

## SOUTH HAMS DISTRICT COUNCIL

### INDEPENDENT PANEL ON MEMBERS' ALLOWANCES AND PARISH REMUNERATION PANEL – REVIEW OF THE CURRENT SCHEME

#### Background to South Hams District Council's Scheme of Members' Allowances and Key Issues for Consideration

#### 1. Introduction

- 1.1 The purpose of this report is to provide members of the Independent Panel with information to enable them to make recommendations to the District Council on a revised Scheme of Members' Allowances.
- 1.2 This review has been prompted by the request of the previous Council administration to review the Scheme once the dust has settled following the May 2023 local elections.
- 1.3 It is intended that the Panel's recommendations will be presented (via a report) to a meeting of the District Council to be held on 28 September 2023.
- 1.4 Any adjustments to the Scheme of Members' Allowances will be backdated to come into effect from the start of this Council administration (i.e. 10 May 2023).
- 1.5 The Panel is asked to focus this review on the following specific questions:
  - **Should the Basic Allowance be increased?**
  - **Moving forward, should the Basic Allowance be re-aligned to a prescribed index?**
  - **Should the current list of roles entitled to claim a Special Responsibility Allowance (SRA) be extended to include the role of Development Management Committee Member and Independent Audit & Governance Committee Member?**
  - **Should any of the multipliers applied to the SRAs be amended and should there be provision for 'acting up' within the Scheme?**
- 1.6 To support the Panel in its deliberations, the current Scheme of Members Allowances and some comparative benchmarking information are attached (at Appendices 1 and 2 respectively) to be read in conjunction with this report.
- 1.7 In addition, all 31 District Council Members were invited to provide their comments on all aspects of the Scheme of Members Allowances by virtue of the completion of a Member Survey. 5 Members proceeded to complete the Survey and their collated responses are set out at Appendix 3.

## 2. Basic Allowance

- 2.1 Payment of a Basic Allowance to all 31 Members at the same rate is mandatory. Currently, the Basic Allowance is set at **£5,492** per annum.
- 2.2 Of the 5 Member responses received to the Survey, 3 considered that the current Basic Allowance was 'too low' and 1 Member felt it to be 'significantly too low' (the other Member did not respond to this Question).
- 2.3 Whilst this would suggest that 27 Members either did not have a view or felt that the Basic Allowance was set at an appropriate level, this has to be balanced against the added workload and time commitments that are being absorbed by Members and the need to take all possible steps to futureproof the Scheme in order to attract potential candidates to stand to be elected to serve on the District Council in the future.
- 2.4 When comparing with other local authorities, the Panel will note that the Basic Allowance currently sits just below the median average within Devon.
- 2.5 At this point, returning Panel members will recall that the Panel last considered the Scheme at its meeting held earlier this year on 2 February. In so doing, the Panel had recommended a 6% annual increase for both 2022/23 (to be backdated) and 2023/24.
- 2.6 Notwithstanding the Panel's views, the majority of Members felt at the Full Council meeting held on 16 February 2023 that, due to the proximity of the May 2023 local elections, the Basic Allowance should not be increased at that time and that it should be a matter for the new Council administration to determine early in the new Council term.
- 2.7 The Panel is advised that, at the Full Council meeting, the then Leader of the main Opposition Group (Cllr Brazil) spoke strongly in support of accepting the Panel's recommendations.
- 2.8 Following the May 2023 local elections, Cllr Brazil was appointed to the role of Leader of the Council and he has asked that the Panel (in reconsidering the Scheme) consider again recommending an increase of 6% for 2023/24 (to be backdated to the start of this Council administration).
- 2.9 A 6% increase in the Basic Allowance is broadly in line with the mean average of the most recent annual Staff Pay Award (£1,925 for all employees) and would see the Allowance increase by £330 from £5,492 to **£5,822** per annum.
- 2.10 If the Panel is minded to recommend an alternative measure to apply an increase to the Basic Allowance, it may wish to consider:
  - a £508 increase (from £5,492 to £6,000); or
  - an increase aligned to Consumer Price Index (6.8% at July 2023) – amounting to a £373 increase (from £5,492 to £5,865).

2.6 Up until last year, the Basic Allowance has been automatically adjusted each year in line with the staff pay award. There is now the opportunity for the Panel to again recommend that the Basic Allowance be aligned to a Prescribed Index. If it wishes to do so, Indexes that could be applied include:

- The Staff Pay Award (NB. if the Award was a one-off lump sum (it was in 2022/23), then the Panel could recommend that the Basic Allowance is automatically adjusted in line with the mean average received by staff); or
- The Consumer Price Index; or
- The Retail Price Index.

2.7 If the Panel is not minded to align the Basic Allowance to a Prescribed Index, then the Scheme will need to be reviewed again by the Panel in time for the 2024/25 Municipal Year.

### **3. Special Responsibility Allowances**

3.1 Special Responsibility Allowances (SRAs) are payable at the Council's discretion to those Members who have significant additional responsibilities over and above the generally accepted duties of being a Member;

3.2 Whilst there is no limit on the number of SRAs that can be paid, the Panel will note that the Scheme currently includes provision to pay SRAs to the following roles:

- Leader of Council;
- Deputy Leader of Council;
- Other Executive Members (of which there are currently 6);
- Leaders of Other Political Groups (of which there are currently 2);
- Chairman of Audit & Governance Committee;
- Chairman of Development Management Committee;
- Vice-Chairman of Development Management Committee;
- Chairman of Overview & Scrutiny Committee;
- Vice-Chairman of Overview & Scrutiny Committee;
- Chairman of Licensing Committee;
- Chairman of Salcombe Harbour Board;
- Chairman of Council; and
- Vice-Chairman of Council.

3.3 As part of the Survey responses received and informal discussions with senior Members, three particular issues have been raised by Members at this time:

1. The wish for the Panel to consider whether or not the role of Development Management Committee Member should be entitled to be in receipt of a SRA;

2. Whether or not a Member deputising for another Member who is temporarily unable to fulfil their duties should be in receipt of an 'acting up' SRA; and
3. Whether or not the Independent Member role on the Audit & Governance Committee should be entitled to be in receipt of a SRA.

### **3.4 Development Management Committee Member SRA**

At the point of inviting nominations to serve on Council Committees for 2023/24, it became apparent that there were a number of challenges for newly elected Members in being able to put the necessary time towards serving on Council Committees.

In particular, Group Leaders have found it difficult to be in a position to nominate Members to serve on the Development Management Committee. In terms of time commitment, Committee Members are required to attend a full day of Committee Site Inspections and a second full day for the Committee meeting itself each month. This is in addition to the need to attend ongoing Member Training sessions and the requirement to read agenda papers in excess of 100 pages for each meeting.

This time commitment, coupled with the number of contentious major planning applications that are being dealt with by the Committee, has led to the request being made by senior Members for the Panel to consider recommending the payment of a SRA to all Committee Members.

The Panel is informed that the Committee currently comprises a Chairman, Vice-Chairman and 10 other Members. Should the Panel be minded to recommend a SRA for the Committee role, then there may be a knock-on effect to the SRA that is currently applied to the Committee Chairman (1.5 x the Basic Allowance) and Vice-Chairman (0.5 x the Basic Allowance) roles.

### **3.5 Payment of an 'Acting Up' SRA**

In completing the Member Survey, the Panel will note that a Member has asked that consideration be given to the Scheme having provision to the payment of an 'Acting Up' SRA if a Member is standing in for another Member who is unable to attend meetings or temporarily unable to fulfil their duties associated with their SRA.

### **3.6 Independent Member role on the Audit & Governance Committee**

In 2022 CIPFA (the Chartered Institute of Public Finance) issued a position statement that stated that: '*The Audit Committees of Local Authorities should include co-opted independent members in accordance with the appropriate legislation.*'

Whilst there is yet to be a legislative direction to include co-opted independent members, CIPFA recommends that each Local Authority Audit Committee should include two co-opted independent members to provide '*appropriate technical expertise*'.

A number of Devon local authorities have expressed an interest in undertaking a joint exercise to seek to recruit up to two independent members during 2023/24.

Being a new role, the Panel will acknowledge that the Scheme does not include any provision for this role to be supplemented by a SRA.

Whilst the role will be able to take a full and active part at Committee meetings, it is important to note that independent members will not have any voting rights.

As a guide, at recent Panel meetings across Devon, a recommendation has been made for this role to be in receipt of an SRA set at the multiplier of 0.5 x the Basic Allowance and it is felt by our Section 151 Officer (the Council's Chief Finance Officer) that this is an appropriate level to be able to attract suitably 'qualified' candidates to apply for this role.

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