

REVIEW OF MEMBERS
ALLOWANCES

INDEPENDENT
REMUNERATION PANEL

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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 a major review was undertaken. Most of the Panel's recommendations have been implemented. During 2015, the Panel also decided that a second major review of the scheme was required.

1.2 The last few years have seen an unprecedented period of restrictions and budget restraints in Local Government spending and this 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 2016) commented on and recommended the following;

(a) that the structure of the current scheme, including the amounts, the multipliers and relativities were carefully thought out, especially in trying to allow and encourage people from all backgrounds to become councillors. Careful consideration should be given, in the future, to the levels of allowances to ensure they keep pace with the economy generally;

(b) that following the demise of the LGA Median Wage and the difficulty of determining an alternative benchmark, the Council notes the Panels view that, in the current climate, the scheme is fit for purpose with sound principles and is commended to the Council, notwithstanding the allowances levels needing to be kept under close scrutiny;

(c) that if the Staff Award is agreed, then Councillors should receive an uplift to the Basic Allowance of 1% rather than a further freeze. Based on the current frozen Basic Allowance of £10,970, the new value would be £11,080 from April 2016 and all the multipliers recalculated accordingly (If all the increases had been applied to date, the basic allowance would be £12,238 and the multipliers recalculated accordingly);

(d) that the previously sustained reduction in the number of SRA's was welcomed and the Panel recommend that the levels be kept below the 50% threshold;

(e) that the Panel keep a watching brief on the Boundary Commission Review and also the Devolution Agenda to assess any impact on allowances.

(f) that the Panel feel the current procedures for performance management could be strengthened and therefore ask that Group Leaders take a robust approach to the performance management of their Members.

(g) that the Panel recognise the difficulties in attracting high calibre, younger Councillors to the role and, as such, recommend the following changes to the scheme for the new Council (from May 2017). See Appendix 1 for revised scheme, multipliers and amounts.

- (i) A revised Basic Allowance of £12,360 (which includes the 1% pay award for 2017/2018) and the multipliers re-calculated accordingly;
- (ii) An increase to the role of Scrutiny Chair from a multiplier of 0.73 to that of 0.75;
- (iii) A reduction in the SRA paid to Vice-Chairmen of Scrutiny Committees from a multiplier of 0.365 to 0.25;
- (iv) The SRA for the role of Vice-Chairman of the Development Management Committee be removed from the scheme; and
- (v) That the Group Leader SRA's be amended as follows..... A multiplier of x 1 for groups that have seats in excess of 10% of the Council size. For Groups of less than 10% of the Council size, the SRA should be multiplier of x 0.5.

1.4 The composition of the Panel is:

Brian Tanner – Chair – formerly Chief Executive of Somerset County Council and formerly Chair of Taunton and Somerset NHS Trust (since 2002)

Heather Morgan – Tribunal Judge (since 2002)

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

1.5 The Panel's appointments are until May 2017, having been re-appointed in 2013 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 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 29th September 2016) to keep abreast of events and changes affecting the Council such as organisational restructure, budgetary issues and constraints, Devolution, Boundary Commission Re-organisation and Cabinet Member remits.

1.7 The Panel met on 19 April 2016, 5 August 2016, 14 September 2016 (also meeting with Political Group Leaders and also Scrutiny Chairs and Vice Chairs on the same day), 12 October 2016 and 13 December 2016 to consider events since the last Panel report, the national context, legislative changes, Boundary Commission review, Devolution issues, comparisons with other authorities, benchmarking data (CIPFA and National Census data) and potential recommendations and content for the final report.

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

<u>Date</u>	<u>Action</u>
19 April 2016	Panel meeting
5 August 2016	Panel meeting
13 th September 2016	Panel Chair to meet Leader of the Council
14 th September 2016	Panel meeting followed by discussion with political group leaders and a meeting with the Scrutiny Chairs and Vice Chairs
12 th October 2016	Panel Meeting
November / December 2016	Draft final report
13 th December 2016	Panel Meeting to consider draft of final report
Early January 2016	Finalise report based on panel comments
24 th January 2017	Final Report for dispatch with Procedures papers
2 nd February 2017	Procedures Committee
16 th February 2017	Council meeting

2.0 Events Since the Panel's Last Report

- 2.1 On a national level, there has been a seventh year of cuts to public sector funding. This has been reflected in many Councils, including Devon, by freezing allowances and making further cuts for the ongoing tough times, including a number of structural and organisational reviews. This is likely to continue for the foreseeable future, potentially up until 2019/2020, which is a greater timescale for austerity than previously envisaged.
- 2.2 Over the five years from 2010/2011 to 2015/2016 the Authority's actual funding reduced by £108 million. For 2016/2017 the rate of cuts to funding had accelerated. The Authority's core funding from government for 2016/2017 had reduced by £28 million or 15.7% compared with 2015/16. In order to balance the 2016/2017 budget it would be necessary to find savings of £34 million. Furthermore, there were anticipated reductions in the region of £12m for 2017/2018.
- 2.3 To date, staff reductions have been in excess of 3000 (excluding schools) and the Panel noted that the vacancy management process (originally undertaken in 2010/2011) recommenced in 2014.
- 2.4 The national spending reviews each seem to highlight that public sector spending cuts were expected up until 2020, which was a longer period of austerity than anyone anticipated. This also coincides with the disappearance of the revenue grant in 2020 and the introduction of business rates retention, the impact of which is, as yet, unknown.
- 2.5 More recently, the impacts of the BREXIT vote and the process for the UK leaving the European Union had 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.
- 2.6 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 this did not include senior / chief officers or chief executives and no pay award was given. For 2014 – 2016 there was a fairly 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.
- 2.7 The Panel also noted that on a national level, MP's were due to receive a 1.4% pay rise (increasing to £76,011 from £74,962), to be introduced in April 2017.
- 2.8 There have been various money saving strategies over the last few years, including an Estates Strategy for 2012 to 2017 which recommended a 35% reduction 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 which is a 'mutuals' operating model. Consultations on general service reductions are an ongoing process.

- 2.9 The Leader of the Council, has in the past, consulted with the Community on preparations for the forthcoming budget (previously called 'Tough Choices'), outlining the cuts the Council had made and what it still had to achieve in terms of budget reductions.
- 2.10 More recently, the Leader has attended cluster meetings with Parish Councils, briefing them on the currently budgetary position and the Councils plans to manage this.
- 2.11 There have always budgetary pressures in Childrens Services, and last year 2015/2016 showed a significant overspend. This was as a result of immediate actions required following the Ofsted inspection and additional staffing costs to address the resultant action plans and strategies. The current year is also showing pressures within the 'Peoples Services' budget, particularly in terms of older people, and those with physical and learning disabilities, and increased volumes of those eligible for care being above the levels budgeted.
- 2.12 The Panel have been concerned over the last few years that, following their first large scale review in 2003, the level of allowances do not become 'out of kilter' with the multipliers originally proposed. The Panel have therefore been keeping 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 including 1% for 2017/2018) had been applied. These are detailed below and have informed the current review.

<u>Allowance / SRA</u>	<u>Current</u>	<u>If rises implemented</u>
Basic Allowance	£10,970	£12,360
Leader	£25,000 (fixed)	£30,900
Cabinet Member	£16,455	£18,540
Scrutiny Chair	£ 8,000	£ 9,023
Scrutiny Vice-Chair	£ 4,000	£ 4,511
Committee Chairman	£ 2,743	£ 3,090
Group Leader (LD/Lab)	£ 5,485	£ 6,180
Group Leader (UKIP/Ind)	£ 2,743	£ 3,090

- 2.13 The change of political administration in June 2009 resulted in several changes which had an impact on allowances and resulted in annual savings of approximately £100,000 in allowances terms. The number of members receiving an SRA payment at that time was reduced from 59% to 45%.
- 2.14 The current figure in relation to the percentage of Members receiving an SRA payment is 47%. Last year, the figure was also 47%, so there had been no increase in actual roles that attract an SRA payment.

3.0 Annual Meeting of Chairs and Advisers

- 3.1 It was discussed by the Panel in August 2016, that due to the retirement of Mr Graham Russell (the organiser of this event), there had been no willing volunteer(s) to take over this role.
- 3.2 The Panel felt this was a really useful event, with good attendance from across the South West, covering a range of topics which were helpful to Panel Chairs and their advisers in conducting reviews.
- 3.3 South West Councils undertook to look at the current situation to see if anything could be done to reinstate these annual meetings.

4.0 Meeting with Group Leaders (14 September 2016)

- 4.1 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 September 2016 where the Panel discussed Group Leader Allowances, last years recommendations and also feedback on the current scheme.
- 4.2 **Last Year's Recommendations** - In terms of last year's recommendations, there was no clear view reached on the benefits or otherwise of recommending a rise for the New Council.
- 4.3 **Group Leaders Allowances** - Whilst it was acknowledged that Group Leaders spent considerable periods of time preparing and researching issues in that role, there was also a view that the proposed multipliers for the smaller groups were too high.
- 4.4 It was suggested a sliding scale might be more appropriate For example
- 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); and
 - A multiplier of 0.25 for groups of less than 10% (5 or less).
- 4.5 It was further suggested that if there was to be hung Council following the Elections, this would need to be revisited as all Group Leaders would then be high level decision makers.
- 4.6 **SRA for the Vice Chair of Development Management** – Group Leaders felt this was a responsible job, but consideration could be given to a lower multiplier (less than 0.25), in light of the Panels evidence that no other Authority paid such an SRA.

- 4.7 **Boundary Commission Review** – The Panel noted that the Devon (Electoral Changes) Order 2016 No. 657 (which was laid before Parliament on 22 March 2016) had now come into effect. The Order gave effect to the recommendations of the Local Government Boundary Commission for England on the County Council’s electoral divisions, for a Council of 60 Members with 56 single-member divisions and 2 two-member divisions, from 2017 onwards.
- 4.8 The Panel had previously expressed some concern over the two-member division and the impact on workload and how such a workload might be shared and agreed to keep a watching brief on the issue to assess any impact on allowances.
- 4.9 **Feedback on current scheme** – The Panel asked Group Leaders for feedback on current scheme or whether there were any areas they wanted the Panel to explore or consider as part of the review.
- 4.10 The general view was the scheme was fit for purpose, but the importance of Councillors reflecting society, both in terms of age and gender, attracting candidates of working age and the need for good support, including child care allowances, was seen as increasingly important.

5.0 Meeting with Scrutiny Chairs and Vice Chairs (14 September 2016)

- 5.1 In light of the previous years recommendations, which recommended a small rise in the SRA for Scrutiny Chair and a reduction for the role of Vice Chair of Scrutiny, the Panel held an informal discussion with the Chairs and Vice Chairs of Scrutiny on the Council’s current Allowances Scheme, in relation to the work of Scrutiny Committees, Task Groups and SRA’s.
- 5.2 The Panel sought Members observations and thoughts on the current allowances scheme and possible changes or variations whilst also having regard also to the decisions of the Procedures and Corporate Services Scrutiny Committees earlier in the year.
- 5.3 Members confirmed that the role of Scrutiny Vice Chair was crucial and that they needed to be as well briefed as the Chairman, hence very much deserving of the SRA.
- 5.4 Members also informed the Panel of the large work load undertaken outside of the main committee structure, including work on Task Groups, Standing Overview Groups and additional meetings with Heads of Service to keep abreast of important issues, briefings and external appointments.
- 5.5 Of particular note was the current heavy workload of the Health Scrutiny Committee, due to organisational changes of the NHS and complex issues such as the Success Regime and the Sustainability and Transformation Plans.
- 5.6 In relation to the varied work load of Task Groups, there was little support for remunerating Task Group Chairs.

5.7 The Panel reported the Leaders view that the current Scrutiny SRA payments of £8000 for Chair and £4000 for Scrutiny Vice Chair worked better than the suggested £9,270 and £3,090. The Panel further confirmed they had no intention of attempting to differentiate between responsibilities of Scrutiny Committees and between Task Groups.

6.0 Devolution Agenda

6.1 The Panel noted 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. Devon County Council, working with Councils in Somerset, Plymouth and Torbay, the Devon District Councils and Somerset District Councils, along with Dartmoor and Exmoor National Parks, and the Heart of the South West Local Enterprise Partnership, had submitted an initial 'Statement of Intent' on 4 September 2015. A letter from the Secretary of State for Communities and Local Government said he was keen to work with the Council and partners on a formal devolution agreement.

6.2 The agreed key local themes were economic growth, health, social care and wellbeing, and infrastructure and local resilience.

6.3 In terms of a timeline, theme groups were developed who refined the draft chapters to be compiled into a single draft bid. The single draft bid was submitted to Government in December 2015 (which was a formal submission of devolution bid to Government). There was approval by all partners in-principle to setting up a Combined Authority. Work continues on the detailed negotiation positions for the 'asks and offers'.

6.4 More recently, there has been a lack of clarity regarding the Governments position on elected mayors and the potential negative effect of not having an elected Mayor on the devolution deal offered.

6.5 Recent press statements (December 2016) indicated a small number of Authorities, who were part of the original Heart of the South West Devolution partnership, were exploring other options for a devolution deal.

6.6 The Panel agreed to keep a watching brief on the situation for any impact on allowances.

6.7 There has also been an officer group established to consider the implications of Brexit and in particular 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 our proposals.

6.8 From the Panels perspective, they were keen that any impact on the workloads of Councillors be closely monitored, and associated consideration to the allowances scheme.

7.0 Comparisons and Benchmarking

7.1 As well as considering the Basic Allowance of other authorities in the South West, the Panel, in 2014 had also reviewed those in Northern and South Eastern Counties to ensure a balanced approach. This review included Lancashire, Norfolk, Cumbria, Essex, Kent, East Sussex, Surrey, Cambridgeshire, Nottinghamshire and Leicestershire. The highest was Nottingham at £12906, closely followed by Kent at £12805. The lowest was Cambridgeshire at £7610, closely followed by Cumbria at £8030. This, again, demonstrated to the Panel that Devon was mid ranged and in line with the average.

7.2 The Panel, in 2015, 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 bases, 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.

7.3 The Panel applied this Surrey methodology to Devon, using the gross median weekly wage for Devon.

$$^1£23,660 \text{ less } ^233\% (\text{£}7,808) = \text{£}15,852 \text{ } \times ^3 0.72 = \text{£}11,396$$

¹ median salary for white-collar workers in Devon

² public service discount

³ adjustment for full-time equivalent – using DCC figures from National Census of 26.6 hours

7.4 The allowance for Devon (if calculated in this manner) made the basic £11,396, not far from the figure that would have been should the LGA median rise and staff pay rises been applied. The Panel were therefore satisfied that the calculation currently used was fit for purpose.

7.5 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.

7.6 The Panel recognise the difficult position of Councils, in particular the unenviable position of members voting themselves an increase, which is seen as unpalatable in the current climate. The Panel had previously noted the negative press coverage in recent years from those authorities who had increased their allowances.

7.7 Having said that, the Devon Panel remain concerned about the prospect of paying unreasonably low allowances and urged the Council not to lose sight of the fact that allowances are falling behind the Panels structured scheme following several years of them being frozen.

7.8 The Panel have previously expressed, and wish to do so again, its concern over the number of ‘twin trackers’ (where a Councillor is a Member of more than one Authority). This number had increased from approximately 50% since the last County elections and the number (following district elections in May 2015) was currently 41 dual hatted members (66%). This is a small decrease of 2% from 2014. Of course, this can be even more problematic when Members might also be Parish Councillors or even representatives on National Parks or Fire Authorities with other Devon Authorities. The Panel reiterated their concern that there was no coordination regarding multiple payments, but did note that reminders were regularly issued to Members.

8.0 National Census of Local Authority Councillors 2013

8.1 Every two or three years the above study is carried out to provide a comprehensive snapshot of local government representation and analyses 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.

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

8.3 The key findings from the 2013 Census of Local Authority Councillors (undertaken in autumn 2013) by the National Foundation for Educational Research 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 8 are national averages and taken from the actual report.

8.4 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.

8.5 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.

8.6 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%).

8.7 Devon has many of the same issues as other Authorities in terms of attracting younger members. Whilst Devon has some younger Councillors, (some in Cabinet positions), the majority are over retirement age. The 2013 elections brought in a slightly higher number of younger councillors and the Panel took time to speak with three of them in terms of what attracted them to the role and any perceived barriers to standing and undertaking the role effectively.

8.8 The age profile of Devons Councillors was gathered after the 2013 elections and is highlighted below.

<u>Age</u>		<u>Number / Percentage</u>
0-30	-	1 (1.6%)
30-50	-	10 (16.1%)
50-70	-	42 (67.7%)
70 +	-	7 (11.3%)
Unknown	-	2 (3.2%)

9.0 Member Development Charter Status Plus

9.1 As part of the Panel's interest in Member training and development and performance management issues, the Panel have always been supportive of the Councils initiatives such as competency frameworks, appraisals and personal assessments of Members Learning and Development needs.

9.2 They had similarly congratulated the Council for gaining Charter Status in Member Development in 2009 and Charter Plus accreditation in October 2012. The Council had just been assessed for re-accreditation at the Charter-Plus level and had again achieved this level. The award was received in July 2016.

9.3 The feedback from South West Councils in this latest 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'.

9.4 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.

- 9.5 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.
- 9.6 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.
- 9.7 The Panel were also supportive of 'exit interviews' which took place as part of the learning and development evaluation procedure, usually just before elections, and also provided important information and feedback on issues such as allowances and whether the allowances had any bearing on a members decision not to stand again. The induction planning process for 2017 already has plans to interview a number of Councillors (cross party, women, younger councillors and also differing lengths of service) who have indicated their intention to stand down.
- 9.8 Whilst the Panel are not advocating performance management by officers, the Council does use self assessment tools as part of its learning and development programme, but this is not mandatory.

10.0 Other Issues Considered by the Panel

- 10.1 **Peer Challenge** – The Panel heard this had taken place week of 26th September 2016 and was seen by the Council as a valuable exercise in helping improve the way it operated. The full report was made available to the Council in October 2016, but initial feedback from the challenge cited a number of achievements, delivered against a backdrop of continuing financial pressures.

The team had said they saw 'pockets of brilliance', and that the Council had been a resilient, stable and reliable presence through a difficult period.

The report said that 'The challenge moving forward was to make the most of all existing and potential resources to drive a new leadership approach, encourage more empowerment and autonomy across the organisation and embark on more innovative ways of working with partners and communities. Part of this was a new leadership team and a re-vitalised 'one council' approach, together with the systems thinking transformation programme'.

- 10.2 **Councillor Commission Research** - The Panel received a briefing note on 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).

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) would be contributing to the Commission’s work.

The timetable was originally from January to August 2016 for the collection of evidence through formal written submissions and workshops with councillors and other interested parties, although the timetable changed in that the deadline for submissions was extended and the final report would not be published until 2017.

- 10.3 **County Council Elections** – The Panel were mindful that the County Council Elections for all 60 seats would take place in May 2017 and that there could be any number of changes, including a new administration, changes in political groups, changes to the Committee Structures, which might have an impact on the numbers of SRA payments and or Cabinet Member remits. As of yet, this was all unknown.

11.0 Summary, Conclusions and Recommendations

- 11.1 To summarise, the Allowance Scheme for Devon still appears fit for purpose and in line with other similar Authorities.

- 11.2 The Panel have conducted a wide ranging review, with particular focus on inter-authority comparisons. They have further given consideration to the usual benchmarking data, organisational structures, Boundary Commission reviews, Cabinet Member Remits and new and forthcoming legislation, amongst other things.

- 11.3 The Panel make the following conclusions and recommendations;

(a) that the structure of the current scheme, including the amounts, the multipliers and relativities were carefully thought out, especially in trying to allow and encourage people from all backgrounds to become councillors. Careful consideration should be given, in the future, to the levels of allowances to ensure they keep pace with the economy generally;

(b) that following the demise of the LGA Median Wage and the difficulty of determining an alternative benchmark, the Council notes the Panels view that, in the current climate, the scheme is fit for purpose with sound principles and

is commended to the Council, notwithstanding the allowances levels needing to be kept under close scrutiny;

(c) that the previously sustained reduction in the number of SRA's was welcomed and the Panel recommend that the levels be kept below the 50% threshold;

(d) that the Panel keep a watching brief on the Boundary Commission Review and also the Devolution Agenda to assess any impact on allowances.

(e) that the Panel feel the current procedures for performance management could be strengthened and therefore ask that Group Leaders take a robust approach to the performance management of their Members.

(f) that the Panel recognise the difficulties in attracting high calibre, younger Councillors to the role and, as such, recommend the following changes to the scheme for the new Council (from May 2017). See Appendix 2 for revised scheme, multipliers and amounts.

- (i) A revised Basic Allowance of £12,360 (which includes the 1% pay award for 2017/2018) and the multipliers re-calculated accordingly;
- (ii) An increase to the role of the Scrutiny Chairs from a multiplier of 0.73 to that of 0.75;
- (iii) That the Group Leaders SRA's be amended as follows.....
 - 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); and
 - A multiplier of 0.25 for groups of less than 10% (2-5 Members)
- (iv) that, should the Elections in 2017 result in a hung Council, the Panel would like to see all Group Leaders Allowances revisited, in light of all Group Leaders then becoming high level decision makers.
- (v) that, if the Council make any major structural changes after the Elections, for example, Committee Structure, then the Panel would like to revisit their recommendations in light of this.

Recommended Allowances from May 2017

(2016 Report Recommendations)

<u>Role</u>	<u>Multiplier</u>	<u>Amount</u>
Basic	N/A	£12,360
Leader	2.5	£30,900
Deputy	2.0	£24,720
Cabinet	1.5	£18,540
Chair Scrutiny	0.73 0.75	£9,270
Vice Chair Scrutiny	0.365 0.25	£3,090
Chairman of Council	0.8	£9,888
Vice-Chair of Council	0.2785	£3,442
Chairman – Development	0.5	£6,180
Vice Chairman – Development	0.25	
Chairman, Appeals	0.25	£3,090
Chairman, Investment / Pension	0.25	£3,090
Chairman, Farms Estate	0.25	£3,090
Chairman, Public Rights of Way	0.25	£3,090
Chairman, Procedures	0.25	£3,090
Chairman , Standards	0.25	£3,090
Chairman, Audit	0.25	£3,090
Leader, LD	0.5 1.0	£12,360
Leader, Labour	0.5 1.0	£12,360
Leader, Independent	0.25 0.5	£6,180
Leader UKIP	0.25 0.5	£6,180

Recommended Allowances from May 2017

(2017 Recommendations)

<u>Role</u>	<u>Multiplier</u>	<u>Amount</u>
Basic	N/A	£12,360
Leader	2.5	£30,900
Deputy	2.0	£24,720
Cabinet	1.5	£18,540
Chair Scrutiny	0.73 0.75	£9,270
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Chairman, Public Rights of Way	0.25	£3,090
Chairman, Procedures	0.25	£3,090
Chairman , Standards	0.25	£3,090
Chairman, Audit	0.25	£3,090
*Leader, LD (10)	0.5	£6,180
*Leader, Labour (7)	0.5	£6,180
*Leader, Independent (3)	0.25	£3,090
*Leader UKIP (4)	0.25	£3,090

* 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)