

## **REPORT TO EXECUTIVE**

Date of Meeting: 1 December 2020

## **REPORT TO COUNCIL**

Date of Meeting: 15 December 2020

Report of: Independent Remuneration Panel on Members' Allowances

Title: Members Allowances 2021/22

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

To consider the findings of the Council's Independent Remuneration Panel who had met to discuss the level of Members' Allowances for the period 2021/22.

#### **2. Recommendations:**

That the following recommendations be made to Council in respect of the Exeter City Council Members' Allowances for the period 2021/22.

That:-

- 1) the basic structure and principles of the current Members' Allowances scheme be retained for 2021/22;
- 2) the principle that any Member qualifying for more than one Special Responsibility Allowance is paid the higher allowance only, should be retained;
- 3) the Councillors' Basic and Special Responsibility Allowances including the Lord Mayor and Deputy Lord Mayor's Expenses Allowances, should be linked and updated in line with the Local Government Employers (LGE) staff pay award for the previous year (a 2.75% increase in the annual Local Staff Pay Award was awarded by the Employers side for staff which was effective for staff from April 2020), and be uplifted by this amount with effect from 1 April 2021;
- 4) the principle, that Special Responsibility Allowances be paid to no more than 50% of the overall number of councillors would be kept under review and adhered to where possible;
- 5) a new Special Responsibility Allowance be paid to the Chair of the newly formed Harbour Board;

- 6) a new Special Responsibility Allowance be paid to the Chair of the newly formed Council Housing and Development Advisory Board, but to note it will be funded from the Housing Revenue Account;
- 7) the current Dependants' Carers' Allowance scheme be maintained, with the continuation of the level of allowance matching the Living Wage of £9.30 (with effect 1 April 2020) per hour or part of (retaining the uplift of the standard rate of income tax to £11.16). However, in the case of members who need specialist care for a child or adult dependant, a higher rate, of up to £25 per hour or part thereof, can be agreed by negotiation in advance with the Corporate Manager, Democratic & Civic Support;
- 8) the sum of £50 be paid to the Independent Persons affiliated to the Audit and Governance Committee for up to four hours work, and £100 for four hours and over, payable to each of the two Independent Persons (up to a maximum of £500 per person in any one year) be retained; and
- 9) Travel and Subsistence allowances available for staff continue to apply to Exeter City Councillors, where appropriate.

### **3. Reasons for the recommendation:**

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to review and provide advice to the local authority on its scheme of Members' Allowances and in particular to recommend the allowance to be paid to Members.

### **4. What are the resource implications including non financial resources.**

- 4.1 The budget for the scheme of allowances in 2020/21 totals £391,010 and this has been included in the estimates for 2021/22. The Scheme recommended by the Independent Remuneration Panel for 2021/22 is attached to this report as an appendix. If the suggested increase above is approved, this equates to a £168 increase in the level of Basic Allowance for each Member for 2021/22.
- 4.2 The Panel noted that the proposed provision of a Special Responsibility Allowance (SRA) for the Chair of the Council Housing and Development Advisory Board will be paid from the Housing Revenue Account fund separately.
- 4.3 If the proposals contained in this report were adopted, it would add £15,412 to the budgetary requirement.

### **5. Section 151 Officer comments:**

- 5.1 The contents of the report are noted, the increase is slightly above that allowed for in the medium term financial plan owing principally to the additional allowance. As noted however this will be funded by the HRA, which will offset the cost to the General Fund.

## **6. What are the legal aspects?**

The Local Authorities (Members' Allowances) (England) Regulations 2001 and 2003 require Councils to establish and maintain an Independent Remuneration Panel to provide the local authority with advice on its scheme of Members' Allowances and recommend the amounts to be paid.

## **7. Monitoring Officer's comments:**

This report raises no issue for the Monitoring Officer.

## **8. Report details:**

- 8.1 The City Council has an established Independent Remuneration Panel, and remuneration scheme, which provides for a reasonable recompense for the time, commitment and duties involved in being a Councillor. This allows for an element of public service and also reflects the level of time which the average Councillor spends on casework, local community work and other Council work. The Panel is comprised of three representatives drawn from the business and voluntary sectors.
- 8.2 Members are reminded that in December 2017, the Council had approved the recommendations of the Council's Independent Remuneration Panel for the period 2018/19 – 2020/21. This had enabled a stepped increase of 21% in the Members' Allowances over three financial years which it felt offered a greater parity with the Council's neighbouring, and similar authorities.
- 8.3 As the period covered in paragraph 8.2 above had now come to an end, the Panel met on three separate occasions in September and October 2020 to discuss the Members' Allowances Scheme for 2021/22. Two members of the Panel also met on two further occasions to conduct a series of interviews with Members. The Panel wished to thank the support of John Street, Corporate Manager, Democratic & Civic Support and Sharon Sissons, Democratic Services Officer for their assistance in compiling the report.
- 8.4 The review process included:-
- acknowledgment of the recent changes made following the Governance Review in October 2019;
  - acknowledgement of the current roles of representatives of those Elected Members already in receipt of the SRA;
  - The governance arrangements for the newly formed Harbour Board and Council Housing and Development Advisory Board;
  - The appropriateness of an SRA for the Deputy Chair of Licensing Committee;
  - The level of Dependants' Carers Allowance, and
  - The continuation of the index of pay for the Council's Allowance Scheme.
- 8.5 As part of their research the Panel also considered the results of a survey undertaken amongst Councillors, and then two members of the Panel conducted a number of interviews with a selection of Members who had completed the survey, and who held a cross section of positions.

- 8.6 The Panel considered the range of current SRA roles and noted the recent changes made by the Leader of the Council to the responsibilities of Portfolio Holders. They also noted that the one remaining Member Champion for Equality and Diversity offered support to the Portfolio Holder for Communities and Culture.
- 8.7 The Panel was requested to consider the appropriate level of remuneration in respect of membership to two new bodies, these being the newly formed Harbour Board and the Council Housing and Development Advisory Board.
- 8.8 The Council has set up the Harbour Board, which will be made up of six elected Members and six externally appointed members, to enable Exeter City Council to meet Port Marine Safety Code Compliance. It was anticipated that three to six meetings would be held each year. The Panel discussed the role and responsibility of the Chair, and considered that the predominately advisory role should attract 25% of the Basic Allowance. The Elected Members would also be eligible for travel expenses, if any meetings were outside of the city boundary, although it was acknowledged that most meetings were now being held virtually. It was also confirmed that the six externally appointed members, would also be able to claim for any reasonable expenses incurred on Harbour Board duties.
- 8.9 The Council has also set up the Council Housing and Development Advisory Board to include leading housing professionals to improve oversight and the governance of the management and maintenance of the Council's social housing stock, as well as the Council's Social Housing Development plans. The Board would be made up of five Elected Members and six external advisors and stakeholders. The Board would report directly to the Executive as appropriate. Budget provision was also included to cover the cost of any Special Responsibility Allowance for the role of Chair. The Panel noted the level of responsibility this body would have, and consequently considered that the position of Chair, which included an element of scrutinising and an advisory role, should attract 50% of the Basic Allowance.
- 8.10 It was noted that any payments for the Council Housing and Development Advisory Board would be met by the Housing Revenue Account.
- 8.11 The Panel further confirmed that, in line with the long held convention, if the Chair of both Boards were an Elected Member who was already in receipt of an SRA, they would only receive the higher of those SRA's.
- 8.12 The Panel thought it appropriate to review the level of SRA for the Chairs of both of the Boards, a year after their operation so as to allow an assessment of the workload thereby ensuring that the allowance remained at the appropriate level.
- 8.13 A particular issue was brought to the Panel's attention, namely the consideration of a new SRA for the Deputy Chair of the Licensing Committee. The Panel considered that although an SRA had recently been agreed for the Deputy Chairs of Planning and Scrutiny Committees, these were due to the increased frequency of meetings for the Deputy Chair of the Planning Committee (and included other planning based meetings) and the presumption that Deputy Chairs of Scrutiny Committees, would chair any Task and Finish Groups which were established. It noted that whilst the Deputy Chair might participate, it was not a requirement for them to chair the meetings

of the Licensing Sub-Committee, as a Chair was elected at each meeting from the three attending Members of the Licensing Committee. As such therefore, the Panel could not recommend an SRA for the Deputy Chair of the Licensing Committee.

- 8.14 The Panel sought Members' views on the appropriateness of the Dependants' Carers Allowances which was paid to Councillors whilst on 'approved duties'. The hourly rate was linked to the Exeter Living Wage, with the current rate being £9.30 per hour (or part of) with an uplift of tax to £11.16 per hour (or part of). The Panel felt the eligibility of the Allowances was clear and the sum offered was adequate. They noted the low take-up by Members of this particular Allowance. However, it also noted that there may be circumstances where Members may have caring responsibilities which require specialist support, the cost of which would exceed that identified here. In these circumstances, it was felt that costs of up to £25 per hour (or part thereof) would be more appropriate. It was felt appropriate that in these circumstances, the Member concerned would contact the Corporate Manager, Democratic & Civic Support to seek agreement for this, and to undertake negotiation with an appropriate care provider.
- 8.15 The relevant legislation allows for a Scheme of Members' Allowances to make provision for an annual adjustment in the level of allowances by reference to an index. The Members' Allowances Scheme was reviewed in December 2017, when at that time, the Members' Allowance was set for a period of three years. This had enabled the City Council's allowance to meet parity with similar or neighbouring authorities. The Panel had also met briefly in October 2019 to support a number of changes to the positions of Elected Members. The Panel had felt it was more appropriate to agree the Members' Allowance for a period of one year until 1 April 2022, due to the ever changing and more challenging financial times, the Council and others now found themselves in, which had been exacerbated as a result of Covid -19.
- 8.16 The Panel discussed the annual adjustment by reference to an index and convention of indexing the Members' Basic Allowance to the annual pay award for staff for future years. Following some discussion on other methods of pay award multipliers, such as the monthly retail price index or consumer prices index, it was considered that a return to the indexing of the Members' Basic Allowance to mirror that of the Local Government Employers (LGE) staff previous year's pay award, would be acceptable. It was appropriate to keep this convention under review to ensure that the Members' Allowance retained parity with similar or neighbouring authorities and did not provide any barriers to becoming a Councillor.
- 8.17 To this end, it was noted that a pay award of 2.75% had been approved for staff for the financial year 2020/21, and that this should be the basis for the increase in Members' Allowances for the 2021/22 financial year.
- 8.18 The Panel was mindful that by recommending the payment of an SRA for the Harbour Board and the Council Housing and Development Advisory Board it would potentially mean that 21 of the 39 councillors (or 53%) would be receiving some form of SRA. The Panel referred to the agreed principle that no more than 50% of the councillors should receive an SRA, but acknowledged this slight encroachment into the figure should be kept under review, and acknowledged that there would potentially be a number of

Councillors who hold more than one post which would attract an SRA, which would in practice therefore reduce the actual number of SRA's paid. It was accepted though, that budgetary provision would have to be made for all SRAs to be taken by those holding only one position

- 8.19 It was noted that the Lord Mayor and Deputy Lord Mayor's allowances were governed by different legislation to those for all other allowances.
- 8.20 Finally, the Panel recognised that the work of City Councillors was constantly changing and vastly different to that of a few years ago. The Panel could see evidence from the survey returns and subsequent interviews that the dedication and involvement of Elected Members was high. The level of decisions being asked of them, together with the time commitment they need to make, are of a demanding nature and often need a detailed knowledge of the issues before them.
- 8.21 The Panel wished to acknowledge the high level of level of commitment from Councillors and particularly thank them for all their support of our communities during the Covid-19 pandemic.

## **9. How does the decision contribute to the Council's Corporate Plan?**

The need for an up to date Scheme of Members' Allowances ensures that the Council supports the democratic process.

## **10. What risks are there and how can they be reduced?**

There are no risks with what is being proposed.

## **11. Equality Act 2010 (The Act)**

In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

There are no significant equality and diversity impacts with this decision.

## **12. Carbon Footprint (Environmental) Implications:**

There are no direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

The Council has the ability to not accept any recommendations put forward by the Panel and propose some of its own.

**Corporate Manager, Democratic & Civic Support, John Street**

**Chair of Exeter's Independent Remuneration Panel, Derek Phillips**

## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report: -

None

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