

INDEPENDENT REMUNERATION PANEL

REPORT ON THE REVIEW OF MEMBERS' ALLOWANCES

2017

I. SUMMARY OF RECOMMENDATIONS

- I.1 The Panel makes nine recommendations for the Council to consider with regards Member allowances:

Recommendation 1: The basic allowance should remain unchanged for all Members, subject to appropriate back-dating of index-linked uplift where necessary for 2017/18.

Recommendation 2: The Council may wish to follow the developing national debate on core expectations of Members and inform the Panel of any significant developments that have implications for variance of the basic allowance.

Recommendation 3: The SRAs for the following roles remain unchanged subject to appropriate back-dating of index-linked uplift where necessary for 2017/18: Leader of the Council; Deputy Leader of the Council; Chair of Planning; Vice-Chair of Planning; Chair of Licensing Committee; Chair of Taxi Licensing; Chair of Audit; Leader of the largest minority party; Leader of other minority parties; and Deputy Leader of largest majority party.

Recommendation 4: The interim SRA determined in 2016 for the Scrutiny Committee Chairs should be confirmed and appropriate back-dating of index-linked uplift applied where necessary.

Recommendation 5: The Travel and Subsistence Policy in the 'Plymouth Book' should continue to be applied for Member travel and subsistence claims.

Recommendation 6: Co-opted members should remain unremunerated, except for the reimbursement of travel and subsistence.

Recommendation 7: Current provisions of the childcare and dependent carers allowance should be retained.

Recommendation 8: Any changes to Member allowances should be back-dated to the start of the municipal year where applicable.

Recommendation 9: The arrangement of linking Members' allowances to the annual local government cost of living pay award should be retained.

- 1.2 Should the Council accept these recommendations, the Panel notes that based on 2016/17 figures, the total budget for Members allowances was £597,000 and the total budget for 2017/18 is £603,000, which represents 0.18% of the Council's gross budget. The Panel considers this to be an appropriate level at a time of significant budget constraints and continued national austerity.
- 1.3 The Panel would like to thank all Members and officers who were either interviewed for the review and/or responded to the Member questionnaire – their evidence was valuable in informing the Panel's deliberations. The Panel would also like to recognise the excellent administrative and research support it received during the course of the review.

2. INTRODUCTION

The Regulatory Context

- 2.1 The Independent Remuneration Panel (IRP) was appointed by Council on 8 October 2007 to review the scheme of Members' Allowances and to make recommendations for appropriate changes in accordance with statutory guidance.
- 2.2 The Panel is convened under the Local Authorities (Members' Allowances) England Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692 ['the Regulations']).
- 2.3 The Regulations require all local authorities to set up and maintain an advisory Independent Remuneration Panel to review and provide advice about the allowances to be paid to Members. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panels' recommendations before setting a new or amended Members Allowances Scheme.
- 2.4 Members Allowances should be reviewed at least every four years. The last full review for Plymouth City Council was in 2013, with an interim review relating to remuneration of Scrutiny Committee Chairs in 2016.

Panel

- 2.5 Plymouth City Council's Independent Remuneration Panel members are:

Alan Wooderson (Chair)	Alan Wooderson has recently retired but was previously in a national and local leadership role with the Probation Service as part of the Ministry of Justice. Alan has 30 years' experience within Local Government
Duncan Currall	Duncan Currall is Chair of Livewell Southwest and consultant to a firm of

	solicitors
Paul Woods	Paul Woods is a Tribunal Judge and consultant to a firm of solicitors

Note: Sarah Errington, Commercial Services Coordinator at Plymouth University Peninsula Schools of Medicine and Dentistry, is also a member of the Panel but unavailable for the 2017 Review.

- 2.6 Members of the Panel may have some contact with the Council. In the interest of openness and transparency their links are stated below:

Alan Wooderson is employed on an occasional basis by Plymouth City Council and other Local Authorities as the Chair of Review Panels to resolve complaints against the local authority prior to possible submission to the Local Government Ombudsman

Duncan Currall is a member of the Plymouth Growth Board and consultant to a firm of solicitors which provides services to Plymouth City Council

Paul Woods is consultant to a firm of solicitors which provides services to the Council and a trustee of Theatre Royal Plymouth

Terms of Reference

- 2.7 The Panel's Terms of Reference which guided the Review, as stated in the Constitution, are at **Annex I**.

Methodology and Approach

- 2.8 The Review methodology included: comparative evidence of Members' Allowances with 14 of the Council's 'family group,' who are statistical neighbours as defined by Chartered Institute of Public Finance and Accountancy (CIPFA), and eight 'local/coastal' comparator Councils; responses from Members to a questionnaire from the Panel; and interviews with a variety of Members and Officers.

- 2.9 The CIPFA family group of councils included:

Bournemouth	Portsmouth
Bristol	Swindon
Brighton and Hove	North East Lincolnshire
Medway	Warrington
Southampton	Stoke-on-Trent
Southend-on-Sea	Telford and Wrekin
Derby	York

- 2.10 The local/coastal comparator group included:

Bristol	Devon County
Cornwall	Exeter

Hull
Poole

Swansea
Torbay

- 2.11 The Panel noted only 15 Members responded to the questionnaire which represents just 26% of Council Members. This is lower than in previous reviews.
- 2.12 The Panel met on three occasions to receive and distil the evidence. The Panel undertook to preserve the confidentiality of responses to the questionnaire and interviews (evidence from which is non-attributable to individuals). Such evidence is therefore not subject to public examination.
- 2.13 The Panel's approach to its deliberations and subsequent recommendations for the Members' Allowance Scheme was to consider, in accordance with its Terms of Reference and the requirements of the statutory instrument:
- What had changed, if anything, from the last full review in 2013 and the interim review in 2016?
 - Was there any compelling reason(s) to depart from the fundamental principles of the approach adopted when the original Members' Allowance Scheme was introduced in 2003?
- 2.14 The Panel noted the change in Scrutiny Committee structure in 2016 and their related report and interim recommendations for the remuneration of Scrutiny Committee Chairs. The Panel also noted no compelling reason to depart from the original principles adopted in 2003 and therefore concluded the fundamental principles should be adhered to.
- 2.15 The following findings and recommendations follow the flow of the Panel's Terms of Reference.

3. FINDINGS AND RECOMMENDATIONS

Basic Allowance

- 3.1 The IRP noted:
- there is no nationally set level of remuneration for the basic allowance for Members. It is therefore the responsibility of each Council to establish its own level on recommendation of its Independent Remuneration Panel. The current system for Plymouth has been in place for a number of reviews and is used as the base for this review.
 - responses from Members to the Panels' questionnaire reported an average of 30hrs spent on Council business, with 5.5hrs of this estimated to be unremunerated. This is in line with evidence from a 2013 Local Government Association Census of Councillors where the average time spent on council business was 25 hours a week.

- in light of comments received from the interviews, the Panel requested additional benchmarking information to inform whether the level of remuneration on the basic allowance is appropriate.
- 3.2 The additional benchmarking demonstrated the current basic allowance for Plymouth Councillor's is in the second quartile, (just below the average) within its local/coastal comparators. This is different to the finding from the CIPFA family group placing the Council in the third quartile (just above average) within the group.
- 3.3 After considering the benchmarking evidence, responses to the questionnaire, and interviews, the Panel concluded that the evidence does not suggest an adjustment to the basic allowance is required. The Panel recognised that budgetary constraints, as referenced in the Councils Medium Term Financial Strategy 2017/18 to 2019/20, and continued national austerity weigh against a departure from the current provision, save for an index-linked cost of living uplift.

Recommendation 1: The basic allowance should remain unchanged for all Members, subject to appropriate back-dating of index-linked uplift where necessary for 2017/18.

- 3.4 During the process of the review, a consistent view was expressed by those interviewed about whether a performance-related element could be introduced to the basic allowance.
- 3.5 The Panel sought legal advice on this issue and was advised by the Council's internal legal team and legal experts with the Local Government Association (LGA). Key points from the advice received was as follows:
- The Members allowances regulations states that the amount of the basic allowance shall be the same for each member.
 - Whilst the legislative framework provides for a Special Responsibility Allowance for additional responsibilities to certain Member roles, the legislation does not go so far as to enable an allowance system based upon performance related pay.
- 3.6 The Panel is clear on the basis of the legal advice that the basic allowance should remain the same for all Members. However, the Panel believe it may be worth the Council considering and clarifying core expectations of Members and that such work is developing in some other councils which could inform such an approach.

Recommendation 2: The Council may wish to follow the developing national debate on core expectations of Members and inform the Panel of any significant developments that have implications for variance of the basic allowance.

Categories of Members Receiving a Special Responsibility Allowance

- 3.7 The Panel noted 13 roles which are in receipt of a Special Responsibility Allowance. In undertaking the review they sought only to focus on those areas identified by the evidence as requiring specific attention. The Panel therefore confirmed no compelling reason to alter the current level of SRA for any other roles.

Recommendation 3: The SRAs for the following roles remain unchanged subject to appropriate back-dating of index-linked uplift where necessary for 2017/18: Leader of the Council; Deputy Leader of the Council; Chair of Planning; Vice-Chair of Planning; Chair of Licensing Committee; Chair of Taxi Licensing; Chair of Audit; Leader of the largest minority party; Leader of other minority parties; and Deputy Leader of largest majority party.

Scrutiny Committee Chairs

- 3.8 The Panel had conducted an interim review in 2016 on the level of remuneration for the Chairs as a result of the changes introduced to the scrutiny model within the Council. The number of Scrutiny Committees had reduced from five to two, with the two Committees supported by dedicated, ad hoc select committees which consider specific issues in depth.
- 3.9 The Panel specifically examined the Special Responsibility Allowance (SRA) for Scrutiny Committee chairs and heard evidence in this respect. The Panel acknowledges from the interviews and evidence that the City Council recognise Scrutiny as an important check and balance in the governance system.
- 3.10 The Panel had recommended an interim SRA for the two Scrutiny Committee Chairs, of an amount of £10,368 that they considered would support the importance of the function.
- 3.11 The Panel had also recommended further review of remuneration of the Scrutiny Committee Chairs after two months, taking into consideration the workload and responsibilities of members.
- 3.12 The Panel is aware that such a review has not been undertaken until this point. On the available evidence, the Panel proposes the interim SRA be confirmed as the appropriate level for the Scrutiny Committee Chairs.

Recommendation 4: The interim SRA determined in 2016 for the Scrutiny Committee Chairs should be confirmed and appropriate back-dating of index-linked uplift applied where necessary.

Party Whips

- 3.13 The questionnaire responses raised an issue of whether Party Whips should be remunerated. The Panel specifically examined this issue as part of the review.
- 3.14 The Panel were reminded they had examined this issue in some detail in 2013 and concluded that Party Whips should not be in receipt of an SRA. The Panel therefore considered whether the position had demonstrably changed. The Panel noted:
- there are two main parts to a Whip's role: 1) enforcing party regulations and behaviour standards; 2) liaison point for officers on issues of committees and/or standards
 - the evidence from the benchmarking information reviewed is that most Councils do not chose to remunerate their Whips through their Member allowance scheme
 - differing views from those interviewed on whether the Whip role should be remunerated
- 3.15 The Panel concluded the position of Chief Whip is not a legislative requirement. As such, the Panel concluded there was no substantive change to the position held in 2013 and no compelling reasons as to why Whips should receive an SRA and do not recommend such approach.

Vice-Chairs of Taxi Licensing and Licensing Sub-Committees

- 3.16 The questionnaire responses raised an issue of consistency regarding remuneration of the Vice-Chairs of the three quasi-judicial committees: Planning Committee, Taxi Licensing Committee and Licensing Committee. The Panel therefore specifically examined this issue as part of the review.
- 3.17 The Panel noted:
- like Planning Committee, Taxi Licensing and Licensing Committees are quasi-judicial committees that discharge the regulatory and statutory duties of the Council, which the law prevents being a function of Cabinet the Vice-Chair of Planning receives an SRA as a result of a decision made by the Council's Standards Committee and Constitutional Review Panel in December 2003. The decision was made on the basis of: an assessment of the number of committee meetings held each year; Members roles; the acknowledgement that such Members are often required to have extensive technical training in their areas; and the impact of the committees' decisions upon individuals, which could be significant
 - while the Vice-Chairs of Taxi Licensing and Licensing Committees may sometimes be required to attend court in the absence of the respective Chair to explain a decision of the Committee, on the evidence reviewed this occurs infrequently.
 - on the basis of benchmarking evidence, the majority of Councils do not remunerate the Vice-Chairs of Licensing Committees

- varying views were expressed from the questionnaire and interview evidence on the question of remunerating the Vice-Chair positions; the key issue appeared to be one of consistency.

3.18 While the Panel acknowledges the discrepancy point of consistency, it considers there is limited evidence that the role of the Vice-Chairs of Taxi Licensing and Licensing Committee should be remunerated.

Restrictions on Special Responsibility Allowances

3.19 There are 57 members of Council and statutory guidance states that if the majority of members of a council receive an SRA the local electorate may rightly question whether this was justified. Therefore, one of the principles of Members Allowances at Plymouth City Council is that no more than 28 Plymouth City Councillors at any one time should receive an SRA. In 2016/17 20 Councillors (35%) received an SRA (not including the Lord Mayor and Deputy Lord Mayor). Should Council accept the recommendations of the Panel, in 2017/18 the proposal this position would remain, with 20 Members (35%) in receipt of an SRA.

3.20 The current arrangement is that Members can only claim one SRA. This excludes the Lord Mayor and Deputy Lord Mayor who may also receive a personal allowance for their significant civic duties. The Panel believes such practice should continue.

4 Travel and Subsistence Scheme

4.1 The Panel noted that Members are subject to the same travel and subsistence policy as council staff, as determined by the 'Plymouth Book', and that the basic allowance includes provision for such expenses. The Panel considered there was no substantive evidence to deviate from this position.

Recommendation 5: The Travel and Subsistence Policy in the 'Plymouth Book' should continue to be applied for Member travel and subsistence claims.

5 Co-opted members

5.1 A co-opted member is not a Councillor of the authority but is a member of a committee or sub-committee. The current scheme does not provide an allowance for co-opted members. Co-opted members may claim travel and subsistence expenses in order that they are not out of pocket for undertaking work on behalf of the council.

5.2 There are co-opted members on the following committees/sub-committees:

- Audit Committee
- Local Access Forum
- Standing Advisory Council for Religious Education
- Wellbeing Oversight and Scrutiny Committee

- 5.3 The Panel understands that co-opted members do not normally have any further commitment to the council other than attending meetings, on average, between four and six times per year. The Panel therefore considers no change in the status of co-opted members.

Recommendation 6: Co-opted members should remain unremunerated, except for the reimbursement of travel and subsistence.

6 Childcare and dependent carer's allowance

- 6.1 The existing scheme makes an allowance available to Members who have dependents living with them. The Panel stress the importance of enabling people from all walks of life to become a Councillor and minimise barriers to participation in political representation and governance. The Panel noted that 56% of Councillors work full or part-time (employed or self-employed); 30% are retired and 14% are unclassified.
- 6.2 The Panel continues to encourage the Council to ensure prospective Councillors are aware of the childcare and dependents allowance. The Panel also reaffirms its view that the maximum period of entitlement should be the duration of the approved duty plus reasonable travel time and that the allowance should not be payable to a member of the claimant's household.

Recommendation 7: Current provisions of the childcare and dependent carers allowance should be retained.

7 Back-dating of allowances

- 7.1 The Panel reconfirmed the principle that any increases to allowances made as a result of this review should be backdated to the start of the municipal year.

Recommendation 8: Any changes to Member allowances should be back-dated to the start of the municipal year where applicable.

8 Index Linking

- 8.1 Currently, Member allowances are index-linked to the annual local government cost of living pay award (currently 1%). The Panel determined this arrangement should continue.

Recommendation 9: The arrangement of linking Members' allowances to the annual local government cost of living pay award should be retained.

9 Pensions

- 9.1 Since the last review, the Panel noted that as a result of a 2013 government consultation, from 2014, Members were no longer enrolled in the Local

Government Pension Scheme (LGPS) (Local Government Pension Scheme Regulations, 2014)

- 9.2 The Panel noted that no Members are enrolled in the LGPS. The Panel also noted that despite being subject to tax and national insurance via PAYE, Members are holders of public office and therefore not legally considered an employee of the organisation. Members are therefore not entitled to auto-enrolment for pensions.

ANNEX I: TERMS OF REFERENCE FOR THE INDEPENDENT REMUNERATION PANEL

Extract: Plymouth City Council Constitution, Part E (page 10)

INDEPENDENT REMUNERATION PANEL

I. FUNCTIONS

The Panel carries out the Council's responsibilities under the Local Authorities (Members Allowances) Regulation 2003 as amended to convene an Independent Panel to make recommendations to the Council about the level of Members Allowances.

SPECIFIC RESPONSIBILITIES

- 2.1** Overall, to recommend the level of allowances to be paid to Members, including special responsibility allowances, pension rights for elected Members and allowances payable to co-opted members.
- 2.2** The Panel will recommend:
 - (a) The amount of basic allowance that should be payable to elected Members;
 - (b) The categories of Members who should receive special responsibility allowances and the amount of such an allowance;
 - (c) The travel and subsistence scheme, the amount of the allowance and how it should be paid;
 - (d) The payment of an allowance for co-opted members and the amount of that allowance;
 - (e) The payment of an allowance in respect of arranging for the care of Members' children and other dependants, the amount of this allowance and the means by which it should be determined;
 - (f) Whether the allowances should be backdated to the beginning of the municipal year;
 - (g) Whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run;

ANNEX II: MEMBERS ALLOWANCE SCHEME 2016/17

Extract: Plymouth City Council Constitution, Appendix One

APPENDIX ONE (I)

MEMBERS' ALLOWANCE SCHEME
Summary of basic allowance and special responsibility allowances
from 1 April 2016 – 31 March 2017

<u>BASIC ALLOWANCE</u> (per year for all 57 councillors)	£
Basic Allowance	10,472
<u>SPECIAL RESPONSIBILITY ALLOWANCES</u> (in addition to the basic allowance) (Numbers in brackets refer to the number of Members claiming this allowance)	
The Executive (Leader and the Cabinet)	
Leader of the Council (1)	31,412
Deputy Leader of the Council (1)	22,104
Cabinet Member (8)	20,940
Overview and Scrutiny Committees	
Chair of Health & Wellbeing O&S Committee (1)	10,368
Chair of Place & Corporate O&S Committee (1)	10,368
Regulatory Committees	
Chair of Planning Committee (1)	10,472
Vice Chair of Planning (1)	5,236
Chair of Licensing Committee (1)	10,472
Chair of Taxi Licensing (1)	10,472
Chair of Audit (1)	5,236
Opposition Groups	
Leader of the largest minority party (1)	10,472
Leader of other minority parties (1)	5,236
Deputy Leader of largest minority party (1)	5,236
Lord Mayoralty	
Lord Mayor (1)	14,546
Deputy Lord Mayor (1)	4,800

DEPENDENT CARERS' ALLOWANCE

Members are entitled to claim for the duration of the approved duty plus reasonable travelling time. The allowance should not be payable to a member of the claimant's own household. See below.

TRAVEL ALLOWANCES AND SUBSISTENCE EXPENSES

Car, Motorcycle and Bicycle Allowance Rates are set in lines with those paid to officers of the authority. Existing travel and subsistence arrangements will continue, i.e. that Members are entitled to claim such allowances necessarily met in carrying out their official duties as councillors outside of the city boundary (in line with the officers' scheme).

Travel within Plymouth and peninsula (counties of Devon, Cornwall, Somerset and Dorset)

HMRC RATE:

45p per business mile up to 10,000 miles

25p per business mile over 10,000 miles

'Out of Peninsula rate':

25p per business mile

Low emission car rate (travel within Plymouth and Peninsula)

Cars with up to 110g/km CO2 emissions, and/or in tax band A or B:

50p per business mile up to 10,000 miles

29p per business mile over 10,000 miles

HMRC passenger rate:

5p per business mile per passenger

Meals and subsistence rates

Breakfast

Irregular starter before 6am. This rate does not apply if employee regularly leaves home before 6am.

- Maximum claim - £5

One meal rate

Where an employee is away from the normal place of work for a period of more than five hours.

- Maximum claim - £5

Two meals rate

Where an employee is away from the normal place of work for a period of more than 10 hours.

- Maximum claim - £10

Late evening meal

Irregular late finisher - where an employee is away from the normal place of work outside of their normal working hours and after 8pm.

- Maximum claim - £10

Only a maximum of three meals can be reimbursed per day. Alcohol cannot be purchased within the allowance.

Overnight stays

Accommodation will be reimbursed for overnight stays where it is impractical for a day-return or where the overnight stay represents better value for money. Reimbursements will be made when presented with a valid VAT receipt.

- Bed and breakfast outside of London (M25): Maximum payment - £65
- Bed and breakfast within London/M25 boundaries: Maximum payment - £85

Approved duties and claiming childcare and dependent carers' allowances

If a councillor is responsible for the care of children, elderly relatives or people with disabilities, childcare and dependent carers' allowances may be claimed (against receipts). The maximum period of the entitlement is the duration of the approved duty plus reasonable travelling time. The allowance should not be payable to a member of the claimant's own household.

Approved duties are:

- attending a committee, sub-committee or outside body meeting
- attendance at any other authorised meeting (provided that it is a meeting to which Members of at least two political groups have been invited)
- attendance at a meeting of any association of authorities of which the authority is a member
- attendance at any Cabinet meeting
- performance of any duty connected with the opening of tenders
- performance of any duty requiring the authority to inspect or authorise the inspection of any premises
- performance of any duty in connection with arrangements for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996
- attendance at development and learning events
- the carrying out of any other duty approved by the authority for the purpose of or in connection with the discharge of the functions of the authority or any of its committees or sub-committees

