

**MID DEVON DISTRICT COUNCIL
INDEPENDENT REMUNERATION PANEL**

**REPORT ON MEMBERS' ALLOWANCES
1 APRIL 2022 - 31 MARCH 2023**

Executive Summary

The Independent Remuneration Panel recommends to full Council that the Members' Allowances Scheme remain as currently provided, subject to the following amendments which shall apply from 2022/23:

- (a) Removal of IT Allowance of £150 per annum;
- (b) Increase of Basic Allowance by £150 to £5402.70 per annum (existing inflationary increases as outlined in the current policy still applying);
- (c) The existing SRA multipliers remain, but the amounts payable be rounded up / down to the nearest pound; and
- (d) Inclusion of a Parental Leave Policy as set out in paragraph 3.17 of this report.

1. INTRODUCTION

- 1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to the recommendations of an independent panel in agreeing allowances paid to councillors.
- 1.2 Mid Devon District Council's Independent Remuneration Panel ("the IRP") consists of Jeremy Filmer-Bennett, Marianne Hulland and Karen Stone (Panel Chair) all of whom have considerable experience of undertaking reviews for the Council on the matter of Member Allowances. The IRP was supported by the District Solicitor and a Member Services Officer.
- 1.3 This reports sets out the findings, conclusions and recommendations of the IRP concerning Member Allowances for April 2022 to March 2023 which convened in October to November 2021.

2. EVIDENCE & FINDINGS

- 2.1 The Panel has received a range of information which it has considered as part of its review including:

- The South West Councils' survey detailing the allowances paid to councillors in similar local authorities across the South West;
- The previous IRP report;
- The current Scheme of Members' Allowances;
- Examples of parental leave policies (in particular from Devon County Council and East Devon District Council);
- Feedback from Members;
- New guidance on reviewing the Basic Allowance formula;
- Changes to working practices at the Council concerning remote / hybrid meetings;
- An update on the outcome of the 2019 – 2021 Governance Review at MDDC; and
- HMRC guidance regarding the use of electric vehicles.

2.2 In response to the Member consultation on the current allowances scheme, four Members provided feedback. Noting the limited response from the 42 councillors consulted but recognising it was difficult for councillors to advocate changes to the allowances which would benefit them, the Panel requests that more Members participate in next year's review as that will set the scheme of allowances for the new Council to be elected in May 2023. In the meantime the IRP conveys it thanks to those that responded to the recent consultation.

2.3 Although some of the consultee responses are outside of the remit of the Panel's work, the key points which were made comprise:

- Recruitment of persons to stand as district councillors who were interested in dealing with the vast array of local government work was difficult, the trend being generally for people's interest in standing being driven by single localised issues;
- The pressures facing Members in having to deal with personalised attacks on social media often did not assist with encouraging individuals to stand;
- The amount of work undertaken by councillors was increasing given central government was placing more responsibility on local councils to service their own areas;
- The level of responsibility resting on Members' shoulders as budgets had decreased, was continuing to rise;
- Since the lock down there tended to be more emails and meetings (albeit remote ones) to attend;
- The amount of work and complexity of work varied between committees and PDGs and also affected the workload of relevant Chairs; and
- The inappropriateness of increasing allowances given budget constraints.

2.4 The IRP recognises the general rise, nationally as well as locally, of pressure on councillors and the ever increasing demand upon councillors' time in a social media world and the expectation on Members at times (if not usually) to provide an 'instant answer'. The

increase appears to be continuing year on year rather than abating or flattening out. Nevertheless, the position remains that nationally councillors' work is viewed as vocational and that is reflected in the approach to allowances paid. Until there is a change in the extent of the vocational degree of councillors' work, the allowances paid will continue to fall significantly short of national or local average salaries and will not reflect the amount of time and effort which many councillors commit to representing their communities. It is a matter for councillors across the country, possibly through their groups and at a national level to highlight how this gap may in practice prevent more individuals from standing for election and adversely affect the demographics of council membership.

2.5 Allowance levels have not changed significantly since the overhaul of allowances two decades ago following the introduction of executive styles of decision making. However, recent guidance published by South West Councils, entitled '*The Legal and Guidance Framework relating to Allowances*' is noted by the IRP as advocating an updated approach to allowances, including the Basic Allowance based on the following formula:

- Average no. of council work related hours per week undertaken by councillors;
- Multiplied by the average gross hourly earnings for a full time employee in the district; and
- Minus the public service discount (35%).

2.6 In order to provide the data for the first part of this formula all or a selected sample of councillors would need to undertake a structured time management exercise. Further, before applying it to Mid Devon District Council, it would be useful if there was agreement to apply the formula at a county / south regional level if not nationally, as part of a fundamental review (within the confines of council budgets generally) on allowances.

2.7 It is considered that such a formula would provide a better means of setting the allowance for councillors across the region and country generally, rather than simply inflationary increases (or not) being applied year on year. Subject to some survey work being undertaken by the Council in 2022 and as part of a wider range of measures to attract candidates for local elections about which concerns were expressed in the member consultation, it is considered that the formula could be usefully applied as part of the autumn 2022 Members' Allowances review in advance of submission of nominations for the full Council elections in May 2023.

2.8 The Panel also notes that since its last review, the Executive (Leader and Cabinet) style of decision making has remained in place following the conclusion of the Council's Corporate Governance Review and work is being undertaken by Members (and in particular chairpersons) to streamline and strengthen the scrutiny and policy development

functions of the Council as a result of the review. Similarly, further work to streamline the planning committee's workload (which workload had been significant in recent months) is also being commenced. Whilst concerns have been expressed in the Member feedback particularly about increases in scrutiny and planning workloads, in view of the 'work in progress', it would be more appropriate to reconsider the matter of allowances once the relevant efficiencies and areas of focus affecting Members have been identified and trialled.

- 2.9 It is noted that Members have had to work differently as a result of the pandemic and whilst they have, since May 2021, returned to 'in person' decision making meetings, central government is being encouraged to bring local government in England in line with that applicable in Wales and Scotland to allow virtual meetings. Further, it is noted that the level of responsibility has not changed significantly over 2021 and further non-decision making meetings are still largely remote, therefore reducing travelling time when compared to the pre-pandemic position.
- 2.10 The IRP notes that the use of digital devices (not least because of the move to remote meetings) has now become a routine and essential part of business, something which is not unique to the Council. Many local authorities no longer have a separate IT payment and for many authorities that previously did have such an allowance, the IT payment has since been subsumed into the Basic Allowance.
- 2.11 It is also noted when comparing the Council's allowances with those in its benchmarking group that the allowances for Mid Devon are generally in the middle / lower end of the ranges. It is noted that not all authorities have a separate IT allowance and the absence of such in the Basic Allowance inevitably has some impact on the Council's benchmarking position.

3. CONCLUSIONS

- 3.1 Taking account of the all the information provided, the IRP considers the various elements of the current Scheme of Allowances in this section of the report.

Basic Allowance

- 3.2 The IRP has not identified any changes since its last report, which warrant any significant increase or decrease to the Basic Allowance paid to Members. However, as it is apparent that almost all Members now rely on digital devices in order to undertake their duties, it would be sensible (to reduce unnecessary administration) to include the IT Allowance of £150 per annum as part of the Basic Allowance.
- 3.3 For the avoidance of doubt, the Panel remains of the view that the Basic Allowance should continue to be linked to any staff pay award.

Recommendations:

- (a) The IT allowance be removed from the Members Allowances Scheme; and
- (b) The current Basic Allowance of £5252.70 p.a. be increased to £5402.70 p.a. (existing inflationary increases as outlined in current policy still applying).

Special Responsibility Allowances (SRA)

3.4 The Regulations provide that SRA may be paid to those Members of the Council who have “significant additional responsibilities” over and above the generally accepted duties of a Councillor. In setting the SRAs, the Panel has in the past concluded that the best approach was to use the Basic Allowance as the starting point and then give a weighting to the role attracting the SRA which could be applied to the Basic Allowance. This is an approach applied by many authorities. The Panel remains of the view that the link between the Basic Allowance and SRA is an important one.

3.5 The Panel has made the following observations:

- At the moment there is nothing to suggest a change is needed.
- There does not appear to be any appetite for any significant changes at the current time as illustrated by the limited (9.5%) Member consultation response and budget restrictions, particularly given this mid-point of the Council term.
- Since the Basic Allowance is recommended to increase to include an IT Allowance, the weighting approach to SRA will necessarily result in a small increase to all SRAs but such will not significantly impact on the Council’s position within its council benchmarking group.
- Subject to progress in supporting the use of the new formula by other authorities, the Panel proposes that it undertakes a fundamental review of the allowances in readiness for the 2023 elections, next year.

3.6 The IRP does not consider any changes to the multipliers for SRAs is needed but given the amounts which result, suggest that the amounts payable on applying the relevant multiplier be rounded up / down to the nearest pound. As such the following levels of SRA’s until 31 March 2023 should apply (see fourth column):

Position	Weighting x Basic Allowance (BA)	SRA (based upon BA of £5402.70)	SRA to be included in the Scheme
Leader of the Council	3.00	£16208.10	£16208
Deputy Leader	1.50	£8104.05	£8104
Cabinet Member	1.25	£6753.38	£6753
Scrutiny Committee Chair	1.25	£6753.38	£6753
PDG Chair	0.75	£4052.03	£4052
Audit Committee Chair	0.75	£4052.03	£4052
Planning Committee Chair	1.25	£6753.38	£6753
Licensing/Regulatory Chair	0.25	£1350.68	£1351
Standards Chair	0.25	£1350.68	£1351
Chairman of the Council	0.50	£2701.35	£2701

- 3.7 For the avoidance of doubt, the Panel continues to take the view that Members should only be entitled to claim one SRA.

Recommendation (c): The SRA multipliers remain, but the amounts payable be rounded up / down to the nearest pound.

Chairman's Allowance

- 3.8 The Panel continues to recommend that the Chairman of the Council receive an SRA which is equivalent to 50% of the Basic Allowance.
- 3.9 For the avoidance of doubt, the separate civic budget which is for additional expenses of the Chair of Council is purely a matter for the Council and not for the IRP to make any recommendation.

Carer's Allowance

- 3.10 The IRP considers the current Carer's Allowance within the Scheme is still fit for purpose but given its limited use in practice, it may need to be advertised by the Council more widely to ensure that all councillors are aware that such an allowance is available.

Travel and Subsistence Allowances

- 3.11 Given the national 'drive' towards the use of electric cars, the Panel has considered whether an allowance which would be at lesser rate than mileage allowance for other vehicles (as well as importantly promoting green credentials) is appropriate at the current time.
- 3.12 Unfortunately, the IRP concludes that information as to the appropriate rates is sparse. To date there is no nationally recognised rate which

local authorities apply consistently, HMRC having (only) an advisory rate of 4p per mile which is not included within its scheduled rates or as part of travel reimbursement costs generally. In view of the level of such rates being unclear at the current time, the IRP does not consider it is able to recommend a specific rate. It considers it is a matter which the Council should seek to investigate further so that the IRP may review the position at its next review when more information is hopefully available.

3.13 The Panel therefore continues to recommend that reimbursement of approved mileage remain at the current rates published by HMRC which for 2021/2022 are (such figures to be amended in line with the HMRC rates as from 1 April 2022 once they are known):

- 45p per mile for the first 10,000 miles
- 25p per mile thereafter
- 5p per mile per passenger carried (up to a maximum of 4 passengers, payable to the driver)
- 20p per mile for push bikes
- 24p per mile for motorcycles

(All claims to be submitted with receipts)

3.14 The Panel does not consider any changes to the current arrangements are needed and as such subsistence allowances should remain consistent with those for employees which are amended in line with the HMRC rates as from 1 April 2022 when available. The current HMRC subsistence allowances for staff for 2021/2022 are as follows:

- Breakfast - £7.97
- Lunch - £10.99
- Tea - £4.32
- Evening meal - £13.60

(All claims to be submitted with receipts)

Councillors with Additional Needs

3.15 Again, the IRP does not consider any changes are needed to this part of the current scheme. The position remains that the IRP supports the view that if any councillors have particular needs arising due to a protected characteristic under the equalities legislation (e.g. they have a disability that prevents them using some forms of transport), the Chief Executive or Monitoring Officer be permitted to approve the payment of any additional claims or support arrangements that fall outside the scope of the scheme, to support their needs.

Additions to the Scheme: Parental Leave

- 3.16 Having noted that some authorities have parental leave policies which apply to councillors as well statutory ones which apply to staff, the IRP has considered two examples of Member Allowance Parental Leave Policies. There is currently no legal right to parental leave for Members as part of their allowance entitlements. Nevertheless, the IRP considers the inclusion of such would be consistent with a range of steps (outside of its responsibilities) which might collectively increase the opportunities for a more diverse range of individuals to stand for election. The provision of such a policy would allow for the relevant allowances to continue to be paid and / or applied for by those who would as employees usually have statutory rights.
- 3.17 The IRP proposal sets out when Members should be entitled to parental and adoption leave and the level of relevant allowances. It is similar to that applied by Devon County Council since 2019. The IRP takes this opportunity to thank Devon County Council for providing relevant information which has enabled it to adapt and recommend the following provisions for inclusion in its Member Allowances' Scheme:

Members' Parental Leave

- i. The provision covers the period of absence taken following the birth or adoption of a child. Members are still required to attend at least one meeting of the authority in any six month period¹.*
- ii. The Council may exercise its right to waive expulsion if non-presence relates to Parental Leave, constituting 'some reason approved by the authority before the expiry of that period' with prior agreement between the Councillor and the Council.*
- iii. Absences from meetings during Parental Leave will be recorded as such (not attributed to general absence).*
- iv. The Council will help ensure Members have adequate IT provision to allow them to work from home and also keep in touch while on Parental Leave and upon returning to their role.*

Leave Periods:

- v. Members giving birth / adopting through an approved adoption agency shall be entitled to take up to six months leave from the due or placement date, with the option to extend up to 52 weeks by agreement.*
- vi. Where a birth is premature, the Member is entitled to take leave during the period between the date of the birth and the due date in addition to the six months' period. Any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial six months.*
- vii. Members are entitled to take a minimum of two weeks leave if they are the biological parent or nominated carer of their partner/spouse following the birth of their child(ren).*

¹ S85 of the Local Government Act 1972

- viii. *A Member who has made Shared Parental Leave arrangements through their employment should advise the Council. The Council will endeavour to replicate such arrangements.*
- ix. *Where both parents are Members, leave may be shared up to a maximum of 24 weeks for the first six months and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks.*
- x. *Any Member taking leave should comply with the notice requirements of the Council (both when the leave starts and when they return), should respond to reasonable requests for information and keep the Council informed of intended return dates and requests for extensions.*
- xi. *Unless the Member taking leave is removed from their post at an Annual Meeting whilst on leave, or unless their Party loses control of the Council during their leave period, they shall return after their leave period to the same post, or an alternative post with equivalent status and remuneration.*
- xii. *If a Member decides not to return at the end of their leave, they must notify the Council immediately (allowances will cease from the effective resignation date). If an election is held during the leave period and they are not re-elected, or do not stand for re-election, the Basic Allowance (and any Special Responsibility Allowance) will cease from the Monday after the election date when they would technically leave office.*

Basic Allowance Entitlement:

- xiii. *The relevant Members will receive their Basic Allowance in full throughout the agreed period of leave.*

Special Responsibility Allowance Entitlement:

- xiv. *Members entitled to a Special Responsibility Allowance (SRA) will continue to receive this in full.*
- xv. *Where a replacement is appointed to cover the period of leave, that person will receive an SRA on a pro rata basis for the period of the temporary appointment.*
- xvi. *The payment of SRA's (to the primary SRA holder or replacement), shall continue for six months, until the date of the next Annual Council Meeting or the date when the Member is up for election (whichever is the earliest).*
- xvii. *At that point, the position will be reviewed, and will be subject to a possible extension for a further six-month period.*
- xviii. *Should a Member appointed to replace the Member on leave already hold an SRA position, the ordinary rules relating to one SRA payment shall apply.*

Recommendation (d): The Council include in its Allowances Scheme a shared parental leave policy as set out in paragraph 3.17 of this IRP report.

Waiving of Allowances

3.18 In line with the Regulations, as with the current scheme the IRP does not consider any change is necessary regarding the right of individual members to, by notice in writing and given to the proper officer (the Monitoring Officer), to elect to forgo any part of their entitlement to an allowance under the scheme.

Independent Remuneration Panel
15 December 2021