

## **REPORT TO EXECUTIVE**

Date of Meeting: 3 December 2024

## **REPORT TO COUNCIL**

Date of Meeting: 17 December 2024

Report of: Independent Remuneration Panel on Members' Allowances

Title: Members' Allowances 2025/26

### **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 2025/26:-

- (1) the basic structure and principles of the current Members' Allowances scheme be retained for 2025/26;
- (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 applied to staff (under the Green Book arrangements) for the previous year, (a lump sum payment of £1,290 was agreed for the period 2024/25 effective from April 2024).

As this was a lump sum rather than a percentage increase across the board the Panel considered that it was appropriate to use the median percentage pay increase for Exeter City Council staff of 4% as a benchmark for the Basic Councillor Allowance;

- (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. 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 Democratic Services Manager;
- (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:**

3.1 The Local Authorities (Members' Allowances) (England) Regulations 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% for the scheme of allowances in 2025/26 period totals £17,440. This would bring the budget total to £453,200. The Scheme recommended by the Independent Remuneration Panel is attached to this report at Appendix A with the detail of the current and proposed allowances as well as a comparator considered by the Panel. If the suggested increase of 4% is approved, this equates to a £272 increase in the level of Basic Allowance for each Member for 2025/26.

### **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 The legislative framework for members' allowances is contained in the Local government and Housing Act 1989, the Local Government Act 2000, and the Local Authorities (Members' Allowances) (England) Regulations 2003. Before 2003, the payment of members' allowances was severely constrained by central government. However, since 2003, local authorities have had a discretion as to the form and amount of their scheme of allowances (save for travel allowances), subject to a minimum basic allowance for every member. Local authorities are free to set their members' allowances at levels that reflect the level of responsibility and the amount of time that they devote to council affairs. Local authorities are required to establish a members' allowances scheme and to establish and maintain an Independent Remuneration Panel to provide the local authority with recommendations on the level of basic allowance for all members as well as the levels of any discretionary allowances and to who they should be paid. The panel's recommendations are not binding on the authority. In accordance with Regulation 19 of the 2003 Regulations, before an authority makes or amends a scheme, the authority shall have regard to the recommendations made to it by the independent remuneration panel.

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

7.1 This report sets out the proposals of the Independent Remuneration Committee in accordance with the statutory provisions and raises no issues 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 allowance 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 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. One resignation from the Panel was received and the Panel wish to thank the individual for his time and contribution. A third member was able to join the Panel at short notice, during the period and further recruitment to the Panel will commence in spring of 2025 with the hope of representation from the third sector.

8.2 The Panel met on one occasion in October 2024 to discuss the Members' Allowances Scheme for 2025/26.

8.3 The Panel discussed the Basic Allowance and proposed that for the 2025/26 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 £1,290 in the annual Local Staff Pay Award awarded by the Employers side for staff for 2024/25, which was effective for staff from April 2024. 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% level as a benchmark for the Basic Members Allowance.

8.4 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 £1,290 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 2025.

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 2025. The Subsistence or Travel Allowances would remain unchanged and continue to match those paid to staff.

8.6 The Panel also discussed the following:-

- 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.

8.7 The Panel discussed the role of the Chair of the Scrutiny Programme Board, which had been operating for five 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 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 met with the Leader and discussed the role of the Chair of the Scrutiny Programme Board. The Panel agreed to defer any changes to the level of SRA until a fundamental review of all allowances was carried out in 2025.

The Panel were mindful that 24 of the 39 Councillors (or 61%) 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 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 SRAs paid. It was accepted though, that budgetary provision would have to be made for all SRA's identified.

8.8 The Panel considered the wording 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. 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.

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

8.10 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 2024/25 had not been announced with a further single sum payment of £1,290 expected.

8.11 The Panel agreed to undertake a fundamental review before the next annual meeting.

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

9.1 The need for an up-to-date Scheme of Members' Allowances ensures that the Council supports the democratic process therefore contributing to Leading a well-run council.

## **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 potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

## **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 not to accept any recommendations put forward by the Panel and to propose those of its own.

**Strategic Director Corporate Resources, David Hodgson**

Author: Liz Smith, Democratic Services Officer for the 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:-

- South West Councils Survey Results 2024

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36  
01392 265275