

PLYMOUTH CITY COUNCIL INDEPENDENT REMUNERATION PANEL

REPORT ON THE REVIEW OF MEMBERS' ALLOWANCES JUNE 2018

I. SUMMARY OF RECOMMENDATIONS

I.1 The Panel makes eight recommendations for the Council to consider:

Recommendation 1: Having reviewed the Bands for the Special Responsibility Allowances, the Panel recommends a change to the existing Band 5 to be a quarter of the basic allowance. For 2018/19 this will be £2,697.

Recommendation 2: The Panel recommends the four Scrutiny Committee Chairs each receive a Special Responsibility Allowance at Band 3, which is £10,788 for 2018/19.

Recommendation 3: The Panel recommends the four Scrutiny Committee Vice-Chairs are not remunerated and therefore will not attract a Special Responsibility Allowance.

Recommendation 4: The Panel recommends, in recognition of the role of Vice-Chairs of Licensing and Taxi Licensing, which are quasi-judicial committees, that they receive a Special Responsibility Allowance at new Band 5, £2,697.

Recommendation 5: The Panel recommends the role of Chair of the Health and Wellbeing Board should, in principle, be remunerated. On the basis of the evidence the Panel considers the role should be remunerated at Band 4 which is currently £5,394 for 2018/19.

Recommendation 6: The Panel recommends an increase in the Special Responsibility Allowance for the Chair of Audit and Governance Committee from the current Band 4, £5,394 for 2018/19, to Band 3, £10,788.

Recommendation 7: The Panel recommends the proposed new role of Assistant Cabinet Member be remunerated with a Special Responsibility Allowance at the new Band 5 level of £2,697 for 2018/19, on the expectation that:

- the number of roles is restricted to a maximum of four at any one time;

- a rolling programme of development for the Assistant Cabinet Members be introduced, in the context of the broader approach to Member development and succession planning; and
- evidence is provided to the next review of the Panel on the effectiveness of the Assistant Cabinet Member role.

Recommendation 8: The Panel recommends in the interests of parity, the subsistence rates for officers and Members continue to be linked as articulated in the ‘Plymouth Book’.

- 1.2 The Panel note that should Council accept all of the above recommendations without amendment, the total number of roles in receipt of a Special Responsibility Allowance (SRA) would increase from 19 to 28. If all such roles were held by individuals this represents 49% of all Councillors which is just within the Government recommended maximum of 50%. The Government rationale is that “they cease being ‘special’ if the majority of councillors receive them”.
- 1.3 The Panel strongly support the policy that no Councillors can be in receipt of two SRAs, with the exception of the Lord Mayor and Deputy Lord Mayor who can be in receipt of both their personal allowances in their civic roles and SRA’s for their Councillor duties.
- 1.4 The Panel thank all Members who were interviewed for the review – 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 from Siân Millard, Oversight and Governance Manager and Amelia Boulter, Democratic Support Advisor, during the course of the review.
- 1.5 The current (2017/18) Scheme of Member Allowances is at Appendix I for information.

2. INTRODUCTION

The Regulatory Context

- 2.1 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’]).
- 2.2 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 Panel’s recommendations before setting a new or amended Members’ Allowances Scheme.

Terms of Reference

2.3 Members' Allowances should be reviewed at least every four years. The last full review for Plymouth City Council was in 2017; this review in June 2018 focussed on the following specific issues requested by the new administration:

- To note the new structure of Scrutiny and consider the remuneration level for the Scrutiny Committee Chairs and Vice-Chairs.
- To consider whether the roles of Vice-Chair of Taxi Licensing Committee and Vice-Chair of Licensing Committee warrant a special responsibility allowance and, if so, at what level.
- To consider whether the role of Chair of the Health and Wellbeing Board warrants a special responsibility allowance and, if so, at what level.
- To consider the remuneration level for the role of Chair of the Audit and Governance Committee.
- To consider whether the subsistence level for London-based meetings is sufficient and, if not, what the appropriate level should be.
- To consider the level of special responsibility allowance for the new proposed role of Assistant Cabinet Member.
- In the context of the specific issues the Panel has been asked to review, to make any other relevant recommendations to make to Council in relation to the Member Allowance Scheme.

Panel

2.4 Plymouth City Council's Independent Remuneration Panel members are:

Alan Wooderson (Chair)	Alan Wooderson is retired and 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
Bryony Houlden	Bryony Houlden is Chief Executive of South West Councils
Jane Hopkinson	Jane Hopkinson is former University Secretary of the University of Plymouth and current Independent Trustee of the University of Plymouth Students' Union

2.5 Members of the Panel may have some contact with the Council. In the interest of openness and transparency their links, where they occur, are stated below:

Alan Wooderson is engaged 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.

Bryony Houlden is Chief Executive of South West Councils, a member organisation of the 41 local authorities across the South West including Plymouth City Council.

Context

2.6 The Panel considered the following :

- The reason why the Review had been requested following a recent (May 2018) change in political administration and resulting changes to governance structures for Scrutiny and Audit and Governance Committees.
- That under statute, Councils may award Special Responsibility Allowances to Members who perform additional responsibilities over and above the roles and expenses covered by their basic allowance (the basic allowance is provided for all Members on an equal basis and for 2018/19 this is £10,788).
- The importance of encouraging diversity across the Councillor body and enabling people, particularly younger people, to be able to afford to undertake the role of being a Councillor.
- The current gender balance on the Council is 67% male, 33% female and there are a range of ages with Plymouth having proportionately younger members than the national average.
- The Council's budgetary position and acknowledged pressures (it is not the role of the Panel to consider affordability of the recommendations it makes as this is a matter for the Council).
- The substantial role that all Councillors undertake for which they receive the Basic Allowance and the additional responsibilities some take on, which attract an SRA.
- The public service element of all roles.
- Guidance from South West Councils on best practice for Independent Remuneration Panels, especially with regards to guidance for newly created roles for which there is limited evidence.

3. METHODOLOGY AND APPROACH

3.1 The Review methodology included:

- Comparative evidence of Members' Allowances with 26 comparators. 13 of these were identified from the Chartered Institute of Public Finance and

Accountancy (CIPFA) (identified by an asterix*), and 13 other 'local/coastal' comparator Councils that the Panel have previously considered.

Bolton*	Redcar and Cleveland*
Bournemouth	Sefton*
Brighton and Hove	South Gloucestershire
Bristol*	Southampton*
Cornwall	St. Helens*
Darlington*	Stoke-on-Trent
Derby City*	Sunderland*
Gateshead*	Swindon
Hull	Tameside*
Medway	Telford and Wrekin
North East Lincolnshire*	Warrington
Poole	Wirral*
Portsmouth	York

- Interviews with 14 Members in roles relevant to the terms of reference of the review.
- 3.2 Analysis of the data was conducted by mean, quartile (where relevant) and range to identify the comparative position of the Council and help inform the Panel's considerations.
- 3.3 The Panel met on 13 and 14 June 2018 to receive and distil the evidence. For each role under review they considered four facets: responsibility, accountability, time and effort.
- 3.4 With regards to the benchmarking evidence, the Panel noted that although there was some degree of commonality in scope and remit of each committee across local authorities, they were not identical and there were therefore some differences in the level of responsibility, accountability, time and effort required from the relevant roles.

4 FINDINGS AND RECOMMENDATIONS

4.1 Special Responsibility Allowance Bands

- 4.1.1 As part of its review, the Panel considered the current bands of Special Responsibility Allowances available to Members. They noted the current Band 5 was £1,106, approximately an eighth of the basic allowance and that no current role in receipt of an SRA received an allowance at Band 5.
- 4.1.2 The Panel considered the current level of Band 5 to be too low in relation to the specific roles they had been asked to review.

- 4.1.3 The Panel therefore determined that an amendment to Band 5 would be required to reflect a quarter of the basic allowance which equates to £2,697 for 2018/19.

Recommendation 1: Having reviewed the Bands for the Special Responsibility Allowances, the Panel recommends a change to the existing Band 5 to be a quarter of the basic allowance. For 2018/19 this will be £2,697.

4.2 Scrutiny – Chairs and Vice-Chairs

- 4.2.1 The Panel was asked to:
- note the new structure of Scrutiny and consider the remuneration level for the Scrutiny Committee Chairs and Vice-Chairs
- 4.2.2 The Panel noted that prior to 2016, there had been four Scrutiny Panels with a Management Board which was subsequently reduced to two between 2016 and 2018.
- 4.2.3 The incoming administration following the May 2018 local elections has re-introduced four Scrutiny Committees (but not a Management Board). The Panel noted the recent change and the expectations of Chairs and Vice-Chairs within that context. The Scrutiny Committee Chairs under the previous two-committee structure received an SRA at Band 3, £10,788.
- 4.2.4 After considering the evidence from benchmarking, documentation and interviews, the Panel agreed that the level of work required from the Scrutiny Committee Chairs remained high and therefore there was no reason to deviate from the current level of special responsibility allowance. The Panel did not however consider there was sufficient evidence from the benchmarking or interviews that the role of Vice-Chair should be remunerated.

Recommendation 2: The Panel recommends the four Scrutiny Committee Chairs each receive a Special Responsibility Allowance at Band 3, which is £10,788 for 2018/19.

Recommendation 3: The Panel recommends the four Scrutiny Committee Vice-Chairs are not remunerated and therefore will not attract a Special Responsibility Allowance.

4.3 Vice-Chairs of Taxi Licensing and Licensing Committee

- 4.3.1 The Panel was asked to:
- consider whether the roles of Vice-Chair of Taxi Licensing Committee and Vice-Chair of Licensing Committee warrant a special responsibility allowance and, if so, at what level.

- 4.3.2 The Panel noted they had considered remuneration for the Vice-Chairs of Taxi Licensing and Licensing Committee in 2017 and had at that point determined not to recommend remuneration for those roles.
- 4.3.3 For this review, the Panel was provided with additional evidence on the requirements of the Vice-Chairs and following assessment of that evidence 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 the Council's Cabinet;
 - the Vice-Chairs of Taxi Licensing and Licensing Committees may sometimes be required to attend court in the absence of the respective Chair;
 - varying views expressed from the interviews about whether Vice-Chairs should attract any remuneration;
 - that the Vice-Chair of Planning Committee, another quasi-judicial body, is currently remunerated at Band 4, £5,394;
 - evidence in relation to the Vice-Chair of Planning Committee demonstrated the onerous nature of that particular Committee which explained why the Vice-Chair of Planning had been remunerated for a number of years; and
 - a potential issue of fairness in relation to quasi-judicial bodies by the fact the Vice-Chair of Planning Committee is remunerated and the Vice-Chairs of Licensing and Taxi Licensing are not.
- 4.3.4 Having considered the range of newly presented evidence and in recognition that both Taxi Licensing Committee and Licensing Committee are quasi-judicial, the Vice-Chairs of Licensing and Taxi Licensing should be remunerated but at a lower level than the Vice-Chair of Planning given the difference in expectations of the roles.

Recommendation 4: The Panel recommends, in recognition of the role of Vice-Chairs of Licensing and Taxi Licensing, which are quasi-judicial committees, that they receive a Special Responsibility Allowance at new Band 5, £2,697.

4.4 Chair of the Health and Wellbeing Board

- 4.4.1 The Panel was asked to:
- consider whether the role of Chair of the Health and Wellbeing Board warrants a special responsibility allowance and, if so, at what level
- 4.4.2 The Panel were made aware that:
- Health and Wellbeing Boards were established under the Health and Social Care Act 2012 and are established and hosted by local authorities;
 - historically the role of Chair of the Health and Wellbeing Board has been held by one of the Cabinet Members with a health remit; and

- some Health and Wellbeing Boards at other local authorities have independent chairs who are remunerated.

Recommendation 5: The Panel recommends the role of Chair of the Health and Wellbeing Board should, in principle, be remunerated. On the basis of the evidence the Panel considers the role should be remunerated at Band 4 which is currently £5,394 for 2018/19.

4.5 Chair of Audit and Governance

4.5.1 The Panel was asked to:

- consider the remuneration level for the Chair of Audit and Governance Committee.

4.5.2 The Panel noted:

- the change in structure to the Audit and Governance Committee following a merger of the former Audit Committee with the former Constitutional Review Group (CRG);
- the rationale for bringing together the audit and governance functions thus raising the profile of governance discussions at the Council with a view to strengthening and enhancing that area of responsibility;
- therefore the remit of the Committee is expanded and there is an element of additional accountability and responsibility for the Chair, particularly given the new governance components to the Committee's work;
- the Chair of the previously constituted Audit Committee attracted an SRA at Band 4, £5,394;
- all other Chairs of Committees received an SRA at Band 3, which is £10,788 for 2018/19; and
- the aims of the Chair of the Committee to raise the profile and accessibility of audit and governance work at the Council.

Recommendation 6: The Panel recommends an increase in the Special Responsibility Allowance for the Chair of Audit and Governance Committee from the current Band 4, £5,394 for 2018/19, to Band 3, £10,788.

4.6 Assistant Cabinet Member

4.6.1 The Panel was asked to:

- consider the level of special responsibility allowance for the new proposed role of Assistant Cabinet Member.

4.6.2 The Panel noted:

- the desire of the new administration to introduce a new role of Assistant Cabinet Member and that the overall objective of the role is to support Cabinet Members with specific projects and to promote succession planning into full Cabinet positions;

- that Cabinet Members cannot, by law, delegate decision making to another member and that therefore the Assistant Cabinet Member would not make decisions relating to any Cabinet portfolio or any decisions that could bind the Council nor would they have budgetary responsibility;
- that the Council currently has Members in ‘Champion’ roles (e.g. Champion for Plastics) which are unremunerated; and
- the importance of Member development in ensuring Members are fully supported and enabled to undertake their roles effectively.

Recommendation 7: The Panel recommends the proposed new role of Assistant Cabinet Member be remunerated with a Special Responsibility Allowance at the new Band 5 level of £2,697 for 2018/19, on the expectation that:

- the number of roles is restricted to a maximum of four at any one time;
- a rolling programme of development for the Assistant Cabinet Members be introduced, in the context of the broader approach to Member development and succession planning; and
- evidence is provided to the next review of the Panel on the effectiveness of the Assistant Cabinet Member role.

4.7 Subsistence Allowance

4.7.1 The Panel was asked to:

- consider whether the subsistence level for London-based meetings is sufficient and, if not, what the appropriate level should be

4.7.2 The Panel noted:

- that Members are subject to the same travel and subsistence policy as council officers, as set out in the ‘Plymouth Book’, and that the basic allowance for Members includes provision for expenses within the Plymouth boundaries;
- evidence from comparator local authorities and, on request, further evidence specifically relating to London-based local authorities to inform their view;
- that the Council’s policy in relation to travel and subsistence, as set out in the ‘Plymouth Book’ is based on HMRC recommended rates.
- that officers or Members who travel to London or other core cities should not be out of pocket for their expenses; and
- that a review of the Plymouth Book is outside of the remit of the Panel.

Recommendation 8: The Panel recommends in the interests of parity, the subsistence rates for officers and Members continue to be linked as articulated in the ‘Plymouth Book’.

4.8 Other issues

- 4.8.1 In recommending an increased number of SRAs the Panel were mindful of previous discussions around performance management. The Panel were reassured to hear from the Members interviewed that the political groups are very aware of the need to ensure that Members in receipt of all allowances, and particularly those in receipt of SRAs are performing to appropriate standards and expectations.

APPENDIX I

MEMBERS' ALLOWANCE SCHEME
Summary of basic allowance and special responsibility allowances
from 1 April 2017 – 31 March 2018

<u>BASIC ALLOWANCE</u> (per year for all 57 councillors)	£
Basic Allowance	10,576
<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)	31,728
Deputy Leader of the Council (1)	22,324
Cabinet Member (8)	21,148
Overview and Scrutiny Committees	
Chair of Health & Wellbeing O&S Committee (1)	10,576
Chair of Place & Corporate O&S Committee (1)	10,576
Regulatory Committees	
Chair of Planning Committee (1)	10,576
Vice Chair of Planning (1)	5,288
Chair of Licensing Committee (1)	10,576
Chair of Taxi Licensing (1)	10,576
Chair of Audit (1)	5,288
Opposition Groups	
Leader of the largest minority party (1)	10,576
Leader of other minority parties (1)	5,288
Deputy Leader of largest minority party (1)	5,288
Lord Mayoralty	
Lord Mayor (1)	14,692
Deputy Lord Mayor (1)	4,848

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