

# Report of Independent Remuneration Panel

## 2018 Review of Members' Allowances

### Recommendations to council 14 January 2019

The Council is recommended by the Independent Remuneration Panel to resolve with effect from 2<sup>nd</sup> May 2019 that:

1. The Basic Allowance payable to all Councillors increases from £5,489 to £5,989 for the municipal year;
2. CPI is removed and future increases in the Basic Allowance are linked to Local Government pay awards;
3. The Special Responsibility multipliers are updated as detailed in the report, including the introduction of an SRA for the Chair of Standards;
4. The Carers' Allowance is renamed the 'Dependants' Allowance' and updated as detailed in the report;
5. Rates and terms for travel and subsistence claims are updated as detailed in the report;
6. The scheme is amended to include a procedure for the payment of Special Responsibility Allowances during maternity or sick leave.

## 1. Background

The Independent Panel operates under the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003. The regulations state that an independent remuneration panel shall produce a report making recommendations and the authority shall have regard to the recommendations made before making or amending the Members' Allowances Scheme.

## 2. Panel membership

### 2.1 Composition

The Panel for 2018 consisted of five people, one from the voluntary and community sector, two representing business interests and two members of the public.

### 2.2 The membership of the Panel is as follows:

L Darbyshire – representing Teignbridge Council for Voluntary Services (Chair)  
C Durowse – representing the business sector  
L Howsam – representing the business sector  
M Millman – member of the public  
D Stewart – member of the public

### 3. Conduct of the review

#### 3.1 Scope of the Review

The Panel considered the current scheme of Members' Allowances and revisited the areas identified in the last Panel report from the 2015 review.

#### 3.2 Research and Findings

The Panel met on four separate occasions. The Panel were provided with benchmarking for all of Teignbridge's allowances against other local authorities and similar district councils as determined by CIPFA (The Chartered Institute of Public Finance and Accountancy). Further information was requested by the Panel on specific areas. The information was gathered from other local authorities, South West Council's annual Members' Allowance survey and other relevant bodies such as HMRC. The Chair of the IRP also attended SW Council's IRP Chairs' meeting on allowances in June 2018.

All Councillors were invited to share their comments regarding levels of remuneration either in person or via email. The Panel were disappointed with the level of response from Councillors, but would like formally to thank those who participated and contributed to the review.

Interviews were conducted with:

Cllr Christophers  
Cllr Clarence  
Cllr Ford  
Cllr Hook  
Cllr Nutley  
Cllr Prowse  
Cllr Russell  
Cllr Wrigley

Emailed submissions were received from:

Cllr Haines  
Cllr Lake

## 3.3 Scheme of Members' Allowances

The Panel echoed the opinion of previous Panels that the Council's Allowances Scheme should not discourage anyone from standing for public office on the grounds of cost.

### 3.3.1 Basic Allowance

The Basic Allowance is intended to acknowledge the time that all Councillors should spend attending meetings, dealing with constituency matters and representing the Council on external bodies, while recognising a voluntary element to their work. It is also intended to cover expenditure incurred, such as IT equipment, internet access, stationery, postage and fuel when dealing with Ward matters.

The Panel were conscious of rising costs and concluded the changes to the allowance are not reflective of the increases faced by Councillors, noting in 2011/12 that the level was reduced from £5,231 to £4,969. The median annual gross pay for all employed jobs in Teignbridge (produced by the National Statistics Office) had historically been used to calculate the allowance. By revisiting the calculation, the 2018/19 allowance of £5,489 fell short by £502. The Panel recommend a one-off increase of £500, thereby increasing the allowance to £5,989 for the new municipal year to ensure that Councillors' incidental costs are covered.

Included in the Basic Allowance is an element of IT allowance, which is identified as £500, of which the Panel identified £100 as provision for internet access. In the event of any changes to the supply of IT equipment or IT support, the Basic Allowance will be reduced because the costs will no longer be incurred by Councillors.

The Panel is aware of the reluctance of elected Members to award themselves increases in allowances. The last review recommended that future increases should be linked to the Consumer Price Index (CPI) with a review of its use to be undertaken after four years, so that the newly elected Council in 2019, would not be bound by it. The Panel felt that it would be more appropriate for increases to be linked to Local Government officers' pay, and it recommends the removal of the link to CPI.

### 3.3.2 Special Responsibility Allowances

The 2013 Panel's review made alterations to the multipliers for the Special Responsibility Allowances (SRAs) paid to Councillors for significant additional responsibilities. The Panel concluded that the proposed multipliers differentiate between the various roles and are representative of current responsibilities and workloads.

Special Responsibility	Proposed
Leader of Council	Remain 3.5
Deputy Leader	Remain 1.75
Executive Committee	Remain 1.5
Chair of Planning	Increase from 1.4 to 1.475
Chair of Overview & Scrutiny	Remain 1.4
Chair of the Council	Remain 1.0
Chair of Licensing	Remain 0.75
Chair of Regulatory & Appeals	Reduce from 0.6 to 0.5
Chair of Audit Scrutiny	Remain 0.5
Vice Chair of Planning	Remain 0.5
Vice Chair of the Council	Reduce from 0.4 to 0.1
Deputy Chair of Overview & Scrutiny	Reduce from 0.4 to 0.2
Vice Chair of Licensing	Increase from 0.4 to 0.5
Vice Chair of Regulatory & Appeals	Reduce from 0.25 to 0.2
Chair of Standards	New 0.2 instead of £50 per meeting

The Panel acknowledged the growing relevance of the work of the Chair of Standards and agreed the Chair should be remunerated by a multiplier rather than claiming per meeting. The multiplier is set to recognise the ongoing responsibility and increased workload of the role but recommend a review in 12 months' time.

The current Members Allowance scheme states that only one SRA may be claimed by an individual councillor, with the exception of the Group Leader's allowance. The Panel were asked to consider the removal of the rule. Although the decision was not unanimous the Panel resolved that the rule should remain unchanged as the distribution of Special Responsibility roles among all Councillors should be encouraged. The Panel noted that the majority of councils used in the benchmarking process also enforce this rule.

In 2011 the Leader of the Council removed the Group Leaders' allowance from the list of SRAs. In 2014 the Panel recommended that it should be reintroduced and calculated by dividing the Basic Allowance by the total number of Councillors and multiplied by the number of Councillors in each group. The Panel reviewed the arrangement and agreed that the Group Leaders' Allowance should remain unchanged.

In addition, because it is outside the committee structure, it should be excluded from the SRA remuneration rule.

Towards the end of the review, the issue of the absence of a procedure in the event of a Councillor with special responsibilities being unable to carry out their additional duties due to maternity leave or sickness, was highlighted by another council and the opportunity was taken to include this in the Teignbridge review. The Panel recommend that the scheme should be updated to recommend that for any period for which a Councillor is on maternity or sick leave, the SRA will cease and will be paid to the Councillor undertaking the additional duties, unless an SRA is already being claimed by that Councillor, in accordance with the SRA remuneration rule.

### 3.3.3 Co-optees' Allowance

A Co-optees' Allowance is payable to the independent members appointed to advise under the standards code. The Panel considered that the Co-optees' Allowance should be regarded as a token payment rather than reflecting an hourly rate. As the service is partly voluntary and there have been no difficulties recruiting, the Panel resolved the allowance should remain unchanged.

### 3.3.4 Travel Allowance

The Panel considered the current travel allowances for approved duties and recommends the allowance should be as the rates and rules set by HMRC and be automatically updated with HMRC changes. Claims are to be made within 1 month. The only change needed to the current rates is to reduce bicycles from 25p, to ensure that no tax liability arises.

Car/van first 10,000 miles	45p
Car/van over 10,000 miles	25p
Passenger	5p
Motorcycles	24p
Bicycles	20p

The Panel would also like to take the opportunity to encourage Councillors to use greener methods of transport, such as public transport whenever practicable. Electric cars are included in the mileage rates and Councillors are eligible for the TDC cycle scheme.

### 3.3.5 Subsistence Allowance Claim Limits

Subsistence allowance may be claimed in connection with approved duties and should be submitted within 1 month. The Panel recommends amending the allowance and adopting the rates and rules set by HMRC and to automatically update them in line with future HMRC changes. Receipts must be provided to claim up to the following amounts:

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10
15 hours (and ongoing at 8pm)	£25

Where a scale rate of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm, a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

### 3.3.6 Carers' Allowance

The Carers' Allowance may be claimed when the care for a dependant has been engaged to enable a Councillor to carry out an approved duty. The Panel believes that a robust allowance can play an important role in preventing the exclusion of any resident from standing at an election and thought it important to make suggestions to clarify the allowance and ensure that claiming it is not too onerous.

The Panel felt that the current title implies that it relates only to the care of the elderly or sick, so would like to amend the name to the 'Dependants' Allowance'. A dependant should be defined as a person needing the presence of a responsible adult including a child under the age of 14 years. A dependant will either be a child of which the Councillor is the legal guardian or the spouse of the Councillor. The care of the dependant does not necessarily have to be provided by a registered or professionally qualified provider, but it cannot be claimed for care carried out by a member of the same household. In addition, it may not be claimed if the care is already paid for by another body or if claimed elsewhere. A receipt would be required with the cost of the care, counter-signed by both the Councillor and the carer. It was agreed that the allowance should contribute to reimbursing the cost of care but that it might not necessarily cover the whole cost. A claim can be up to the NMW rate for aged 25+ per hour, automatically increasing as NMW increases. If the actual hourly rate is lower, the actual sum paid would be reimbursed. Special circumstances could be considered on an individual basis.

### 3.4 Previous Review

The report of the last Panel requested a review in the future to seek evidence on the impact on Councillors' work arising from The Care Act 2014 and work associated with attendance at Strata meetings. The Panel concluded that no amendments were necessary for either of these areas.

## 4. Justification for recommendations

The Panel advises that its work is complete and makes the following recommendations:

## 4.1 Basic Allowance

The Basic Allowance payable to all Councillors should be increased by £500 from £5,489 to £5,989 from May 2019.

*Panel's rationale: The increase addresses additional expenditure, such as rising fuel costs, incurred by travel within their Ward, especially for those in rural areas. The increase of £500 will return the Basic Allowance to a level that ensures that such costs are adequately covered. There is a growing public expectation that Councillors can be contacted at almost any time, and a fair Basic Allowance recognises the importance of their role and the good work most Councillors do for their electorate.*

## 4.2 Annual increases to the Basic Allowance

The Panel recommends the removal of the link to CPI and that future increases be linked to Local Government officer pay awards applied at the start of each municipal year.

Panel's rationale: It is difficult for Councillors to make decisions on their own remuneration, and the proposal to link the Basic Allowance to CPI removed this constraint. The Panel now believes linking increases to officers' pay is more appropriate but would still obviate the need and dilemma faced by Councillors when making annual decisions about their own remuneration.

## 4.3 Special Responsibility Allowances

The Panel suggests that the multipliers be updated as detailed in the report, including the introduction of a multiplier for the Chair of Standards.

Panel's rationale: The proposed multipliers are a fairer reflection of work load and differentiate among the responsibilities of the various roles.

## 4.4 Carers' Allowance

The Panel recommends that the allowance be renamed the 'Dependants' Allowance' and that it should be updated as detailed in the report.

Panel's rationale: Dependants' Allowance is a more suitable description of the eligible claims. The allowance should contribute to the costs incurred and, it is hoped, not discourage anyone with a dependant from standing as a Councillor.

## 4.5 Rates for travel and subsistence

The travelling allowance and subsistence rates as recommended by HMRC should be used and automatically be updated in line with HMRC guidelines.

Panel's rationale: These payments are not normally taxable because they are matched by an equivalent deduction for allowable expenditure. They should be automatically updated to remain within HMRC rules.

#### 4.6 Procedure for payment of SRA during maternity or sick leave

The current scheme to be updated to include for any period for which a Councillor is on maternity or sick leave, the SRA will cease and will be paid to the Councillor undertaking the additional duties, unless another SRA is already being claimed, in accordance with the SRA remuneration rule.

Panel's rationale: The allowance is paid for the additional workload and responsibility which would not be undertaken by a Councillor whilst on leave.

### 5. Conclusion

The Panel concluded that their recommendations focus on providing fair remuneration for all Councillors.