

NORTH DEVON COUNCIL: INDEPENDENT REMUNERATION PANEL

UPDATE REPORT ON MEMBERS' ALLOWANCES 2021/22

Introduction

1. The Local Government Act 2000 requires local authorities to make a Scheme of Allowances over which they can exercise local discretion as to the amounts being paid. Local authorities must also establish and maintain an independent Panel to make recommendations. North Devon Council agreed to the appointment of the Panel members in January 2018. The composition of the Panel is:
 - Jeremy Filmer-Bennet: former Chief Executive, Devon & Cornwall Business Council
 - Bryony Houlden (Chair) – Chief Executive of South West Councils
 - Veronica Wilson –NHS Professional (*left the Panel in November 2020 but was party to the discussions and recommendations in this Report*).
2. The Scheme of Allowances is required to be subject to a fundamental review every four years. The last fundamental review was for the year 2019/20 and was signed off by the Panel in May 2019. In the years between a fundamental review the Panel, if satisfied that the Scheme remains relevant and current, may undertake an annual 'light touch' review which can be undertaken via email sign off, this is what has taken place for the recommendations in this Report. The Panel was once again grateful for officer support from Bev Triggs for the light touch review.
3. In this light touch review the Panel considered:
 - Whether they were still satisfied that the measure for inflationary uplift remained appropriate;
 - Requests from the Council that:
 - the Panel review the special responsibility allowances for Vice-Chair of Committees, co-opted Harbour Board Members and Lead Members;
 - The Panel consider the allowance made for electric cars.

Inflationary Uplift

4. In the 2019 Report the Panel recommended: *in future years the Allowance should continue to be tied to any percentage increase agreed for NJC Local Government Staff.*

5. The Panel remains of the view that this continues to be the appropriate measure for uplifting the Basic Allowance and thereby all the Special Responsibility Allowances (SRAs) which are multiplies of the Basic. The Panel does recognise that sometimes different percentages are applied to different salary scales so have refined the recommendation as set out below:

RECOMMENDATION 1: The Basic Allowance should be uprated annually on the basis of any headline percentage increase agreed by the National Joint Council (NJC) for Local Government as the pay award for staff on the national pay scale (Green Book).

Vice-Chairs of Committees, co-opted Harbour Board Members and Lead Members

6. The Panel reviewed the additional evidence provided by officers at the request of Councillors. The Panel particularly noted the points made around the experience and expertise of some Councillors undertaking these roles. However, the Panel was clear that their assessment of Allowances has to be based on the role not the person undertaking that role.
7. The Panel would wish to reconsider these roles in their next full Review when there might be more evidence to warrant revising the current recommendation but for the moment the Panel does not find compelling evidence for change.

RECOMMENDATION 2: The SRAs for Vice- Chairs of Committees, co-opted Board Members and Lead Members should remain as recommended in the full Independent Remuneration Panel Report 2019/20.

Electric Vehicles

8. The Panel are very supportive of the use of electric vehicles. The Panel is mindful of the fact that other travel allowances are based on HMRC Rates and that to vary from these rates could bring tax liabilities. The current advisory electricity rate for fully electric cars is 4 pence per mile. Hybrid cars are treated as either petrol or diesel cars for advisory fuel rates.
9. The Panel would like to undertake more detailed work into electric cars at the next full Review when it is hoped more evidence might be found from other Council schemes, at there is very little evidence of anything other than the use of HMRC rates.

RECOMMENDATION 3: Mileage payments for fully electric cars should be made in line with the HMRC Advisory rate (currently 4p per mile).

March 2021