

**REPORT OF THE INDEPENDENT REMUNERATION PANEL (MEMBERS'
ALLOWANCES) TO NORTH DEVON DISTRICT COUNCIL**

JANUARY, 2023

Introduction

1. The Local Government Act, 2000 required local authorities to produce a Scheme in respect of councillors' allowances. Under the Local Government (Members' Allowances) (England) Regulations 2003, Councils have to set up an independent remuneration panel to make recommendations on members' allowances.
2. The Independent Remuneration Panel for North Devon has met on 3 occasions (virtually and in person for member interviews) and has examined all aspects of the current Scheme.
3. The Panel comprises:

Bryony Houlden, Chief Executive, South West Councils (Chair)
Jeremy Filmer-Bennett, former Chief Executive, Devon and Cornwall Business Council
Graham Russell, former Head of Democratic Services, Bath & North East Somerset Council
4. The Panel has explored many issues during its review. We are extremely indebted to Bev Triggs, Senior Corporate and Community Services Officer for her advice and support throughout the review period.
5. We wish also to acknowledge the time given by elected Members who took part in our survey questionnaire or who took the time to have face to face/virtual meetings with the Panel. This direct evidence has proved extremely valuable in shaping our recommendations.

Context of the Review

6. In accordance with legal requirements, the Scheme of Allowances has to be reviewed every 4 years, particularly with regard to the indexing arrangements for the Basic Allowance to which all members are entitled.
7. The Panel has considered all aspects of the Basic Allowance and the current Special Responsibility Allowances which reflect the Council's way of working since its transition from an executive Council.
8. The Panel is mindful of the forthcoming election in May 2023 and the impact the outcome may have on the way the Council operates and consequentially on member roles.

Review Methodology

9. An important part of the evidence base for the Panel was to hear directly from elected councillors in North Devon. In designing our questionnaire we were mindful of balancing the effort expended by members in completing the survey with the value of the information obtained. The returns have given the Panel a valuable insight into the time and effort expended by councillors in their duties and responsibilities to the electorate and to the Council.
10. There were many individual comments made in the returns about many aspects of the allowances scheme and about how Council business was conducted. These have been extremely useful to the Panel.
11. We have also considered comparative statistics, particularly those relating to other District Councils in the South West. As with all such information, the Panel has exercised caution in using comparator information as not all similar Councils are working in the same way and the same context, so for example, may not have the same level of involvement of members.

The Basic Allowance

12. The Basic Allowance is to be made available to all councillors at the same level of remuneration. There is no flexibility to pay different amounts to members. Members may forego all or part of their allowance.
13. The present Basic Allowance is £4,970.22 (NOTE: 2022/23 prior to uplift being adopted by Council on 11 January 2023) which is in the lowest quartile of such allowances for other District Councils in the South West region.

14. According to Government Guidance issued in 2003, the purpose of the Basic Allowance is to *“recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes”*.

15. In the context of modern local government, the Panel believes this description does not offer enough of the clarity that councillors and officers require. The Panel has identified the following as being the main aspects of a councillor’s role recognised through the Basic Allowance and has used this to inform its recommendations:
 - time and effort in conducting the local representation role;
 - use of home as an office/work base;
 - travel within the electoral ward;
 - recompense in part for the direct impact of the councillor role on their private life;
 - serving on such outside bodies to which the member may be appointed;
 - membership of the full Council and its Committees/Sub Committees/Working Groups/Task and Finish Groups/Boards and reasonable attendance at meetings of these bodies to which the member has been appointed;
 - performing a chairing or other lead role at such meetings where the time and effort involved does not equate to a chairing role for which a special responsibility is justified;
 - attendance at political group meetings;
 - making a contribution towards the effective governance, administration and performance review of the Council’s strategies, policies and service delivery;
 - attendance at a reasonable number of training and development events, including all mandatory training events;
 - IT consumables beyond those already provided by the Council.

16. **RECOMMENDATION 1: That the Council accepts the above as the principal aspects to be reflected in setting the level of the Basic Allowance.**
17. Some of the member responses to the questionnaire indicated dissatisfaction with the level of Basic Allowance which, it was claimed, did not adequately reflect the duties of a District Councillor or was not conducive to attracting councillors from all age groups and diverse backgrounds. Other members declared that the allowance was, for them, satisfactory, but recognised that it was less so for other councillors. Another factor was that self-employed councillors in some cases might find it easier to balance their Council work with employment. For other councillors, there was potentially a significant career and financial impact both short term and long term given the lack of access to pensions for councillors.
18. The Panel is aware that members' allowances were never intended to provide a salary reflecting the time commitment and all the costs of being a councillor, as indicated above. Indeed, the Government has always held the position that a proportion of the hours worked by elected councillors should be unremunerated, to reflect the public service element of the role.
19. The Panel wishes the Council to put in place a robust structure of allowances that recognises
- the heavy responsibilities and workload that North Devon councillors perform for their communities,
 - the difficulty and sensitivity for councillors in managing challenging service delivery;
 - the community's growing expectations of its councillors,
 - the potential financial barrier to people from all sectors standing for the Council, if allowances remain as they are; and
 - the difficulty and sensitivity for the Council in considering any increase at this time.
20. The Panel is not required to consider budgetary implications of their recommendations but is very aware of the difficulty and sensitivity for the Council in considering any increase in allowances at this time of austerity particularly as the Council have to vote on their own allowances. The Panel is very aware of cost-of-living pressures but note these pressures apply to Councillors as well as to the people they serve.

21. Given the low level of Basic Allowance for North Devon councillors, the Panel wishes to offer to the Council a mechanism for (a) setting an 'aspirational' figure which better reflects the present workload and responsibilities of councillors and (b) moving incrementally towards that figure.
22. With regard to (a) above, the Panel proposes a figure of £5,810. This figure is the product of applying a formula for calculating the basic allowance based on the number of hours per week spent on Council/community business (the Panel believes on average this is at least 12 x hpw); the average hourly gross pay in the North Devon area (£13.9) and a relevant percentage reduction to reflect the voluntary element of the role (33%).
23. The formula looks like this:

12 hours per week (624 per year) to fulfil Council duties
minus 33% public sector discount = 418 hours **multiplied by**
£13.9 per hour as the average gross hourly earnings in North Devon =
£5,810.
24. This formulaic approach is seen as locally relevant and a sound defensible basis for calculating the Basic Allowance for all councillors. It will, over time, put the North Devon Basic Allowance slightly above the average of all South West Districts. However, the Panel notes that other Panels are currently reviewing allowances and the average might therefore increase.
25. In recognition of the points above about the financial situation, the Panel regards the figure of £5,810 as an 'aspirational' figure which the Panel recognises the Council may not feel appropriate to move to immediately in 2023/24.
26. If the Council accepts the Panel's recommendation regarding the uplift in allowances for 2022/23, which is set out in a separate report, the allowance for 2022/23 will increase to £5,171. The Panel recognises that a one-off increase of £640 in order to move to the 'aspirational' figure is unlikely to find support at a time of financial difficulty and challenging service delivery issues to the community. Should the Panel's recommendation for the uplift in 2022/23 not be accepted by the Council and the Basic Allowance remains at £4,970, this one-off increase would clearly be higher at £840. (NOTE: The uplift was adopted by Council on 11 January 2023).

27. The Panel therefore proposes that the Council moves incrementally (i.e. a fixed amount each year) towards this aspirational figure, which in the Panel's view is a more sustainable level for the Basic Allowance. This fixed enhancement would be in addition to any staff pay awards during that period.
28. If our proposals for the 2022/23 uplift are adopted, the Panel is suggesting the following increments to achieve the 'aspirational' figure as shown below:
29. The Panel proposals, based on the current Basic Allowance, therefore would be as follows:
- 2023/24 - £5,171 + £250 = £5,421 + staff award
2024/25 - £5,421 + £250 = £5,671 + staff award
2025/26 - £5,671 + £140 = £5,811 + staff award
30. If the Council does not accept the suggested increase in 2022/23, the figures would need adjusting accordingly with the Panel recommending achieving the 'aspirational figure with increments of £250, £250 and £300 p.a. (NOTE: The uplift for 2022/23 was adopted by Council on 11 January 2023).
31. **RECOMMENDATION 2: That the Council accepts the principle of an incremental progression towards a more robust and relevant Basic Allowance;**
32. **RECOMMENDATION 3: That the Basic Allowance for 2023/24 be set at £5,421 + staff award.**
33. **RECOMMENDATION 4: That the Basic Allowance for 2024/25 and 2025/26 be as shown in paragraph 29 above, again adjusted to reflect the decision on the 2022/23 pay award.**

Special Responsibility Allowances

34. These are the allowances that are awarded to members performing key roles within the Council which have specific and significant responsibilities and/or accountabilities and/or which demand significant time and effort.

35. The Panel has applied the following principles in determining its recommendations:
- a. the Scheme currently provides for only one SRA to be claimed by a member, even if they hold more than one role that attracts a SRA – a principle that the Panel upholds and recommends should continue;
 - b. the Panel considers what the Council expects of the member role rather than any individual's approach to the role;
 - c. a councillor receiving a robust basic allowance should reasonably be expected to undertake specific roles within the Council that are not overly demanding of time or effort (e.g. the occasional chairing role).
 - d. to qualify for a SRA, the role should satisfy a number of the special characteristics shown at para 36 below;
36. In determining our recommendations on these allowances, we have looked at each member role in the context of its primary purpose, the activities related to that role (e.g. meeting officers, media management) and the special characteristics attaching to each as follows:
- Time commitment
 - Specialist skills set
 - Functional leadership (*i.e. agenda management, prioritisation of work; public interface; focus on corporate/Council objectives*)
 - Important decision making
 - Complexity of role
 - Identifiable accountability
 - Direct responsibility for important outcomes
 - Culpability in the role
 - Constitutional relevance
37. At present, special responsibility allowances are set as a multiplier of the Basic Allowance. The Panel believes this is the most appropriate way of setting SRAs with adjustments in the Basic Allowance being automatically reflected in the special responsibility allowances.
38. The Panel has looked carefully at the various roles that attract SRAs within the current Scheme. This was assisted by the direct accounts and evidence from particular councillors who held those roles. The Panel is very grateful for the helpful information provided.
39. While there are some aspects of current member roles that the Panel feels need deeper analysis, it is mindful of the forthcoming election and possible changes in the way the Council works as a result. The Panel accordingly feels

that the majority of the Scheme should remain unaltered at this time as it reflects the current way of working. However the Panel will wish to keep the situation under review post-election.

40. There is however one aspect of the Scheme that the Panel believes could benefit from some clarity and adjustment. That relates to the allowances for Group Leaders – see section below.

Group Leaders

41. At present, the Scheme provides that Group Leaders receive an allowance of £222 per group member with a minimum of £500.

42. The Panel explored the relevance of basing these allowances purely on group size and group management. Of particular interest to the Panel was the extent to which the Scheme might, or indeed should, acknowledge that all political group leaders, whether in administration or otherwise, and irrespective of size, have some role to play in the good governance of the Council. We have heard evidence relating to meetings of all group leaders on a monthly basis.

43. There may well be a view that organising political group members is purely a party political role and not one that should be remunerated through the allowances Scheme. The Panel does not accept that view, recognising the wider contribution of political group structures within local government, contributing to the effective running of the Council and the legal status of group size in determining the proportionate allocation of committee places. The Panel believes there needs to be a more equitable representation of the Group Leader governance and political group management roles within the allowances Scheme.

44. Accordingly, we propose a dual level of allowance for group leaders, whether in administration or in opposition. It is a radical approach but one in our view that better reflects our perception of the group leader role. However, if adopted, the Panel would wish to monitor this arrangement and review in light of feedback and if there is any significant change to the political control arrangements.

45. The Leader of every formally notified political group will receive the same governance element, which we have initially recommended at 10% of the Basic Allowance. In addition, each group leader will be entitled to an allowance to reflect the size of their group. This is illustrated below and is based on 42 seats in total.

Group Leader	Governance Element (10% BA for each group leader)	30+ members (100% BA)	21-30 members (75% BA)	10 – 20 members (50% BA)	5 – 9 members (25% BA)	2 to 4 members (10% BA)
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46. **RECOMMENDATION 5:** That the special responsibility allowances for Group Leaders for 2023/24 be calculated on the basis of the table shown above.

47. **RECOMMENDATION 6:** That the following special responsibility allowances remain unaltered for 2023/24, subject to the adjustment relating to the 2022/23 pay award:

Role	Allowance - £p	Multiplier of BA
Leader and Chair of Strategy and Resources	12,425.55	2.5
Deputy Leader	4,970.22	1
Chair – Planning	4,970.22	1
Chair- Licensing and Community Safety	4,970.22	1
Chair - Harbour Board	2,485.11	0.5
Chair - Governance	2,485.11	0.5
Chair – Policy Development	4,970.22	1
Chair – Appointments	-	-
Lead Members (6)	2,485.11	0.5
Parish Council co-optees to Governance Cttee	-	-
Independent Member (complaints)	200	
Co-optees on Harbour Board	200	

48. **RECOMMENDATION 7:** That the Council notes the intention of the Panel to review the above allowances once the outcome of the 2023 election, and any impact on member roles, is known.

49. **RECOMMENDATION 8:** That the Travel and Subsistence and Carers' Allowances, together with the Approved Duties to which they relate, remain unchanged within the Scheme.

Bryony Houlden, Chair of Panel