

REVIEW OF MEMBERS **ALLOWANCES**

Independent
Remuneration Panel

FEBRUARY 2016

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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. For last year's review (2015 report), 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 2015) 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 detailed work of the Panel in this respect (see paragraphs 5.6 - 5.8), evidencing and demonstrating the appropriateness of the original calculations;

(c) that, in the current climate, and in light of (b), 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;

(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 if the Staff Award is agreed (as outlined at appendix 1), then Councillors should receive an uplift to the Basic Allowance of 1.76% (calculated as a proportion of the staff pay award which was 2.2% over 24 months), rather than a further freeze. This would make the Basic Allowance £11,163 and the multipliers recalculated accordingly;

(f) that the Council note, in light of (e), the Panel are not recommending a rise to the levels they think appropriate (which would be between £11,396 plus 1.76% and £12,117 plus 1.76%) as demonstrated at paragraphs 2.7 and 5.8. This is due to their understanding of the financial position of the Council, but nonetheless the Panel recommend the Council consider the potential effects of attracting high calibre candidates if the allowances do not keep pace;

(g) that the Council considers approval of the revised wording to the Carers Allowance, as outlined at appendix 3, which increases the minimum amounts claimable and also allows the reimbursement of 'reasonable costs' from an accredited nursery;

(h) that in line with recommendation (g), the Councils election literature, both electronic and leaflet information promotes the available childcare / carers assistance available, as outlined within the scheme;

(i) 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.

(j) that the Panel reiterate its concerns regarding potential new roles for IRP's, as outlined at paragraph 3.0. The views of the network are reinforced in that many Panel members do not, at present, have adequate training or indeed knowledge to carry out this role effectively.

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 wishes to also pay tribute to the work of former Panel member Patrick Egan who stepped down from the Panel earlier in the year and sadly passed away in October 2015.

1.6 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).

1.7 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 8th September 2015) to keep abreast of events and changes affecting the Council such as organisational restructure, budgetary issues and constraints and Cabinet Member remits.

1.8 The Panel met on 9 April 2015, 10 June 2015 (also meeting with group leaders on the same day) 12 October 2015 and 15 December 2015 to consider events since the last Panel report, the national context, legislative changes, Boundary Commission review, comparisons with other authorities, benchmarking data (CIPFA 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.

<u>Date</u>	<u>Action</u>
9 th April 2015	Panel Meeting
9 th June 2015	IRP Panel Chairs & Advisers, attended by K Strahan & B Tanner
10 th June 2015	Panel meeting – with Group Leaders
8 th September 2015	Panel Chair to meet Leader of the Council
12 th October 2015	Panel Meeting
Nov / Dec 2015	Draft final report
15 th December 2015	Panel Meeting to consider draft of final report
January 2016	Finalise report based on panel comments
22 January 2016	Final Report for dispatch with Procedures papers
9 February 2016	Procedures Committee
18 February 2016	Council meeting - Consideration of Panel recommendations alongside the budget for 2016/2017.

2.0 Events Since the Panel's Last Report

- 2.1 On a national level, there has been a sixth 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 Budget papers previously showed that the Council had to make cuts of £54.6m during 2011/12, £20.6m for 2012/13, £23.3m for 2013/14 and cuts of £28m for 2014/2015. This resulted in large reductions of staffing levels and cuts to current levels of service provision. The budget for 2015/2016 showed reductions of £30m and the forecast for 2016/2017 was expected to show

required savings of a further £27m. In addition, the Chancellor of the Exchequer had alluded to an additional £10m of cuts that might be applied to the Council.

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 In summary, on a local level, cuts have been (and are anticipated) as follows;

2011/2012 – reductions of £54.6m

2012/2013 – reductions of £20.6m

2013/2014 – reductions of £23.3m

2014/2015 – reductions of £28m

2015/2016 – expected reductions of £30m

2016/2017 – expected reductions of £27m

2.5 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.

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 SCP were awarded higher percentage rises). The proposals for the staff 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 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 delivery service which sees a move towards an operating model of 'mutuals' and 'trusts'.

2.8 The Leader of the Council is about to commence the 'Tough Choices' events across the County in preparation for the 2016/2017 budget. This outlined that over the past five years the County Council has, in fact, saved in the region of £180m. New Government spending targets mean that a further £110m of savings are likely to be needed over the next 4 years.

2.9 There is an additional pressure of a significant overspend in Childrens Services, which could be in the region of £10m. 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.

2.10 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 current day..... assuming 1% in 2016/2017) 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	£12,238
Leader	£25,000 (fixed)	£30,595
Cabinet Member	£16,455	£18,357
Scrutiny Chair	£ 8,000	£ 9,179
Committee Chairman	£ 2,743	£ 3,060

2.11 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%.

2.12 The current figure in relation to the percentage of Members receiving an SRA payment is 47%. Last year, the figure was 45%. This small increase was due to one Councillor holding 2 SRA positions for the previous year, yet only being in receipt of one SRA payment (in line with the scheme). There is no increase in actual roles that attract an SRA payment.

3.0 Annual Meeting of Chairs and Advisers

3.1 In June 2015, there was the annual meeting of IRP chairs and advisers (attended by both the Chair and Panel adviser (Karen Strahan). This was well attended and there were no immediate points of concern for Devon, but issues raised included;

3.2 **New Roles for IRP's** – an update that DCLG had taken a step back from the suggestion of using IRP Panel Members for senior officer discipline Panels. This was welcome news and the group had previously made representations that the IRP members had not been trained to undertake this role. The revised proposals were that the Independent Persons appointed under the Localism Act would undertake this role.

3.3 **Online guidance** – the guidance documentation had been updated and was available on South West Councils website. The document was considered in full by the Panel at its meeting on 12 October 2015.
http://www.swcouncils.gov.uk/media/SWLGA/Ourwork/Members%20Allowance%20Analysis/Guidance_Final.pdf

Attendees also note that the annual survey data would be updated within the next 2 / 3 months.

3.4 **Approved Duties** – the newly formed IRP for Somerset County / Mendip, Taunton Deane and West Somerset had agreed a list of approved duties. Attendees agreed this was a helpful reminder and the Panel, at their meeting in October 2015, considered Devon’s guidance which appeared to be line with that advice.

3.5 **Pension Board** – questions were asked about new Pension Boards and whether the role of Chairman was part of the allowances scheme etc. The Boards had been established, as a statutory requirement, to assist the Administering Authority (the County Council) for the Devon Pension Fund (LGPS) Fund in securing compliance with any Legislation and Statutory Regulation relating to the governance and administration of the Local Government Pension Scheme or any requirements imposed by the Regulator in relation thereto, to ensure the effective and efficient governance and administration of the LGPS. The Panel considered the Councils Standing Orders in relation to the Pension Board and noted that the Chairman and Vice-Chairman of the Devon Pension Board were elected at the first meeting of the Board (after the Annual Meeting of the County Council) and, thereafter annually, from among the membership of each Board. The Pension Board met twice a year and comprised 2 Councillor representatives, 2 fund employer representatives, 4 fund member representatives and a non-voting independent member. In terms of allowances / remuneration, the administering authority is given power under regulation 106(6) of the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 to ‘*determine the procedures applicable to a local pension board, including as to the establishment of sub-committees, formation of joint committees and payment of expenses*’. A fee is paid to the independent member of the Committee in line with the allowance agreed for independent members of the Devon County Council Standards Board (no allowances are paid to other members, but expenses can be claimed in line with agreed expenses rates).

3.6 **Local Authority Responsibility for Publicity** – Delegates asked how Local Authorities promoted Panel reports, for example notices, websites, newspapers etc and what such notices should contain.

Many authorities simply ‘published’ on their website, including the notice, however Devon still put a notice in the paper, as this was quite clear in the legislation and it was also an issue commented upon by an internal audit of the process.

3.7 **Methods of recording Activity** – This was raised by the Chair, asking what had proved effective and what didn’t deliver in terms of questionnaires etc.

It appeared this was a problem that no one had successfully solved, but it was felt there was a need to tease out the SRA / backbencher roles separately (which Devon did in the last questionnaire undertaken).

3.8 **Staff Pay Rises and Members Allowances** – the question was asked how many Authorities used the staff pay rise as an indicator / index for Members Allowances rises. It was clear that many did since the demise of the LGA median wage comparator.

One suggestion made was that the budget for members' allowances was increased by the percentage of the staff pay rise and Panel Members worked within this threshold, for example, if the budget was £750,000, the staff pay rise was 1%, the Panel would make recommendations for rises that did not exceed £7,500.

The Panel felt that they should make recommendations that were appropriate and budgets were a matter for the Council rather than the Panel, even though Panel members were mindful of the current budgetary constraints.

- 3.9 **Parish and Town Council Allowances** – delegates asked what approaches Councils took in respect of considering these allowances. The Panel felt this was more of an issue for Districts and it was confirmed that the County had never had an approach in this respect.
- 3.10 **Boundary Changes** – one Authority (North Somerset) reported the drastic reduction in the number of Councillors and asked whether any experiences could be shared. Whilst no-one could comment at the meeting, it was reported and acknowledged by the Panel that the current review of Devon County Councils boundaries was unlikely to see a large reduction in numbers of Councillors (the current proposals were to have 2 fewer Councillors, although final recommendations won't be known until January).
- 3.11 **Role Descriptions** – it was asked whether Local Authorities had role descriptions for Members. The Panel noted at a later meeting that the Council had a simple role description in the Constitution, but also used a skills framework as part of the Member Development work, which focused on separate roles such as a committee chair, cabinet member, group leader etc.
- 3.12 **Exit Surveys** – the majority of attendees felt these were useful and some excellent data / knowledge could be achieved from them. Devon usually carried these out approaching elections with outgoing Councillors.
- 3.13 **Council Chairs and Vice Chairs** – Graham Russell asked for clarification from Authorities as to whether these roles were within the scheme and whether Panels valued the responsibility level. It was confirmed that Devon paid an SRA for both the Chairman and Vice Chairman role, recognising the value of this important ambassadorial role.

4.0 Meeting with Group Leaders (10 June 2015)

- 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.
- 4.2 A meeting was arranged for 10 June 2015 where the Panel discussed the Boundary Commission Consultation and also obtained feedback on the current scheme.

4.3 **Boundary Commission Consultation** – The Panel noted that the Commission had published its draft proposals for the future boundaries of County Council electoral divisions. An eight-week public consultation on the recommendations ended on 6 July 2015 and the consultation was open to anyone who wanted to have their say on new county council electoral divisions, division boundaries and division names across Devon.

4.4 The Commission's draft recommendations were proposing that the Council should have 60 County Councillors in the future, two fewer than the current arrangements. The recommendations also outlined how those Councillors should represent 56 single-member divisions and two two-member divisions (Exmouth and Broadclyst) across the county.

4.5 There was some concern over the two-member division and the impact on workload and how such a workload might be shared. The Panel agreed to keep a watching brief on the issue to assess any impact on allowances.

*Note: Following the anticipated recommendations being received by the end of September on the new electoral boundaries, the Commission **delayed** doing so pending a further limited period of consultation on its proposals for North Devon. Recommendations were expected in January 2016.*

4.6 **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.

The general view was the scheme was fit for purpose, but a couple of suggestions were made for the Panel to explore which included;

- ensuring that group leaders (smaller political groups) were represented within the scheme with a modest SRA (*Note: this was checked and leaders of both the Independent Group and UKIP were represented within the scheme*);
- the potential for deferred rises, for example, making a recommendation for a rise for a new Council / administration;
- the potential for a small pot of money for groups, to use for training purposes, as similar to the model used at BANES Council; and
- to ensure that comparisons with nearby Local Authorities and similar Local Authorities in other parts of the Country are used within the final report to get a benchmark.

5.0 **Devolution Agenda**

5.1 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.

- 5.2 The agreed key local themes were economic growth, health, social care and wellbeing, and infrastructure and local resilience.
- 5.3 In terms of a timeline, theme groups were developing and refining the draft chapters which would be passed to the Programme Management Office to be compiled into a single draft bid. The single draft bid was distributed to partners for comment in late November with amendments being made up until 18th December which was the date for formal submission of devolution bid to Government. The Panel noted that the issue was discussed at the Council meeting on 10 December 2015 and welcomed the ongoing work towards achieving a successful outcome.
- 5.4 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.

6.0 Comparisons and Benchmarking

- 6.1 The Panel considered **Graham Russell's annual survey**. Analysis showed that Devon was in line with many other like authorities and had also made the decision to freeze allowances, in line with the staff position and many other authorities. Mr Russell, at the annual meeting of Chairs and Advisers, invited comments on matters for inclusion in next year's survey.
- 6.2 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.
- 6.3 The Panel, last year, 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.

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

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

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

- 6.5 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.

- 6.6 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.

- 6.7 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 also noted the negative press coverage in recent years from those authorities who had increased their allowances. Only last year Cornwall Council were in the press and they reversed an original decision to increase last year.
<http://www.bbc.co.uk/news/uk-england-cornwall-21440830>

- 6.8 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.

- 6.9 The Panel as part of this review wanted to undertake investigation into the benchmarking and work loads of several SRA positions including Scrutiny Chairs and Vice Chairs as well as the role of Vice Chairman of Development Management and Vice Chairman of the Council.

- 6.10 They further wished to give consideration to levels of SRA's for opposition leaders and whether any enhancement was required. The Panel also wished to review the situation should the composition / size of political groupings change significantly in the future.

- 6.11 In relation to Scrutiny Chairs, the original multiplier proposed by the Panel in 2003 was x 2, but the Council agreed on a multiplier of x 1 for the role. This remained the case until June 2009 when the multiplier was reduced to 0.73 (or a flat fee of £8,000).

In relation to comparison to other Authorities, the remuneration for the Scrutiny Chair role differs considerably, ranging from £2,700 for a District Council Executive up to £20,027 for a Unitary Executive.

However, that is not a helpful comparison and the Panel felt it made sense to analyse Shire Counties for a better baseline to be made. The allowances are shown below.

Dorset	£10,641
Devon	£ 8,000
Gloucestershire	£ 5,460
Somerset	£ 5,291

Scrutiny Committees are able to dictate and arrange their own workload, including the establishment of Task Groups. These Task Groups are not necessarily chaired by the Scrutiny Chairman, but could be any interested Member, the same principle being applied to the membership of that Task Group. This is work for which no SRA payment is made.

The work load of a Scrutiny Chair is exceptionally hard to define, given the Committees can and do, to a degree, set their own agendas. In addition, there can be peaks and troughs during the process, for example the Panel noted that the recent Ofsted inspection in Devon created a peak in demand for the Chairman of Peoples Scrutiny.

Recommendation; *In light of the development and consolidation of the role of a Scrutiny Chair, the Panel recommend a multiplier of 0.75 rather than the current 0.73 (from 2017).*

6.12 In relation to comparison to other Authorities, the remuneration for the Scrutiny Vice-Chair role, again, differs considerably, ranging from £685 (4th Option) up to £4,708 for a District Executive.

In terms of the Shire Counties, the figures are shown below.

Devon	£4,000
Somerset	£1,058
Dorset	£0
Gloucestershire	£0

It was also notable that some Authorities paid no SRA for the role. Again, it is very difficult to quantify the role, but in light of the peak work load for Peoples Services Scrutiny, the Vice-Chairman of the Peoples Scrutiny had an increased workload as well as the Chairman.

The Panel undertook further research, analysing whether 'similar' Local Authorities from other parts of the country paid an SRA for this role. This showed that out of 17 other Shire Counties / Similar Authorities, 6 paid an SRA for this role ranging from £7,021 (Nottinghamshire) down to £1,052 for Cornwall. Eleven authorities paid no allowance at all. The majority of those that paid an SRA, the figure was generally between £1,544 and £3,477.

Recommendation: In light of the majority of Councils not paying an SRA for this role, the Panel are clear they don't want to detract from the excellent work undertaken by Scrutiny and the good support given by Vice-Chairmen of Scrutiny Committees. Having said that, the comparative figures demonstrate the current level of SRA is higher than the average and therefore recommend a reduced multiplier of 0.25 rather than the current 0.365 (from 2017).

- 6.13 The Vice-Chairman of Development Management is unusual as it is one of the few regulatory committees in Devon for which an SRA is paid to the Vice-Chairman. The remuneration for this role ranges from Nil (for several authorities) up to £5,008 for a Unitary Executive.

In terms of the Shire Counties, the figures are shown below.

Devon	£2,743
Somerset	£0
Dorset	£0
Gloucestershire	£0

The Panel were interested in assessing the workload of the Vice-Chairman of the Development Management Committee and, on the basis of how the current Committee operated, there was no significantly greater role for the Vice-Chairman when compared to any other Committee Member, other than the normal workload in the Chairman's absence.

Recommendation: In light of Devon being the only South West Shire County paying an SRA for this role, the Panel recommend the SRA for Vice-Chairman of the Development Management Committee is removed from the scheme (from 2017).

- 6.14 The Vice Chairman of the Council again had a range of SRA payments for the role. The remuneration ranges from £824 (District Council) up to £5,095 for a Shire County. Some Authorities did not list a payment, which could be interpreted as paying nil or that the role was not recognised as one that attracted an SRA.

In terms of the Shire Counties, the figures are shown below.

Dorset	£3,192
Devon	£3,055
Gloucestershire	£2,730
Somerset	£1,058

The Vice Chairman of the Council in Devon plays a full role in civic duties, therefore a crucial role in both responsibility and time. The role of Chairman of the Council can be a heavy work load and there are inevitable clashes of events. The Vice Chairman of the Council regularly deputises during the term of office at various civic events.

Recommendation: that the SRA for the role of Vice Chairman of the Council remains unchanged.

6.15 Leaders of Political Groups – In Devon, all Leaders of Political Groups are currently paid an SRA, ranging in value from £25,000 for the Leader (fixed rate), £5,485 for the Leaders of both Labour and Liberal Democrat Groups (7 and 9 Members respectively) and £2,743 for the Leaders of both the UKIP and Independent Groups (4 members in each Group). The latter decided to use the SRA to fund attendance at conferences rather than a payment to one member.

Up until 2013, there had been an SRA for Shadow Leader, but following the elections there wasn't a clear one party opposition, hence the Council made the decision to amend the scheme to reflect all Political Groups and pay an SRA more commensurate with the group sizing.

In terms of comparisons with Shire Counties, the position is outlined below.

	Leader	Deputy Leader	Group Leader
Devon	25,000 (fixed)*	20,000 (fixed)*	5,485 (Lab-7) 5,485 (LD-9) 2,743 (UKIP-4) 2,743 (Ind-4)
Dorset	31,923	15,961	5,321 (minority parties) **
Somerset	31,743	18,930	9,523 (opposition) 1,058 (opposition deputy) 1,058 (Ind/Lab/UKIP)
Gloucester	27,300	Not stated	5,850 (LD-14) 5,850 (Lab-9) 3,510 (UKIP-3) 2,340 (Ind-2)

* Fixed for Leader and Deputy Leader at their request

** Minority Parties must have a minimum of 10% of Council seats for that Leader to receive an SRA

Recommendation: that the work load of Group Leaders is significant and the Panel feel the current SRA's do not reflect that accordingly. The Panel wish to redress this and recommend an SRA multiplier of x 1 for groups that have seats in excess of 10% of the Council size (currently that would mean more than 6 Members). For Groups of less than 10% of the Council size, the SRA should be multiplier of x 0.5 (from 2017).

6.16 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.

7.0 National Census of Local Authority Councillors 2013

7.1 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 and results made available to the Panel in July 2014.

7.2 Whilst this was considered by the Panel in 2014, the survey results are the latest available nationally so it is appropriate to include the analysis as part of this years report also.

7.2 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 7 are national averages and taken from the actual report.

7.3 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.

7.4 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.

7.5 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, 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%).

7.6 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.

7.7 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%)

8.0 Member Development Charter Status Plus

8.1 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.

8.2 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 started the assessment process for re-accreditation at the Charter Plus level. This would be submitted early in the New Year.

8.3 The feedback from South West Councils at the last assessment had said there were a number of areas of excellent practice in Devon. 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. We believe that this ethos remains in place, despite budgetary and other pressures on Councillors.

8.4 Whilst the Panel feel the County and its members embrace 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.

- 8.5 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. This stance was reinforced at the discussion held at the annual meeting of Chairs and their advisers.
- 8.6 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.

9.0 Other Issues Considered by the Panel

- 9.1 **Dismissing Statutory Officers** – The Panel heard that DCLG had written to a limited number of stakeholders seeking their views on draft Amendment Regulations that would remove the requirement for a Designated Independent Person (DIP) to investigate allegations of misconduct by senior local government officers in England. It was proposed, at that time, to compose the Panel drawn from members of the Council's Independent Remuneration Panel.
- 9.2 This was raised at last years annual meeting of Chairs and their Advisers (as mentioned earlier) and members highlighted a number of concerns on the proposals. Representations were made accordingly. Concerns were made about the skills set of the panel members, and the detailed prescription about how the panel might operate.
- 9.3 At the Panels meeting in April 2015, they welcomed the news that Government had accepted the feedback and the legislation now in place acknowledged that the Independent Persons appointed under s.28(7) of the Localism Act 2011 would be better placed than members of the IRP to fulfil the role of the proposed new panel, given that their role related to the consideration of disciplinary matters.
- 9.4 **Claims Processes** – Panel members reiterated the Internal Audit Report on the organisation and management of the Members' Allowances scheme and the administration of systems. The report advised that systems were of a 'Good Standard', with systems and controls generally mitigating the risks.

In the same vein, the Panel heard about the new electronic claims system which Members are able to use (in the same way that staff can claim back any incurred expenses). The various control mechanisms for this were explained and the Panel confirmed they were satisfied with the audit arrangements in place for claims.

- 9.5 **New Guidance Documentation for Independent Remuneration Panels** – The new allowances guidance documentation which was available on South

West Councils website was reviewed by Panel Members at their meeting in October 2015. The Panel felt the guidance was helpful and very thorough and they were pleased to see the issue of 'Twin-hatted' Councillors raised, as this had been discussed many times by the Panel.

The Chairman confirmed it had been a subject raised numerous times and also at the annual meeting of the Chairs and advisers. To date there had been no national guidance, despite various representations being made.

As outlined in the guidance, the Panel were aware of those councillors who served on more than one public authority and were also clear as to the capacity of members to perform in more than one remunerated role.

The guidance could be found here;

http://www.swcouncils.gov.uk/media/SWLGA/Ourwork/Members%20Allowance%20Analysis/Guidance_Final.pdf

10.0 Summary, Conclusions and Recommendations

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

10.2 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.

10.3 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 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.

BMT/HM/BH
February 2016

Recommended Allowances from May 2017

<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