the SRA multiplier applied to the Leader of Council role should be increased from 2 x the Basic Allowance to 2.5 x the*

*Basic Allowance, with the Leader of Council being interviewed by the Panel at its next meeting in 2023 to enable for a further recommendation to be made as to whether or not the multiplier should be increased to 3 x the Basic Allowance.'*

### 3.2.3 **Hub Committee Members**

The Panel recognised that its previous recommendation whereby the SRA multiplier applied to the Hub Committee Member role (1 x the Basic Allowance) had not been approved by the Borough Council and the decision had been taken to apply a multiplier of 0.9 x the Basic Allowance. In recognition of evidence presented to the Panel about the workload of a lead Hub Committee Member, the Panel **RECOMMENDED** that:

*'The SRA multiplier applied to the Hub Committee Member role should be increased from 0.9 x the Basic Allowance to 1 x the Basic Allowance.'*

### 3.2.4 **Chairmen of the Overview & Scrutiny and Audit Committees**

As with paragraph 3.2.3 above, the Panel noted that it had previously recommended that the SRA multiplier applied to the Overview & Scrutiny and Audit Committee Chairmen roles should be set at 1 x the Basic Allowance but that the Council had taken the decision to apply a multiplier of 0.9 x the Basic Allowance. In recognition of the workload of both Committees (coupled with the recent Council decision for the Audit Committee to take on the additional responsibility for Standards and Governance matters), the Panel again **RECOMMENDED** that:

*'The SRA multiplier applied to the Overview and Scrutiny and Audit Committee Chairmen roles should be increased from 0.9 x the Basic Allowance to 1 x the Basic Allowance.'*

### 3.2.5 **Remaining Special Responsibility Allowance Roles and the Civic Allowance**

The Panel was of the view that the status quo should be retained for the multipliers applied to the remaining SRA roles and the Civic Allowance.

### 3.2.6 **Paragraph 7 – Withholding Allowances**

The Panel noted that there was no longer the provision for Members to be suspended from their office due to a breach in the Members' Code of Conduct and therefore **RECOMMENDED** that:

*'Paragraph 7 – Withholding Allowances' should be removed from the Scheme.'*

### 3.2.7 **Salary Sacrifice Schemes – Electric Cars and Electric Bikes**

Whilst Members were unable to access Salary Sacrifice Schemes to be able to purchase an Electric Car and/or an Electric Bike, the Panel recognised that the Council had declared a Climate Change &

Biodiversity Emergency and the environmental benefits and therefore **RECOMMENDED** that:

*'should the current rules be changed (or there be a solution found) the Panel expresses its in-principle support for officers to be given delegated authority to update the Scheme of Members' Allowances accordingly.'*

### 3.2.8 **Additional Panel Comments**

The Panel believe it is important to carry out a more detailed review in 2023, particularly as this will be after the May 2023 local elections when any changes to Member roles and responsibilities can be taken into account. The Panel requested that officers produce an Allowances Survey for the completion of all Members in advance of the next Panel meeting in the Autumn of 2023;

### 3.2.9 **Updated Scheme of Members' Allowances**

For Members ease of reference, Appendix C sets out an updated Scheme of Members Allowances assuming that all of the Panel's recommendations are approved by the Council.

The Panel recommendations for 2022/23 and 2023/24 mean that it is not necessary to apply an indexation in these two years, but the Panel was minded in the future that the Scheme of Members' Allowances should continue to be annually upgraded in line with staff salary increases (the 'Local Government Green Book').

## 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	Y	If all of the Panel recommendations are approved by the Council, then there will be an overall

include reference to value for money		increase in cost of Members' Allowances to the Council of £19,853. It is proposed that the additional cost is met from the annual inflation provision within the Medium Term Financial Strategy.
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.
<b>Comprehensive Impact Assessment Implications</b>		
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 Current Scheme of Members' Allowances;

B: Members' Allowances – Benchmarking Information

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

**Background Documents:**

The report considered by the Panel; and

The Council Constitution