

Report to: **Council**

Date: **16 February 2023**

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

Portfolio Area: **Leader – Cllr Judy Pearce**

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 April 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 April 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 31 March 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 Thursday, 2 February 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 2 February 2023, all Members were given the opportunity to complete a survey and/or express a wish to be interviewed by the Panel. Survey submissions were subsequently received from Cllrs Hopwood, O'Callaghan, Rowe and Spencer and Cllrs Hopwood, O'Callaghan, Pearce and Spencer also made a request to be interviewed by the Panel;

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 Linda Durman (Town/Parish Council Representative);
- Janie Moor (Community and Voluntary Sector Representative); and
- David Grose (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 the completed surveys and a Briefing Note from the Chief Executive. The Panel meeting was attended (and supported) by the Democratic Services Manager 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. In discussion, the Panel also recognised that the Basic Allowance for other Devon District Councils ranged from £4,360 (East Devon) to £6,425 (Exeter City), with the mean average of Devon Districts (excluding South Hams) currently being £5,284 per annum;

3.1.2 In other District Councils in the South West region (where the Panel had the information available), the Panel acknowledged that the Basic Allowance ranged from £4,731 (Mendip) to £7,350 (Tewkesbury);

- 3.1.3 Since the Panel had not been convened for five years, some representatives felt that the Scheme now required a fundamental belt and braces review. In particular, 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 for the upcoming local elections. This was particularly pertinent given that it appeared that workloads (and therefore demands) on Members had significantly increased during and since the Covid Pandemic. Both of these points were reiterated by those Members who made representations to the Panel. However, the Panel was unable to deduce how widely these views were held amongst Members as they had only received four completed surveys;
- 3.1.4 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 particularly difficult for the Council;
- 3.1.5 On balance and recognising the need to both attract candidates to stand for election and the additional demands being placed on Members, the Panel is recommending an increase in the Basic Allowance. The Panel did consider that a significant increase might be required to deliver the outcomes around diversity (as set out above). However, in recognising the financial challenges facing the Council and the fact that it had received evidence from a total of only five Members who made formal representations through the survey/interviews, the Panel is recommending an increase that they believe to be appropriate and that should be phased in over a two-year period. The Panel therefore **RECOMMENDED** that:

*'The Basic Allowance be increased by **6%** for both 2022/23 (from £5,492 to **£5,822**) and 2023/24 (from £5,822 to **£6,171**), with the Panel being reconvened during the early Autumn of 2023 to review all aspects of 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 The representations to the Panel from Members presented three issues in relation to the current list of Special Responsibility Allowances that were felt to warrant further consideration at this time. These were:
- The multiplier currently applied to the Executive Member role;
 - The merits of retaining a Special Responsibility Allowance for the role of Licensing Committee Chairman; and

- Whether or not the Vice-Chairman of the Audit & Governance Committee role should be entitled to claim a Special Responsibility Allowance.

3.2.2 In recognition that the Panel is now proposing that it should be reconvened for a more detailed 'structural' review of the Scheme in the Autumn of 2023, it was felt that these issues (and any additional matters brought forward by the new Council administration) should be given further consideration at that time.

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 £15,500. 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.
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 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 (and appendices) considered by the Panel at its meeting on 2 February 2023; and

The Council Constitution