REVIEW OF MEMBERS ALLOWANCES

INDEPENDENT REMUNERATION PANEL

HEATHER MORGAN
BRYONY HOULDEN
STEVE BARRIBALL

FEBRUARY 2019

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1.0 Background

1.1 The Panel first reported in March 2000 and have reported every year since then, including May 2003 when the first major review was undertaken. Most of the Panel's recommendations have been implemented. During 2015, the Panel decided that a second major review of the scheme was required and again in 2018, where a third large scale review was undertaken.

1.2 The last few years have seen an unprecedented period of austerity, restrictions and budget restraints in Local Government spending which has impacted on both staff wages and consequently Members allowances. The Panel have kept a close brief on national issues including budgets, policy directions, consultations and also the local landscape including allowances schemes and the actions of other Local Authorities.

1.3 The last report of the Panel (February 2018) commented on and recommended the following:

The Panel concluded that the structure of the Allowance Scheme for Devon is fit for purpose and based on sound principles, and that the Basic Allowance should be increased. The Panel conducted a wide-ranging review, taking into account the usual benchmarking data, organisational structures, Elections outcomes, the impact of Devolution, Cabinet Member Remits, the Councillors' Commission report, the views of Members and other relevant factors.

(a) The basic structure of the current scheme is endorsed and retained, subject to the change recommended at (c) below;

(b) From May 2018, the Basic Allowance is increased to £12,607 (which includes the 2% pay award for 2018/2019) and the multipliers be recalculated accordingly.

(c) The SRA payment for the Chair of the Investment & Pension Fund Committee be increased by a multiplier of 0.25 to 0.50;

(d) The overnight allowance for Members for outside London, increase in line with the staff allowance from £79.82 to £81.06;

(e) The overnight allowances for London increase from £90 to "up to a maximum of £143";

(f) The Guidance for Dependant Carer's Allowance be amended as set out in Appendix 3 of the 2018 Report';

(g) Careful consideration should be given, in the future, to the levels of allowances to ensure they keep pace with the economy generally;

(h) The sustained reduction, including a reduction in the current year, in the number of SRA's be welcomed and that the levels be kept below the 50% threshold, as it currently the case;

(i) The Panel keep a watching brief on the Devolution / Combined Authority Agenda to assess any impact on allowances;

(j) Current procedures for performance management could be strengthened and that Group Leaders take a robust approach to the performance management of their Members.

1.4 The composition of the Panel is:

Heather Morgan – (Chair) Tribunal Judge (since 2002)

Bryony Houlden – Chief Executive of South West Councils (appointed in 2015)

Steve Barriball – Chief Executive of Citizens Advice, Exeter (appointed in 2017)

1.5 The Panel's appointments are until May 2021, having been re-appointed in 2017 through the Annual meeting of the Council (and via delegated powers afforded to Leaders and Whips in the case of the most recent appointment).

1.6 The prime role of the Panel has been to assess the allowances for being an elected councillor, representing the diversity of communities that make up Devon now and into the future. The Panel's contribution has to be to ensure that councillors have the financial recognition to fulfil some of the most demanding roles that exist in public life.

1.7 In preparation for this years report, the Chair has maintained regular contact with the Council, regularly meeting both the IRP advising officer and then the Leader of the Council (on 14th September 2018) to keep abreast of events and changes affecting the Council such as planned budget reductions for 2019/20 and the future funding of the Council with the disappearance of the revenue grant by 2020, devolution, the funding difficulties in Children's Services, Brexit, the Business Rates retention Pilot and Staff Pay Award (which was 2% for the current year and 2% agreed for 19/20 (two year pay deal). The Chief Officer pay award was also 2%.

1.8 The Panel met on 20 August and 14 November 2018 (also meeting with Political Group Leaders on the same day), to consider events since the last Panel report, the national context, including the LGA response to the Fawcett report, comparisons with other authorities, benchmarking data (South West Council's, South East Council's and National Census data) and potential recommendations and content for the final report.

1.9 The Panel agreed their timetable for the review at their first meeting and this is outlined below.

Date	**Action**
20 August 2018	Panel meeting
14 September 2018	Panel Chair to meet Leader of the Council
14 November 2018	Panel Meeting
14 November 2018	Panel meeting with Group Leaders
November / December 2018	Draft final report
20th December 2018	Panel Meeting to consider draft of final report
Early January 2019	Finalise report based on panel comments
24th January 2019	Final Report for dispatch with Procedures papers
4th February 2019	Procedures Committee
21st February 2019	Council meeting

2.0 Events Since the Panel's Last Report

2.1 On a national level, there has been ten years of cuts to public sector funding. This has been reflected in many Councils, including Devon, by many budget saving initiatives, cuts to services, a number of structural and organisational reviews, which was likely to continue up until 2019/2020, with many Councils worried about the budget situation beyond 2021. With pressures in areas of social care (both children and adults) there are real fears that some Authorities will not be able to balance their books.

2.2 The five years from 2010/2011 to 2017/2018 saw the Authority's actual funding reduced by approximately £150 million. Furthermore, there were reductions in the region of £30 million for 2018/2019 and savings anticipated of £14 million in 2019/20.

2.3 To date, staff reductions have been in excess of 3000 (excluding schools) and the Panel noted the various vacancy management processes (undertaken in 2010/2011), which recommenced in 2014 and then a recruitment freeze for part of 2017. From 1 January 2017, any recruitment to vacant posts was restricted to those deemed 'business critical'. More recent initiatives to save £5 million (agreed at Cabinet in November 2018) included reducing travel and utilising '*Skype for Business'* for business meetings, restricted conference attendance to those essential to roles or part of mandatory training, the end of non-essential overtime payments, hospitality lunches, and a two-month gap between the last date of a colleague leaving and the post being advertised. Other initiatives include staff being able to buy additional leave.

2.4 More recently, the impacts of the BREXIT vote and the process for the UK leaving the European Union has implications for the Council in terms of EU grants, the pension fund (including valuations and employer contributions) and cost of staffing (particularly in the care sector), medium term financial planning and the treasury management strategy.

2.5 There was a staff pay freeze from 2009/10 up until 2012/2013. In 2013/2014 there was a 1% pay increase for 'public service' staff but there was no pay award for senior officers. For 2014 – 2016 there was a complex pay offer which amounted to 2.2% for most staff over a two-year period. Those at the lower spinal column point (SCP) were awarded higher percentage rises. The pay award for 2016/2017 and 2017/2018 were for staff with salaries starting at £17,714 per annum to get a 1% increase in both 2016/17 and 2017/18. Those earning less than this would receive higher increases to take account of the new National Living Wage. The pay award for 2018/2019 was a two-year deal at 2% per year for both the staff and chief officer pay award.

2.6 The Council is also undertaking a piece of work – a pay and grading working group - to review the locally determined grading structure to ensure an appropriate fit with the nationally determined SCPs.

2.7 The Panel also noted that on a national level, MP's received a 1.8% pay rise (increasing from £76,011 to £77,379), from April 2018. Annual changes in

MPs' pay are linked to changes in average earnings in the public sector using Office for National Statistics (ONS) figures.

2.8 There have been various money saving strategies over the last few years, including reductions in the Councils property portfolio, divestment of youth services, meals services, day care services, highways maintenance reductions, no direct provision of adult residential or day care services, waste management, public transport and a new library service. Consultations on general service reductions are an ongoing process.

2.9 There have always been budgetary pressures in the 'People's (Adult and Children's Services) and the current budget monitoring position is for an overspend of some £9 million in Children's Services. Whilst it is too early to predict the end year forecast, especially with winter pressures across many service areas, the issues being experienced in Children's Services with high levels of demand and residential placements proving difficult to contain within the budget seemed to be consistent with other Local Authority experiences.

2.10 The Panel were previously concerned that the levels of allowances had become 'too far removed' from the figures originally proposed back in 2009 when allowances were frozen. The Panel kept a record of allowance rates and what the allowances would have been if the mean wage increases (up to 2010) and staff increases (from 2010 to the current day) had been applied. The Panel were therefore pleased that the Council accepted their recommendations from the 2018 review.

2.11 The Devon County Council Elections in May 2017 did not result in any change of political administration. However, there was a decrease of 2 Members (following a Boundary Commission for England Review), an increased Conservative majority (from 38 to 42) and the loss of the UKIP group on the Council (resulting in 1 less SRA).

2.12 The Council also reviewed its Committee Structure which resulted in a change to the structure of the Scrutiny Committees, changing from four Scrutiny Committees to three Committees, thereby achieving 2 further reductions in the numbers of SRA payments (1 Chair and 1 Vice Chair SRA).

2.13 The current figure in relation to the percentage of Members receiving an SRA payment is 43%, the same as the previous year. Prior to the elections, the figure was 47%. The reduction was largely due to the Scrutiny Committee re-organisation and with a reduction of two Members of the Council, the reduction, in real terms, is slightly more than 5%.

3.0 Representations to Government

3.1 Following the recommendations of the Panel in 2018 and the subsequent agreement of the Council that allowances be increased, the Council also agreed to write to the Minister to lobby Government for a national framework for the determination of Members Allowances.

3.2 The letter outlined the concerns of the Independent Remuneration Panel that allowances have managed to become 'out of kilter' following such a lengthy period of time with no increase. Also, that it was important to be able to attract and support candidates of different ages and gender to better reflect and / or represent diverse communities.

3.3 It also highlighted the position of Councillors who were uncomfortable in setting their own allowances.

3.4 The representations highlighted the view of the Council that there was merit in a national framework, setting guiding principles for Members' allowances. This might include recommended minimum levels for each type and size of authority. Whilst it would not inhibit individual authorities from taking account of local circumstances (and retain the option of setting up independent panels), national principles could lead to a more temperate understanding of allowances issues among the general public.

3.5 The Panel were aware this was raised previously (in the 2008 Councillors Commission Report 'Representing the Future') and that there may be a further piece of working arising from the more recent Commission chaired by Professor Colin Corpus, in terms of additional research and discussion with the LGA to ascertain the time spent on Councillor duties, the impact of allowances and whether current processes were fit for purpose.

3.6 The letter was sent in May 2018 and a response received on 21st June 2018 from the Ministry for Housing, Communities and Local Government, which outlined that whilst the Government recognised the crucial role that Councillors played in enabling democracy across England, they were not minded to change the current framework, highlighting their view that the current arrangements were appropriate.

4.0 Annual Meeting of Panel Chairs and Advisers

4.1 Whilst this meeting had not taken place for a couple of years, due to the retirement of Mr Graham Russell (the organiser of this event, but funded by South West Councils) in 2016, it was pleasing that the meeting in 2018 was arranged by South West Councils and hosted by Devon County Council.

4.2 The meeting took place on 19 June 2018 and discussed the following issues.

- The outcome of the 2015 Local Government Review from North Somerset Council IRP where the Council had reduced from 60 to 50 members to lower the cost of democracy. As a result, the IRP had recommended an increase in allowances but Councillors were not comfortable to accept therefore voted against the increase.

- The position from other Local Authorities was mixed, for example, Exeter City Council accepting an increase, Gloucester/Tewkesbury being very

much data driven and allowances frozen year on and year with no issues, Teignbridge District Council accepted inflation increases approximately three years ago and Cheltenham Borough Council accepting that basic allowances would increase in line with annual Local Government pay settlements.

- Member Induction and how Councils undertook and disseminated pre-election information. Comments from colleagues included retention, rather than allowances, being an issue, use of the Be a Councillor Campaign publicity information, the lack of pension for Councillors was perceived as a backward step, timings of meetings could be a key issue if councillors were employed in other jobs, the use of exit interviews, the South West Charter for Member Development, which supported Councils in adopting a structured approach to councillor development and support, and to building elected Member capacity, the importance of a diverse mix of councillors representing a local authority and the difficulties recruiting people to IRP's.

- Devon County Council reported the activities and work by the Panel on Carers Allowances which had allowed nursery provision to become more flexible. 'Reasonable costs' might be reimbursed (meaning Members could claim the 'fixed cost' of a session or sessions (am or pm or both) which covered, in whole or in part, the period of any specific approved duty (including travelling time to and from the place of the duty). In addition, the rate had been increased from the national minimum wage to the UK Living Wage.

- It was agreed that more information on carer's allowances should be sought in a future survey.

- Key points from the Members Allowance Survey were discussed (see later in the report for benchmarking data) including allowances for vice-chairs, Health and Wellbeing Board, the one SRA guideline, the 50% SRA guideline and whether this was applied, assistant Cabinet Member roles and the public sector discount application to the calculation of the basic allowance.

- Other issues raised at the meeting included scope for a regional remuneration panel rather than one specific to each Local Authority and whether formal role descriptions for positions were used.

- Bryony Houlden from South West Councils offered to facilitate further annual meetings. Views would be canvassed from lead officers and Chairs regarding the continuation and timing of an annual meeting.

5.0 Meeting with Group Leaders (14 November 2018)

5.1 The Panel have always felt it important to obtain the feedback from Group Leaders on the current scheme and of any issues which might impact on allowances and, as such, a meeting was arranged for 14 November 2018.

5.2 The Panel discussed Group Leader Allowances, last years recommendations and also obtained feedback on the current scheme.

5.3 Group Leaders said they weren't aware of any issues on the horizon that might impact on allowances in the future, but raised the issue of overnight allowances for London, currently at £143, which was felt to be unrealistic.

5.5 The general view was the scheme was fit for purpose.

6.0 Feedback from Members of the Council

6.1 The Panel, again, requested general feedback from Members of the Council on the current scheme. Comments were mixed and included the following;

- now was not the time to consider any review of allowances;
- given the large scale and comprehensive review in to members allowances last year….. it was too soon and unnecessary to look at reviewing them again.
- No change suggested for this year, but would welcome it being looked at again next year;
- after the increase in allowances last year, which was the right thing to do … suggest a small increase every year, so that last year's situation of a larger percentage rise doesn't happen again further down the line;
- suggest an increase on a gradual basis, rather than the large jump if it is left frozen each year;
- the increase last year brought Members up to date. No reason to disagree with the Independent Remuneration Panel for annual awards;
- Members should get a small rise, linked to the same pay award as staff;
- fine with how things currently stand;
- after the increase for Members last year, as there had not been one for many years, this can seem controversial, in a time of restricted budgets. It would be better for a small increase, year by year, in line with what officers receive; and
- the Panel to note the changes to the Devon Pension Board schedule of meetings (from 2 to 4 meetings per year) to mirror that of the Investment and Pension Fund Committee;

6.2 The Panel wished to place on record their thanks and appreciation to those Members who contributed their views. The comments received were helpful to the Panel in formulating both the Report and the recommendations.

7.0 Devolution Agenda

7.1 The Panel had noted over its last three reviews that Government had invited all local authorities in England to develop their own local proposals as part of a move towards the greater devolution of powers and budgets.

7.2 Since August 2015, Devon and Somerset County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and

Exmoor National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups had worked in partnership to progress towards securing a devolution deal for the Heart of the South West (HotSW) area focusing on delivering improved productivity. Since that time the partnership has continued to progress its objectives despite policy shifts at a national level.

7.3 In 2017, the Council gave approval to the establishment of a HotSW Joint Committee and the necessary constitutional arrangements and inter-authority agreement to support the Joint Committee.

7.4 The General Election saw a shift on the national policy position. In late 2017, the partnership was given a clear message that Government would welcome a bid from the partnership to progress productivity ambitions by identifying areas where it could work together with Government and more importantly, the Minister indicated there was no requirement to have an Elected Mayor.

7.5 The key role of the HotSW Joint Committee is to develop, agree and ensure the implementation of the Productivity Strategy, which would be a common vision for increased prosperity through economic growth informed by a local evidence base and engagement with local stakeholders. This proposal was approved in December 2017.

7.6 There has also been an officer group established to consider the implications of Brexit, particularly looking at the opportunities that it presents, as well as Member Development sessions across the Heart of the South West to learn more about Devolution and contribute to proposals.

7.7 The work of the Joint Committee is ongoing and there is a Report being taken through each of the Councils of the Constituent authorities to amend the terms of reference for the Joint Committee to reflect their role in the Local Industrial Strategy in addition to the Joint Productivity Strategy – making careful note that, under Government guidance, the Local Enterprise Partnership and the Government own the document and also to approve funding for the support of the Joint Committee.

7.8 The Panel agreed to keep a watching brief on the situation for any impact on allowances. To date, there has been no impact.

8.0 Comparisons and Benchmarking

8.1 The Panel considered the recent (2018) SW Councils survey on allowances. Following the increase in Members allowances last year, the rate of basic allowance paid in Devon was at the top of the survey data when compared to other South West Shire Counties. This improvement was pleasing to the Panel as Devon's position had dropped to the mid to lower ranges, which was a cause for concern given the population of Devon is significantly higher than in those other Shire Counties. As an example, Dorset County Council paid a basic allowance of £10,641 and Somerset County Council paid £10,582.

8.2 The Panel also considered the South East Councils survey on allowances. The rate of basic allowances ranged (from the top) from £12,805 for Kent County Council and £12,443 for Surrey County Council, down to the lowest of £10,201 for Oxfordshire County Council. Mid-range was Buckinghamshire County Council, East Sussex County and West Sussex County Council at £11,063, £11,191 and £11,251 respectively.

8.3 The Panel also took the data from the South West Survey and the South East Survey and assessed the allowance per head of population.

Council Name	Population	Basic Allowance for 2018/19	Per Head of Population
Devon County Council	765 300	£12,607	£0.016
Gloucestershire County Council	628,139	£10,100	£0.016
Somerset County Council	550,000	£10,795	£0.019

Council Name	Population	Basic Allowance for 2014/15	Per Head of Population
Buckinghamshire County Council	528,400	11,063	£0.02
East Sussex	534,000	11,191	£0.02
Hampshire County Council	1,353,000	12,003	£0.008
Kent County Council	1.4 million	12,805	£0.009
Oxfordshire County Council	666,100	10,201	£0.015
Surrey County Council	1,170,000	12,443	£0.010
West Sussex County Council	800,000	11,251	£0.014

The Panel noted that reviewing the allowances in this way showed that Devon was again one of the lowest in the South West.

8.4 The Panel previously undertook a large scale review in which they considered how the Basic Allowance had been calculated to ensure it was still fit for purpose. The calculation was the average non manual daily rate, less 33% for the public service ethos. As the data was no longer collected, the Panel researched other baselines, which included one used by Cheltenham Borough Council (median salary for the South West) and a calculation which had been determined by Surrey's IRP (median salary level for full time white collar workers resident in Surrey, with a 33% discount as the voluntary element and the time commitment of the role as 18 hours per week (0.5 FTE)) which gave a Basic Allowance of £13,191.

8.5 The Panel applied this Surrey methodology to Devon, but using the Median gross weekly earnings for full-time employees in Devon for 2018.

[1]£25,844 less [2]33% (£8,529) = £17,315 …….. X [3] 0.72 = £12,467

1 median gross weekly earnings for full-time employees in Devon 2018…Office for National Statistics (ONS)
2 public service discount
3 adjustment for full-time equivalent – using DCC figures from National Census of 26.6 hours

8.6 The allowance for Devon (if calculated in this manner) made the basic rate £12,467. Given the current allowance of £12,607 which included the LGA median wage rise (up until April 2010) and staff pay increases (from April 2011), the Panel were satisfied that the calculation used was fit for purpose.

8.7 The Panel also felt it prudent to use the most recent data available, so utilised the National Census Data, extracting the figures submitted by Members of Devon County Council. The Panel noted they would have more updated information next year, as the National Census Data Survey was being undertaken in the new year.

8.8 The Panel reiterated their concern over the number of 'twin trackers' (where a Councillor is a Member of more than one Authority), in view of the implications for workload. With Elections in May 2013, the figure was 39 Councillors out of the 60 who were on District Council as well as the County Council (65%). After the last Elections in 2017, the number was 41 out of 62, (66%) so the situation remains largely unchanged. The Council is still a fair way away from the figure of 50% seen in 2009 – 2013. This problem is exacerbated when Members are also Parish Councillors. The Panel noted that reminders were regularly issued to Members regarding care when making expenses claims.

8.9 The Panel also wanted to revisit the expenses rates for overnight stays in London and Members felt the revised rate was still not fit for purpose. Members considered a number of other benchmarks, for example the London rate for judiciary, which was currently lower than the County Councils and also the average daily rate for London for 2017 as calculated by Price Waterhouse Cooper. This figure was £149.00. The Panel also wanted the disparity between overnight allowances for both Members and staff to be noted. They further noted however, that there was flexibility within the staff policy that in exceptional circumstances, and where authorisation is given to an individual employee by their manager, additional expenditure supported by a receipt may be claimed.

9.0 Fawcett Report and LGA Response

9.1 The Panel had previously considered the Fawcett report which had looked at Local Government in detail, in particular, the aspects and stages of the process from becoming a candidate for Election through to becoming a Leader of a Council. The Report made a series of recommendations that would help bring more women into local government and help play a full role at all levels.

9.2 Whilst there were many recommendations relating to improving women's representation in Local Government, for example and inter alia, political parties setting targets for increasing women's representation at local elections, term limits for Councillors, reasonable adjustment policies for disabled Councillors, a review of how Councillor performance is assessed and challenging racism, the Panel focused upon the Report's consideration of 'Removing Structural Barriers to Progress' which highlighted concerns over the historic male domination of town halls which have not supported women, who still have the bulk of caring responsibilities. It was reported that female Councillors experienced patchy provision for maternity, childcare and flexible working.

9.3 The Report wanted to see the introduction of maternity, paternity and parental leave entitlements for Councillors across England, in line with leave available to employees. Also, that childcare and caring costs must be covered, thereby asking the Secretary of State for Communities and Local Government to issue guidance to Independent Remuneration Panels to promote their proposed model for a comprehensive dependent carers' allowance scheme so all childcare and adult dependent care costs were covered. The Report further recommended that the law needed to change so that Councillors' childcare expenses were reported separately to the main Members' Allowances data, so that reporting of them did not deter women from claiming support.

9.4 Further recommended by the Report was to legalise the remote attendance at Council meetings and use technology to support inclusion, including issues such as voting rights, through Skype or other technological solutions as well as consulting on meeting times to better suit the needs of those with caring responsibilities.

9.5 Responding to the Fawcett Society Report, Cllr Marianne Overton, Vice Chair of the Local Government Association, said that the Report rightly identified that progress must be made at a faster pace to ensure a greater representation of women in our local authorities saying;

> *"It is vital that local government better reflects the communities we represent and is inclusive in order to have the best skills and make the best possible decisions. The LGA is leading the 'Be A Councillor' campaign. This year, our main focus of the campaign is to encourage women and under-represented groups to stand for election and help shape local councils to best support our communities. Councils also remain committed to ensuring that once elected, women also have an equal opportunity to become leaders in their councils.*
>
> *Local government must be at the forefront of driving change, but it will be important to get the balance right between changing culture and imposing structures. Change will also require all political parties and Independents to fully engage and support a wide range of aspiring councillors.*
>
> *Among other things, we are also supporting the Women's Local Government Society's project who have identified 100 pioneers in women's suffrage, women who went on to use their elected positions and*

their votes to bring tangible benefits to their communities. The project celebrates the 2018 centenary of some women being able to stand and vote for their MP. It is an opportunity to inspire a new generation of women councillors and civic activists. The LGA have recently gone out to tender for the development of a self-assessment equalities toolkit which will be developed this autumn."

10.0 Councillor Commission Research

10.1 The Panel previously received a briefing note on the interim report of the Councillor Commission Research which was to independently review the role and work of the Councillor (being undertaken by the Local Governance Research Unit, based at Leicester Business School).

10.2 The Commission, chaired by Colin Copus, (Professor of Local Politics, De Montfort University) had the following terms of reference:

"To explore and consider the roles, functions, tasks, responsibilities and powers of the Councillor so as to assess their relevance and effectiveness in enabling Councillors to sustain a viable system of local democracy, local leadership and local government'

It was noted that the Association of Democratic Services Officers (ADSO) contributed to the Commission's work.

10.3 The Panel noted that the interim report had not mentioned allowances specifically except a small reference that appeared in the final version of the Report, reflecting various opposing views as previously expressed in Devon as part of the exit interviews:

Councillors are overseeing multi-million pound budgets; we are balancing complex financial pressures; we are making decisions that will affect our areas for decades to come; I saw somewhere that local government has 132 different responsibilities (or something like that) – how many private companies have that range of products or interests? We have to work with leaders of industry and public bodies on salaries of two or three hundred thousand pounds and we are on peanuts and they know it; we work with officers paid much more than Councillors and they know it – the way we are paid, just doesn't reflect the reality of what we do (Conservative County Councillor).

10.4 On the other hand, the research found that there was a strong current of opinion opposed to increases in allowances or a radical change in the system of remuneration. A view held by some Councillors was that remuneration should be kept to a level that didn't recognise a Councillor as an occupation or profession:

Please resist the temptation to propose increases in Councillors' pay and allowances as this will add to the risk that Councillors become political professionals. Councillors' remuneration should not be a living wage. If Councillors are to be part of the towns or districts they represent, if they are to

understand the lives of their electors, and even mix with them at work, far better that they should work in the same places as them and experience the real world of employment (Conservative Borough Councillor).

10.5 The two sets of competing views are difficult to reconcile and the question of suitable forms of Councillor remuneration has troubled previous inquiries over the years. The Report recommended an investigation into the nature of the remuneration system appropriate for the demands made on Councillors, including increasing workloads and the professionalisation of the role.

10.6 The final Report 'The Voice of the Councillor' was published in October 2017 and confirmed that, now more than ever, there needed to be support for Councillors in the work they undertake in representing and governing their communities and in engaging with the public.

10.7 The Report felt that 'local democracy' was being undertaken 'on the cheap' and even among many Councillors there was reluctance to spend public money on ensuring Councillors have the support and resources they need.

10.8 There were three things that were needed:

i. Councils needed to recognise the legitimate role all Councillors have in governing their communities and provide the resources and support for them to carry that out. This should not be confined to the Leader and Cabinet, but available to all Members (all Councillors have a role in enabling, co-ordinating and bringing communities together);
ii. Westminster, Whitehall, Government and Civil Service needed to see Councillors as a vital part of the governing fabric of the country. Councillors are elected and therefore have a legitimacy and an immediacy to communities. Devolution must recognise the democratic mandate of localities and see governing power, not just more functions and tasks, passed to Councillors.
iii. the research revealed that Councillors were interacting in complex, multi-layered networks of public and private agencies (with differing goals, different territorial areas etc). There is a myriad of organisations that spend public money, develop policy and impact on the wellbeing of communities but all of whom lack the unique feature of the Councillor (with an electoral mandate). Local Government must organise itself to support its Councillors in these processes as it is through interactions with external agencies that local government can govern and achieve the best results for the communities they serve.

10.9 The author of the commission reported at the November 2017 Association of Democratic Services Officers conference, outlining that more work needed to be done on remuneration issues as well as a more detailed study on time commitments to being a Councillor.

10.10 To date there have been no further details received.

11.0 National Census of Local Authority Councillors 2013 and 2018

11.1 The above study was previously carried out every two years to provide a comprehensive snapshot of local government representation and analysis of trends over time. The census asks Councillors about their work as Councillors, their views on a range of issues and also their personal background. The last study was carried out in 2013 so an update on the current position is overdue. This was of course alluded to by the author of 'The Voice of the Councillor' as outlined at paragraph 10.9.

11.2 The Council recently received notification that a new survey was being carried out in the new year. Whilst the new census wouldn't be completed in time for this review it would however be detailed in next year's review.

11.3 Whilst the data was considered by the Panel in last three reports, the 2013 survey results are the latest available nationally, so it is appropriate to include the analysis as part of this years report also.

11.4 The key findings were presented in three sections, work as a Councillor, issues and views of Councillors and personal background of Councillors. Just for clarity, the figures outlined in the remainder of paragraph 11 are national averages, taken from the actual report.

11.5 In relation to work as a Councillor……

- the average length of service of Councillors in their current council was 9.5 years, similar to that seen in 2010 (9.4 years). This was approximately one year longer than the average service length reported between 2004 and 2008 (8.3 years), showing a small but sustained increase in the average length of service;
- just over half of Councillors (53%) held at least one position in the authority;
- on average, Councillors were members of 3.3 committees or sub-committees, again showing a slight decrease in the proportion seen since 2001 (ranging from 3.8 to 3.6);
- around a third of Councillors (35.9%) were members of local partnership groups or boards, most commonly a Health and Wellbeing Board (9.3%);
- Councillors reported spending an average of 25.1 hours per week on council and group/ party business (compared to between 22.0 hours and 22.7 hours in 2004–2010). When broken down, it could be seen that Councillors spent the majority of this time on council business (20.8 hours on average) and a much smaller proportion of time on group/party business (4.3 hours on average);
- over a third of Councillors (39.4%) were members of other public bodies such as parish or town councils;
- the proportion of Councillors that received one or more training opportunities peaked in 2008 at 93.7% but has since fallen to 85.0%; and
- the majority of Councillors had access to resources such as a council email address, a PC, laptop or tablet, and a tool to enable remote log-in or

access to their council's computer system. Fewer Councillors had access to a Smartphone or mobile phone, access to telephone conferencing, a Blog, a Twitter account, Facebook page or YouTube. Councillors rated a PC, laptop or tablet, a council email address and a Smartphone as the most useful resources.

11.6 In relation to the issues and views of Councillors ……

- between 2004 and 2013, Councillors responded very similarly in terms of their reasons for seeking this role. In 2013, 90% became councillors in order to 'serve the community', 58.7% did so 'to change things' and 54.4% were motivated by their 'political beliefs';
- overall 69.8% of Councillors believed the most important thing they did was listening to the views of local people. A similar proportion (64.8%) believed that representing local residents' views to the council was the most important thing;
- most Councillors (81.5%) anticipated they would be able to continue their role to some extent without their current benefits package, although 18.9% would only be able to do so to a small extent and 14.8% would not at all;
- overall, 41.4% of Councillors thought they had more influence to change their local area than they expected prior to being elected, while 35.7% had about as much influence as they expected;
- four-fifths of Councillors (82.4%) would recommend the role of Councillor to others if asked; and
- Councillors' intention to stand for re-election has strengthened. In previous censuses, around half stated that they would stand for re-election, whereas around two-thirds did so in 2008 and 2013.

11.7 In relation to the personal background of Councillors …….

- Councillors' gender profile, ethnic origin, disability status and caring responsibilities have changed very little between 2001 and 2013. In 2013, 67.3% of Councillors were male (70.7% in 2001), 96% were of white ethnic origin (97.3% in 2001), 13.2% had a long-term health problem or disability and 27.9% had one or more caring responsibilities;
- Councillors had an average age of 60.2 in 2013, similar to 59.7 recorded in 2010, and up a little from 57.8 in 2004. Around one in eight (12%) were aged under-45, a proportion which has changed little since 2004. The proportion aged 70 or over has increased from 13.8% to 22.2% over this period;
- the proportions of retired Councillors have increased slightly year-on-year from 36.8% in 2001 to 46.6% in 2013. At the same time, the proportion of Councillors in full-time employment has decreased steadily from 27.2% in 2001 to 19.2% this year, whereas there has been very little variation in the proportions of Councillors who are self-employed or work part-time between 2001 and 2013;
- two-thirds of Councillors (66.6%) held other voluntary or unpaid positions such as school governorships (37.2%); and
- the proportion of Councillors whose highest qualification is degree level or equivalent rose from 50.2% in 2004 to 58.8% in 2013. Conversely, the

proportion of Councillors with no qualifications has steadily fallen since 2004 (from 14% to 5.2%).

11.8 Devon has many of the same issues as other Authorities in terms of attracting younger members. Whilst Devon has some younger Councillors, (and a small number have been in Cabinet positions), the majority are over retirement age.

11.9 The age / gender profile of Devon's Councillors was gathered after the 2017 elections and is highlighted below.

Councillor Gender/Age Profile of Devon County Council - 2017			
Age Group	**Male**	**Female**	**Totals**
Under 30	0	0	**0**
30-39	2 (3%)	1 (2%)	**3 (5%)**
40-49	3 (5%)	2 (3%)	**5 (8%)**
50-59	9 (15%)	5 (8%)	**14 (23%)**
60-69	16 (27%)	7 (12%)	**23 (38%)**
70 and over	12 (20%)	3 (5%)	**15 (25%)**
Totals	**42 (70%)**	**18 (30%)**	**60 (100%)**

11.10 The Panel have been concerned over the gender / age split, demonstrating the need to consider a scheme of allowances to attract a more diverse Council for the future. Whilst the allowances were raised in 2018, the Panel do not wish to see a return to the position where they have been allowed to become 'out of kilter' once again.

12.0 Member Development Charter Status Plus

12.1 As part of the Panel's interest in Member training and development and performance management issues, the Panel have always been supportive of the Council's initiatives such as competency frameworks, appraisals and personal assessments of Members Learning and Development needs and had congratulated the Council on its re-accreditation of Charter status at Charter-Plus level for Member Development in 2016.

12.2 The feedback from South West Councils in that assessment had said there were a number of areas of excellent practice in Devon and that…..

> *…….'it was great to see the continuous improvement in the way that Members are supported and the strong working relationship between Members and Officers'.*

12.3 The assessment found an ethos of continuous professional development inherent throughout the Council and a willingness by the Councillors to ensure their skills, knowledge and understanding are up-to-date so that they can fulfil their role successfully. There was strong evidence that Member Development had become part of the fabric of the way the Council works and this is an ongoing process.

12.4 The Assessors were also impressed by the progress in making Scrutiny a positive and constructive process which was helping the Cabinet and Council to develop more effective policy making. In addition, the cultural shift that had taken place as the Council had to look to others to deliver services, requiring Councillors to be supported to increase their community engagement skills. Scrutiny had also raised its profile over the last 12 months, culminating in 'scrutiny symposium' celebrating 20 years of scrutiny at Devon County Council.

12.5 Whilst the Panel feel the County and its Members embraced the ethos of training and development and that the training processes also seemed excellent for individuals, they still continue to feel that improvements could be made, especially around the appraisal of Members by Group Leaders and performance management tools.

13.0 Summary, Conclusions and Recommendations

13.1 The Panel has concluded that the structure of the Allowance Scheme for Devon is fit for purpose and based on sound principles, and that the Basic Allowance should be increased in line with the staff pay award.

13.2 The Panel has conducted a wide-ranging review, taking into account the usual benchmarking data, organisational structures, the impact of Devolution, Cabinet Member Remits, the Councillors' Commission report, the views of Members and other relevant factors.

13.3 Up until 2017, the Panel had consistently recommended increases in the Basic Allowance, with corresponding increases in the level of SRAs and the recommendations had not been implemented, hence the level of allowances in Devon had fallen behind. The Panel were pleased that in 2018, the Council listened to their recommendations and their strong evidence base to increase the Basic Allowance.

13.4 Taking into account the evidence available and for the reasons set out above, the panel recommends that:

(a) The basic structure of the current scheme is endorsed and retained;

(b) From May 2019, the Basic Allowance is increased to £12,859 (which includes the agreed 2% pay award for 2019) and the multipliers be recalculated accordingly. (See Appendix 1 for revised figures);

(note: £12,859 is the allowance rate for 2018 uprated in line with the 2% staff pay award)

(c) that the overnight rate for London be increased to £149.00, in line with the rates calculated by Price Waterhouse Cooper for the average daily rate (ADR) for London

(d) Careful consideration should be given, in the future, to the levels of allowances to ensure they keep pace with the economy generally;

(e) The sustained reduction in the number of SRA's be welcomed and that the levels be kept below the 50% threshold, as is currently the case;

(f) The Panel keep a watching brief on the Devolution / Combined Authority Agenda to assess any impact on allowances;

(g) Current procedures for performance management could be strengthened and that Group Leaders take a robust approach to the performance management of their Members.

13.5 The panel would like to thank everyone who has contributed to this review, Stephanie Lewis (Deputy Democratic Services and Scrutiny Manager), and Karen Strahan (Democratic Services and Scrutiny Manager), who provided administrative support.

HM/BH/SB
February 2019

Appendix 1

Panels Recommended Allowances from May 2019

Role	**Multiplier**	**Amount** (from May 2019)
Basic	N/A	£12,859
Leader	2.5	£32,148
Deputy	2.0	£25,718
Cabinet	1.5	£19,289
Chair Scrutiny	0.73	£ 9,387
Vice Chair Scrutiny	0.365	£ 4,694
Chair of Council	0.8	£10,287
Vice-Chair of Council	0.2785	£ 3,581
Chair – Development	0.5	£ 6,429
Vice Chair – Development	0.25	£ 3,215
Chair, Appeals	0.25	£ 3,215
Chair, Investment / Pension	0.5	£ 6,429
Chair, Farms Estate	0.25	£ 3,215
Chair, Public Rights of Way	0.25	£ 3,215
Chair, Procedures	0.25	£ 3,215
Chair, Standards	0.25	£ 3,215
Chair, Audit	0.25	£ 3,215
*Leader, LD (7)	0.5	£ 6,429
*Leader, Labour (7)	0.5	£ 6,429
*Leader, Independent (4)	0.25	£ 3,215

* A multiplier of 1.0 for Groups more than 20% of the Councils size (therefore 12 or more members);
* A multiplier of 0.50 for groups between 10% and 20% (therefore 6 or more Members (up to 11 Members);
* A multiplier of 0.25 for groups of less than 10% (2-5 Members)