

REPORT TO EXECUTIVE

Date of Meeting: 30 November 2021

REPORT TO COUNCIL

Date of Meeting: 14 December 2021

Report of: Independent Remuneration Panel on Members' Allowances

Title: Members Allowances 2022/23

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 which had met to discuss the level of Members' Allowances for the period 2022/23.

2. Recommendations:

That the following recommendations be made to Council in respect of the Exeter City Council Members' Allowances for the period 2022/23:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2022/23;
- (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 2.5% increase in the annual Local Staff Pay Award was awarded by the Employers side for staff which was effective for staff from April 2021), and be uplifted by this amount with effect from 1 April 2022;
- (4) the principle that Special Responsibility Allowances be paid to no more than 50% of the overall number of Councillors would continue to be kept under review and adhered to where possible;
- (5) the current Dependants' Carers' Allowance scheme be maintained, with the continuation of the level of allowance matching the hourly Living Wage as applicable from April of each year (together with the retention of the uplift of the standard rate of income tax). 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 and Civic Support;
- (6) 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
- (7) 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?

A budget increase of 2.5% for the scheme of allowances in 2022/23 period totals £10,000 (bringing the total budget to £411,800). It is now for the Council to decide whether to include this amount in the budget estimates for 2022/23. The Scheme recommended by the Independent Remuneration Panel is attached to this report as an appendix with the detail of the current and proposed allowances. If the suggested increase above is approved, this equates to a £157 increase in the level of Basic Allowance for each Member for 2022/23.

5. Section 151 Officer comments:

The inflationary increases assumed for the Council's budget next year has allowed for an approximate £10,000 increase in members allowances. Therefore there would not be a significant impact to the financial position of the Council (either positive or negative) from agreeing this proposal.

6. What are the legal aspects?

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 issues for the Monitoring Officer.

8. Report details:

8.1 The City Council has an established Independent Remuneration Panel remuneration scheme which provides for a reasonable recompense for the time, commitment and duties involved in being a Councillor. It allows for an element of public service (recognised as being 33% of time spent on Council business) 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 public sector, business community and voluntary sectors.

8.2 The Panel met on one occasion in November 2021 to discuss the Members' Allowances Scheme for 2022/23.

8.3 The Panel discussed the Basic Allowance and proposed that it continue to be updated in line with the Local Government Employers (LGE) staff pay award for the previous year (a 2.5% increase in the annual Local Staff Pay Award was awarded by the Employers side for staff which was effective for staff from April 2021), and any uplift by this amount would take effect from 1 April 2022.

8.4 The Panel acknowledged that Exeter City Council, in common with many other Councils, was facing an extremely challenging financial situation going forward as part of its Medium Term Financial Plan over the next three years. Any increase in allowances would have to be carefully considered, when taking into account the consequences of the level of budget savings required to be made.

8.5 The Dependent Carers Allowance is aligned to the Living Wage and will be updated with any increase in the Living Wage from 1 April 2022, the Subsistence or Travel Allowances would remain unchanged.

8.6 The review process included:-

- the continuation of the index of pay for the Council's Allowance Scheme;
- the results of a comparator survey of Allowances paid in other authorities, particularly those of a similar type to us, as well as neighbouring Devon authorities;
- acknowledgement of the current roles of representatives of those Elected Members already in receipt of the SRA;
- the roles of the Chairs of the Council Housing and Development Advisory Board (CHAD) and Exeter Harbour Board, and
- the take up level of Dependants' Carers Allowance.

8.7 The Panel discussed the principle of an 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. The indexing of the Members' Basic Allowance to mirror that of the Local Government Employers (LGE) staff previous year's pay award, remained 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.

8.8 The Panel considered the range of current SRA roles and noted the current agreement by the Leader of the Council of reducing the size of the Executive to nine members (thereby decreasing the number of SRAs paid by one). The Panel did however note, that the Executive could be up to 10 in number, and therefore felt that provision should continue to be made to allow for this eventuality in the future.

8.9 The Panel acknowledged the high level of level of commitment from Councillors over the last 18 months, to meet the additional challenges all stages of the pandemic had brought to their way of working.

8.10 Last year, upon recommending SRAs for the newly formed Council Housing and Development Advisory Board (CHAD) and Exeter Harbour Board, the Panel requested a review of these SRAs to ensure they remained at an appropriate level. The Panel noted the level of SRA for the Chairs of those meetings. The CHAD Board had met regularly. The Harbour Board had only recently begun to meet and were considering their anticipated workload and purpose at a forthcoming workshop. The Panel would therefore continue to review the allowance for these positions.

8.11 It was also noted that the allowance payable to the Chair of CHAD was drawn from a separate sum allocated from the Housing Revenue Account.

8.12 It was further noted that Council had agreed that the Chair of the Exeter Harbour Board would be the relevant portfolio holder (currently the Portfolio Holder for City Management). In line with the Council's agreed convention that no Councillor could receive more than one SRA., there would be no need to budget for did an additional SRA payment for the Chair of the Harbour Board.

8.13 The Panel considered 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, as applicable from April of each year. The Living Wage from 1 April had just been announced and would be £9.90 per hour, and the Panel felt that it, together with an uplift in the amount to take account of any tax payable by claimants was clear and the sum offered was adequate. It noted, that there had been no recent claims for such an allowance.

8.14 It was noted that a higher rate of up to £25 per hour or part thereof was agreed by the Executive as part of last year's Members' Allowance report, for any Members who might need specialist care for a child or adult dependant. This would be agreed by negotiation, and in advance, with the Corporate Manager, Democratic and Civic Support. The Panel agreed that this higher rate should continue to be offered as appropriate.

8.15 The Panel was mindful that 23 of the 39 councillors (or 59%) were receiving some form of SRA. The Panel agreed to continue the view that in principle that no more than 50% of the councillors should receive an SRA. However, they acknowledged that Councillors who hold more than one post which would attract one SRA, would only be able to claim the higher SRA amount, which in practice therefore reduced the actual number of SRA's paid (in the current year to 21 of the 39 councillors or 53%). It was accepted though, that budgetary provision would have still to be made for all SRA's to be taken by those holding only one position.

8.16 It was noted that the Lord Mayor and Deputy Lord Mayor's allowances were governed by different legislation to those for all other allowances.

8.17 The Panel considered that currently it was more appropriate to continue to meet annually due to the ever changing and more challenging financial times, and also from the additional effects on society from Covid 19. The Panel would keep a watching brief on such matters and would consider an in-depth review, to include interviews with Members as appropriate by the time the Members' Allowances for 2023/24 was being prepared.

8.18 The Panel noted that the Executive had recently agreed to a review of the Councillor's induction and ongoing training programme. It was important to ensure that there was adequate training and support for the level of detailed knowledge and time commitment needed and in particular for Members of the statutory Committees such as Planning, Licensing and the Audit and Governance Committees.

8.19 The Panel wished to thank their colleague, Steve Barriball who was stepping down as the Chief Executive of Exeter's Citizen's Advice and so from the Panel. The incoming Chief Executive Thomas Godwin would soon be taking up the role as Chief Executive of Citizens Advice Exeter and Citizens Advice Torbay, and had agreed to take on his place on the Panel.

8.20 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.

9. How does the decision contribute to the Council's Corporate Plans?

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)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 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

For the Chair of Exeter's Independent Remuneration Panel, Derek Phillips

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

Background papers used in compiling this report:-

None

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