

REPORT TO EXECUTIVE

Date of Meeting: 28 November 2023

REPORT TO COUNCIL

Date of Meeting: 12 December 2023

Report of: Independent Remuneration Panel on Members' Allowances

Title: Members' Allowances 2024/25

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 To consider the findings of the Council's Independent Remuneration Panel which had met to discuss the level of Members' Allowances for the period 2024/25.

2. Recommendations:

That the following recommendations be made to Council in respect of the Exeter City Council Members' Allowances for the period 2024/25:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2024/25;
- (2) the principle that any Member qualifying for more than one Special Responsibility Allowance (SRA) 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 continue to be linked and updated in line with the national pay awards for the previous year, (a lump sum payment of £1,925 was agreed for the period 2022/23 effective from April 2022). The Panel considered that it was appropriate to use the median percentage pay increase of 4.04% as a benchmark for the Basic Councillor Allowance;
- (4) a new Special Responsibility Allowance be offered to the Chair of the Scrutiny Programme Board in recognition of their coordination of the support role offered by the Board to the scrutiny function;
- (5) 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;
- (6) 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, (together with the

retention of the uplift of the standard rate of income tax) can be agreed by negotiation in advance with the Democratic Services Manager;

- (7) 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
- (8) Travel and Subsistence allowances available for staff continue to apply to Exeter City Councillors, where appropriate.

3. Reasons for the recommendation:

3.1 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 A budget increase of 4.0% for the scheme of allowances in 2024/25 period totals £16,760. This would bring the budget total to £ £447,830. The Scheme recommended by the Independent Remuneration Panel, is attached to this report, as Appendix A with the detail of the current and proposed allowances. If the suggested increase of 4.04% is approved, this equates to a £261 increase in the level of Basic Allowance for each Member for 2024/25.

5. Section 151 Officer comments:

5.1 The financial implications of the recommendation are noted and, if approved will be added to the Council's budget for next year.

6. What are the legal aspects?

6.1 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:

7.1 This report raises no issues for the Monitoring Officer, as it follows the legal requirements.

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. 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 constituency matters, casework, local community work and other Council work. The Panel is comprised of three representatives drawn from the public sector, business community and voluntary sector.

8.2 The Panel met on one occasion in October 2023 to discuss the Members' Allowances Scheme for 2024/25, undertook interviews with all the Council's Group Leaders and also corresponded by email.

8.3 The Panel had requested a survey be undertaken to establish views on the remuneration and level of work being carried out by Members. The results of the survey undertaken amongst Councillors were presented to the Panel and the Panel conducted interviews with Group Leaders. They thanked those Members who had submitted a completed survey. The Panel could see evidence from the survey returns and subsequent interviews that the dedication and involvement of Elected Members remained high. They acknowledged that the level of decisions being asked of them, together with the time commitment they needed to make, were of an ever increasing and demanding nature.

8.4 The Panel discussed the Basic Allowance and proposed that for the 2024/25 allowances, it continue to be updated in line with national pay negotiations for the previous year. They noted that previous staff pay awards have usually settled with a percentage figure, and that the staff increase has been applied to Members' allowances. The National Joint Council (NJC) had determined a single sum payment of £1,925 in the annual Local Staff Pay Award awarded by the Employers side for staff for 2021/22, which was effective for staff from April 2022. The Panel considered that matching the single sum payment, or offering an average percentage of the same was appropriate, but it was fitting to use the median percentage increase of staff allowances pay which equated to a 4.04% level as a benchmark for the Basic Members Allowance.

8.5 The Panel acknowledged that Exeter City Council, in common with many other Councils, continued to face a challenging financial situation. As always, any increase in allowances had to be carefully considered. Applying the £1,925 uplift to the Basic Allowance or as a percentage increase to the Special Responsibility Allowance would mean a significant increase and the Panel were mindful of the potential views of both Councillors and the public should such an increase be recommended. Applying a median increase maintains the principles of the Scheme and enables an equitable increase across all Members' Allowances.

Any uplift in the Members' Allowance would take effect from 1 April 2024.

8.6 The Dependent Carers' Allowance is aligned to the Living Wage and will be updated with any increase in the Living Wage from 1 April 2024. The Subsistence or Travel Allowances would remain unchanged, and continue to match those paid to staff.

8.7 The Panel also discussed the following:-

- the continuation of the staff award index of pay for the Council's Allowance Scheme;
- the numbers of those Elected Members already in receipt of an SRA;
- the results of a comparator benchmarking survey of Allowances paid in other authorities, compiled by South West Councils, noting those Local Authorities that were of a similar type to Exeter, as well as neighbouring Devon authorities;

- the low take up of Dependants' Carer's Allowance, and the Council's parental leave policy, which were designed to help encourage and retain experienced Councillors.

8.8 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, particularly bearing in mind the anticipated lump sum staff pay award for 2023/24 may again be a flat rate sum.

8.9 The Panel considered the range of current SRA roles and discussed the individual commitment required and ongoing development of their role. They considered that in the interests of transparency and increasing understanding of the work of Councillors, consideration might be given to developing further the role descriptions for those positions in receipt of a Special Responsibility Allowance.

8.10 The Panel discussed the role of the Chair of the Scrutiny Programme Board, which had been operating for four years in support of managing the work programme of the Council's two Scrutiny Committees. The Board, chaired by a non-Executive Member, was made up of the Chairs and Deputy Chairs of the two Scrutiny Committees. The Panel considered the Chair's coordination of the support role offered by the Board to the scrutiny function. The Panel considered the role and responsibility of the Chair, and suggested that the predominantly advisory role should attract 25% of the Basic Allowance.

The Panel thought it appropriate to review the level of SRA for the Chair of the Scrutiny Programme Board, by the time the Panel next meets so as to allow an assessment of the workload, thereby ensuring that the allowance remained at the appropriate level.

The Panel were mindful that by recommending this additional allowance, it would potentially mean that 24 of the 39 Councillors (or 56%) would be receiving some form of SRA. The Panel referred to the agreed principle that no more than 50% of Members should receive an SRA, but acknowledged this further encroachment should be kept under review. It was acknowledged that a small number of Members who hold more than one post which would attract an SRA, would in practice reduce the actual number of SRA's paid. It was accepted though, that budgetary provision would have to be made for all SRA's identified.

8.11 The Panel was also requested to note the establishment of an Oversight Panel to monitor the Royal Albert Museum & Art Gallery's (RAMM) delivery against the funding agreement with the Arts Council England for the period 2023 – 2026. The Portfolio Holder for Culture and City Centre Strategy and the Portfolio Holder for Communities and Homelessness Prevention would be the respective Chair and Deputy Chair. The Panel agreed with the premise that those roles would not attract any additional remuneration, as both positions were held by Portfolio Holders who already attracted an SRA.

8.12 The Panel acknowledged that the Council's induction and ongoing training programme was well developed and contributed to the level of skills held by Members which enabled them to carry out their duties.

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 2024 had been announced and would be £12.00 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 adequate. They noted there had been no recent claims for such an allowance.

A higher rate of up to £25 per hour or part thereof should also include a similar uplift in the amount to take account of any tax payable by claimants previously agreed 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 Democratic Services Manager.

8.14 The Lord Mayor and Deputy Lord Mayor's allowances, which were governed by different legislation to those for all other allowances was noted.

8.15 The Panel considered that, currently, it was more appropriate to continue to meet annually due to the ever changing and challenging financial times. The Panel were also mindful that the staff pay award for 2023/24 had just been announced with a further single sum payment of £1,925.

8.16 The Panel wished to thank the support of Baan Al Khafaji, Director Corporate Services, Mark Devin, Democratic Services Manager and Sharon Sissons, Democratic Services Officer for assistance in compiling the report.

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

9.1 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?

10.1 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:

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

13. Are there any other options?

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

Baan AL-Khafaji, Director Corporate Services

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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