



# **Members' Allowances Scheme**

**For**

**Test Valley Borough Council**

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**8<sup>th</sup> Report by the**

**Independent Advisory Panel**

**October 2020**

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## SUMMARY OF RECOMMENDED ALLOWANCES SCHEME

Before it can agree a new scheme of allowances for 2021 to 2024, the Council is required to have regard to the views and recommendations of its Independent Review Panel. It is not required to accept those recommendations, but must take proper account of them.

The Independent Remuneration Panel is recommending the Borough Council to introduce a new scheme of allowances with effect from May 2021, with the provisions set out below.

### 1. The following Basic and Special Responsibility Allowances will be paid from May 2021:

Basic Allowance (BA):	Current level	New level
All Councillors	£7,036	£7,390

Special Responsibility Allowances (SRAs):	Current level (calculation)	Current level (£)	New level (calculation)	New Level (£)
Leader of Council	1.9 x BA	£13,339	2.2 x BA	£16,258
Deputy Leader	1.3 x BA	£9,118	1.4 x BA	£10,346
Portfolio Holders	1.21 x BA	£8,499	1.21 x BA	£8,942
Chairman of Overview and Scrutiny Committee	1 x BA	£7,036	1 x BA	£7,390
Chairmen of Area Planning Committees	0.75 x BA	£5,291	0.75 x BA	£5,543
Chairman of Licensing Committee	0.75 x BA	£4,235	0.45 x BA	£3,326
Main Minority Opposition Group Leader (Larger Group)	0.45 x BA	£3,151	0.45 x BA	£3,326
Chairman of Council	0.45 x BA	£3,151	0.45 x BA	£3,326
Chairman of General Purposes Committee	0.33 x BA	£2,308	0.33 x BA	£2,439
Vice-Chairmen of Area Planning Committees	20% of Chairman's SRA	£1,010	20% of Chairman's SRA	£1,109
Vice-Chairman of Overview and Scrutiny Committee	20% of Chairman's SRA	£1,408	20% of Chairman's SRA	£1,478
Vice-Chairman of Licensing Committee	20% of Chairman's SRA	£847	20% of Chairman's SRA	£665
Vice-Chairman of Council	20% of Chairman's SRA	£620	20% of Chairman's SRA	£665
Vice-Chairman of General Purposes Committee	20% of Chairman's SRA	£450	20% of Chairman's SRA	£488

- In view of the increases payable from May 2021 set out above, the indexation increases due to the Basic and Special Responsibility Allowances under the previous allowances scheme on 1<sup>st</sup> April 2021 shall NOT be applied.
- No member of the Council shall receive more than one SRA.
- If a Councillor is unable to undertake all or most of the duties covered by a Special Responsibility Allowance for a continuous period of one calendar month or more because of illness, the provision in the Member Allowances

regulations to adjust the allowance payable to that Councillor *pro rata* to the proportion of the year for which the special responsibilities have not been undertaken will be applied. Conversely, a Councillor who takes on the duties covered by an SRA for a continuous period of a month or more, when another Councillor is ill or absent/unavailable for other reasons, shall be entitled to receive the SRA, *pro rata*, for the period in question.

5. A Child Care and Dependent Carers scheme will be available, which:
  - Makes payment towards the costs necessarily incurred by a Councillor in engaging a carer to look after children or other dependants who live at the same address as the Councillor, when the Councillor is absent from home undertaking any of the duties set out in Regulation 7 (1) (a) to (h) of the new Regulations
  - Provides an hourly payment in line with actual costs incurred by the Councillor in purchasing the care, up to a maximum of £13.26 per hour (subject to any CPI-based adjustment in April 2021).
  - Precludes any payment if the caring is undertaken by a member of the Councillor's own immediate family (e.g. spouse, partner, older child or grandparent).
  - Limits the maximum level of payment in any one week to a maximum of 8 hours or the duration of 2 meetings (whichever is the lesser period).
6. Travel and subsistence allowances will be paid in respect of the same "approved duties" as in the Council's previous arrangements for such allowances.
7. Subsistence allowances will be paid to cover the costs actually incurred by Councillors, but not exceeding the following rates (subject to any CPI-based adjustment in April 2021):
  - Daytime (more than 4 hours away, ending before 7pm): £7.23
  - Evening (more than 4 hours away, ending after 7pm): £12.66
8. The following rates of travel allowance will be paid:
  - Use of members own car: 45p per mile (all engine sizes)
  - Use of members own motorcycle: 24p per mile (all engine sizes)
  - Use of members own bicycle: 20p per mile
  - Payment for carrying passengers 5p per passenger per mile

The above rates will be kept in line with the HMRC's assessment of "per mile" operating costs.
9. Reimbursement of the costs for rail travel will be paid, but restricted to the appropriate class other than 1<sup>st</sup> class.
10. Payments will be made to any co-opted members of the same travel and subsistence allowances which apply to Councillors in respect of attendance at meetings etc., plus any reasonable out-of-pocket expenses they incur, subject to the approval of the Head of Legal and Democratic Services.

11. All the above allowances and allowance rates, other than the rates of travel allowance, will indexed to movements in the Consumer Prices Index, and will be increased as follows:
  - In the case of the Basic and Special Responsibility Allowances an increase on 1<sup>st</sup> April 2022 of the same percentage as the increase/decrease in the Consumer Prices Index for the preceding September; and increases thereafter on 1<sup>st</sup> April each year by the same percentage as the increase/decrease in the Consumer Prices Index for the preceding September.
  - In the case of the allowance rates, an increase on 1<sup>st</sup> April 2021 of the same percentage as the increase in the Consumer Prices Index for September 2020; and increases/decreases thereafter on 1<sup>st</sup> April each year by the same percentage as the increase/decrease in the Consumer Prices Index for the preceding September.
12. All allowances will be withheld or recovered from any Councillor who is suspended or disqualified.
13. The attendance records of members at meetings will be published on the Council's website.
14. A full review of all allowances by the Independent Review Panel will be undertaken in summer/autumn 2024 (with a view to recommending a revised allowance scheme for implementation from May 2025), unless members wish allowances to be reviewed again at an earlier stage, or there are changes in the Council's organisation or structure which require an earlier review of the current scheme.

The Borough Council is also recommended to set its Mayoral and Deputy Mayoral Allowances for 2021/22 at £16,500 and £6,050 respectively, with these allowances being increased on 1<sup>st</sup> April 2022 by the same percentage as the increase in the Consumer Prices Index for the preceding September; and increased thereafter on 1<sup>st</sup> April each year by the same percentage as the increase in the Consumer Prices Index for the preceding September.

## DETAILED COMMENTARY AND BASIS FOR RECOMMENDATIONS

### Background

1. The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) require the Borough Council to seek further recommendations from its Independent Remuneration Panel (IRP) on its members allowance scheme at least once every four years.
2. The IRP's last recommendations to the Council were made in its 7<sup>th</sup> report in October 2018. However, rather than recommending a revised scheme of allowances at that stage, the Panel recommended a continuation of the Scheme of Allowances adopted by the Council on 28<sup>th</sup> January 2015 (following the panel's 6<sup>th</sup> report) for a further period of two years, from May 2019 to May 2021.
3. The reasons for this two-year extension were that:
  - First, following the Local Government Boundary Review Commission's Electoral Review in 2017, ward boundaries and representation were due to change in May 2019, with the total number of elected members reduced from 48 to 43, essentially serving the same populace.
  - Second, a Digital Transformation programme was about to change the way in which members worked, moving to paper-light working, which would have an impact on the costs members incur on printing, technology and peripherals;

It was felt that these changes needed time to be absorbed before a full new allowances scheme was introduced. This report therefore sets out the results of the first full review of the Council's allowances scheme for 6 years.

4. A Council's scheme of allowances must cover:
  - The Basic Allowance (BA)
  - Special Responsibility Allowances (SRAs)
  - Dependent Carers Allowance
  - Travel and Subsistence Allowances
  - Co-optees' Allowances
  - Indexation of allowances
5. Before it can agree its scheme of allowances, a Council is required to have regard to the views and recommendations of its Independent Review Panel on all of the above issues, with the exception of the withholding or recovery of allowances (although the Panel has commented on the latter issue in any case).
6. As well as recommending a new allowances scheme under the 2003 Regulations, the current panel was also asked to examine the current allowances paid to the Mayor and Deputy Mayor to cover their expenses, and to recommend the future level of these allowances.
7. The 8<sup>th</sup> Test Valley Independent Remuneration Panel met on 26<sup>th</sup> and 27<sup>th</sup> October 2020 to review the current allowances scheme, and to consider its recommendations for a new scheme, together with the Mayoral and Deputy Mayoral allowances. The panel consisted of:

- Trevor Cox, from the “My Test Valley” panel;
- Michael Cronin, Independent Person;
- Steve Vale, an HR consultant, chairing the Panel, having chaired the previous five IRPs.

### **Our approach in 2020**

8. Before considering any changes to previous allowances, we sought to obtain views on the strengths and weaknesses of the current scheme from as many members as possible. We therefore:
  - Reviewed the results of a questionnaire survey of all members, which sought their views on the principal elements of the current scheme;
  - Gave an opportunity to any member who wished to make representations to us in person to do so (5 Councillors took up our invitation).
  - Spoke to the Council’s Chief Executive and Head of Legal and Democratic Services, to obtain background information.
  - Spoke to the current Mayor about the levels and adequacy of the Mayor’s and Deputy Mayor’s Allowances
9. The Panel was also asked by the Council to address three specific local issues in the process of compiling this report. These were:
  - The IT part of the Basic Allowance (following the Introduction of ipads for all Councillors).
  - The Minority Group Leader’s SRA– as the Council now has more than just two party groups, should all minority group leaders be entitled to a pro-rata’d allowance?
  - The arrangements applying to the transfer of an SRA if a Chairman resigns from the Council.

### **Outcomes of the questionnaire survey**

10. The questionnaire survey, which was conducted on our behalf prior to our meeting, elicited responses from 29 out of 43 members. This was a better response rate (67%) than that for the previous (2014) survey, and we felt that it could be regarded as reasonably representative of Councillors’ views
11. The headline results of the questionnaire survey can be summarised as indicating that:
  - The previous assumption behind the BA that Councillors needed to work 14 hours a week to adequately perform their duties was no longer correct – almost 80% of Councillors reported working more than 14 hours per week;
  - As a result only 35% of respondents thought that the current BA was reasonable.
  - A similar proportion continued to support the concept that 45% of the hours worked by Councillors should be seen as voluntary, and not remunerated. 65% expressed a view that the voluntary proportion should be lower, with a wide

variety of views on what any revised proportion should be – these ranged from 0 to 40%.

- For most of the current SRAs, a majority of respondents supported their continued payment at the current level. The exceptions were:
  - The Leader's SRA which was felt to be too low;
  - The Deputy Leader's SRA, which was also felt to be too low;
  - The Chair of Licensing's SRA which was seen as too high
- The great majority of members (90%) were content with the existing rates of travel and subsistence allowances, and the duties for which they are paid.
- 80% of members felt that allowance payments should cease to any member who has been suspended;
- The great majority of members (90%) supported the Council's Childcare and Dependant Carers Allowance scheme, and most (80%) felt that the current level of payment under the scheme was adequate.
- Councillors reported spending levels on IT (broadband, mobile phone, landline and software/peripherals) which varied enormously from one Councillor to the next.

### **Comparative Data**

12. In their questionnaire responses, a number of Councillors drew comparisons with the level of allowances paid in other Councils.
13. In this context, we had been provided with data from a 2019 survey by South East Employers on the level of allowances in Councils across the south east region of England. From this we extracted figures for the other District Councils in Hampshire (which seemed to us the most relevant comparators for Test Valley).
14. The latter figures informed our judgements and recommendations on a number of the issues set out below

### **The Basic Allowance (BA)**

15. Having been advised about the ongoing development of the Community Councillor, role, the impact of boundary changes on the workload in certain wards, and the changing expectations of the public towards their elected representatives (illustrated by the impact of the Covid 19 pandemic), we accepted the indications from the questionnaire survey that the minimum time input for Councillors to perform adequately and effectively was now greater than 14 hours per week.
16. Looking at the time input figures quoted in the survey, we felt that a new higher minimum figure of 18.5 hours per week should be used in calculating to BA.
17. Whilst we noted the views expressed in the survey about the level of time input which should be regarded as voluntary and not remunerated, we reminded ourselves that the current "voluntary proportion" of 45% had been in place since 2006 (prior to which had been 50%). We were not aware of any changes within the Council or the community which argued strongly for any change. Our view was that we continue to support both the voluntary principle and the current "voluntary proportion" of 45%.
18. We also maintained the view that the BA should be calculated by reference to average pay levels in the local (Test Valley) economy. Provisional 2019 data from ONS showed this to be just under £14 per hour.



19. As requested, we looked at the IT part of the basic allowance carefully. We had been given a synopsis of our previous decisions which showed that the specific IT allowance (known as the Communications Allowance) had been abolished and absorbed into the BA in 2006, and that, from that point on, the BA had been intended to cover all the costs of being a Councillor, including IT costs.
20. On this basis, we did not feel that the recent provision of tablets to all Councillors constituted an argument for a reduction in the BA.
21. We did note that there was still a notional IT element within the BA of £800 (derived from our report in 2015). We checked that this notional £800 remained adequate for the IT costs all Councillors were likely to meet – i.e. broadband connection, mobile phone contract and landline costs, plus a few peripheral costs. We were satisfied that it was adequate. Whilst costs incurred on these elements reported by individual Councillors in the survey varied considerably, we felt that, overall, they showed that the notional £800 should be sufficient to meet all Councillors' costs in this area.
22. We also looked at the comparative data on the BA paid by other Hampshire Districts. We found that, contrary to the statements made by some members in their questionnaire responses, Test Valley's BA was higher than that paid in most of the other Districts (all but two), so that the comparative data did not warrant a major increase in the Test Valley BA.
23. **On the basis, we agreed that the basis of the new BA should be input of 18.5 hours per week, 55% of which should be remunerated at the average hourly wage in the local economy. This produced a BA of £7390 per annum.**
24. **We noted that this would provide a 5% increase on the current (2020) level of Basic Allowance in May 2021. Given this level of increase, we felt that the cost-of-living up-rating of the BA due in April 2021 under the current (2016 to 2020) scheme was unnecessary and should not be applied.** (Note that because the new SRAs recommended below are multiples of the new BA, the April 2021 cost-of-living up-rating will also not be applied to the new SRAs.). See also the section on Indexation, below

### **Special Responsibility Allowances (SRAs)**

25. The questionnaire survey revealed that, for the most part, the current provisions on which roles should receive SRAs, and the amounts of those SRAs, had the support of a majority of Councillors. Against this background we could see little justification in a wholesale review of the distribution and amounts of SRAs.
26. Retention of the "no more than one SRA per member" rule also continues to make obvious sense to the panel in encouraging a range of members to take on the roles which attract SRAs
27. The questionnaire survey revealed three specific issues which needed our attention:
  - The SRA payable to the Leader;
  - The SRA payable to the Deputy Leader; and
  - The SRA payable to the Chairman of Licensing;
28. In addition, data which showed the number of meetings called and cancelled since May 2019 showed that a high proportion of meetings of both Planning Committees had not taken place, which called into question the level of the SRAs payable to the Chairmen of these Committees

29. As noted above, we had also been asked to examine the issues surrounding the Minority Group Leader SRA.
30. Finally, the issue of whether the Member Champion roles created in June 2020 should attract SRA payments arose in the course of our discussions with Councillors during our meeting.
31. These issues are dealt with in turn below
32. With regard to the **Leader's SRA**, we received evidence of the current volume of the Leader's workload, compared to the workload expected of "ordinary" Councillors in relation to the BA. This reinforced the outcomes of the questionnaire survey (in which a majority of respondents indicated that they felt the Leader's and Deputy Leader's SRA were too low in relation to the responsibilities of the roles), and suggested that the Leader's SRA ought to be a higher multiple of the BA than the current 1.9.
33. This suggestion was given additional weight when we looked at the comparative data for allowances in other Hampshire Districts, referred to above. This showed that the Leader's SRA at Test Valley was lower than that in any other Hampshire District and was around 30% below the average Leader's SRA for the others (£18,458).
34. Therefore, given the evidence we have seen, **we are confident in recommending that the Leader's SRA' should be increased to 2.2 times the BA** – i.e. £16,258. At this level the Leader's SRA at Test Valley will not exceed the average or median SRA for Hampshire Districts.
35. The same logic which led us to recommend a higher SRA for the Leader at Test Valley is applicable to the Deputy Leader role, and, on this basis, **we recommend that the SRA for the Deputy Leader should increase to 1.4 times the BA.**
36. With regard to the **SRA payable to the Chair of Licensing**, we received evidence that, since 2016, the workload of the Licensing Committee had continued to reduce. This evidence was principally in the form of the number of meetings of the Committee that had been cancelled in recent years (around three quarters of the scheduled meetings). We reminded ourselves that, when we had last fully considered the SRA for the role (in 2014), recently-introduced licensing regulations had led us to expect that work volumes for the Licensing Committee would be equivalent to those of the Area Planning Committees. It was this expectation that, in 2014, had led us to recommend an SRA for the Chair of Licensing at the same level as the Area Planning Committees. It was clear to us in 2020 that the workloads of the Area Planning and Licensing Committees were no longer equivalent. Striking a balance between the qualitative aspects of the Chair of Licensing's responsibilities and the considerably reduced volume of meetings, **we agreed to recommend reducing the SRA payable to the Chairman of the Licensing Committee to 0.45 times the BA.** (This recommendation will also have a knock-on effect on the SRA payable to the Vice-Chairman of the Licensing Committee.)
37. In looking at the data on meetings scheduled and cancelled, we noted that a high proportion of the meetings of the two Area Planning Committees had also been cancelled recently – between a third and a half of meetings since May 2019. This led us to question whether the SRAs for the Chairs of these Committees should be reduced, following the same logic which had we had applied in the case of Licensing.
38. However, we were advised that the present number of cancellations was a temporary "blip", caused by the "nitrates" issue affecting planning decisions in Hampshire and by the Covid 19 restrictions. Therefore, on the expectation that the work of the two Committees would soon return to normal, **we agreed that the SRAs payable to the Chairmen of the Area Planning Committees should remain at 0.75% of the BA.**

39. In looking at the **payment of SRAs to the minority groups on the Council**, we reminded ourselves of the wording in Local Authorities (Members' Allowances) Regulations 2003. These state that any scheme of SRAs must:
- (a) specify the amount of each responsibility allowance, which need not be the same;*
- (b) provide that, where-*
- (i) members of an authority are divided into at least two political groups; and*
- (ii) a majority of members of the authority belong to the same political groups ("the controlling group")*
- a special responsibility allowance shall be paid to at least one person who is not a member of the controlling group and has special responsibilities [for]*
- *acting as leader or deputy leader of a political group within the authority; and/or*
  - *acting as the spokesman of a political group on a committee or sub-committee of the authority.*
40. Studying this wording carefully, we concluded that there is no obligation to pay an allowance to the leader of every political group which is not the ruling group on the Council, and that the payment of just one such allowance meets the requirements of the Regulations.
41. We looked carefully at the responsibilities of the minority group leaders, and took into account evidence presented to us in the form of a role descriptor and narrative details about the work involved. After careful consideration, we concluded that, whilst the underlying principles of the two roles were similar, the role of leading the smaller minority group could not be seen as being equivalent to that of leading the larger group – at least, not based on the current relative sizes of the two groups.
42. On this basis, we agreed to recommend that, given the present relative sizes of the minority opposition groups on the Council, **an SRA should be payable only to the Leader of the larger of the two minority groups at this stage and that the correct level for that SRA remained 0.45 times the BA.** (It follows that, if the relative sizes of the minority groups on the Council were to change substantially during the life of the new allowances scheme, the Panel could be asked to review this recommendation.)
43. Having learned about the newly-established roles of Member Champions, we considered carefully whether these roles warranted an SRA, but decided against this for two main reasons:
- The various roles were likely to be very different in importance, workload and duration, with no clear evidence that they would continue to operate at a consistent level throughout the life of the allowances scheme.
  - The statutory guidance to panels that no more than around 50% of the members of an authority should receive SRAs.
- Complying with the latter guidance implied that, if we paid SRAs to the Member Champions, we would have to remove them from some other roles. In practice, this could only mean removing them from the Committee Vice-Chairs.
44. But, in our previous reports we had noted that the practice of **paying SRAs to all Committee Vice-Chairs**, although not followed by all Councils, appears well supported at Test Valley, and the 2020 questionnaire survey suggested that this support continued amongst a majority of members. **On this basis, we agreed to continue to recommend that SRAs should be payable to all Vice-Chairmen, at the level of**

**20% of the SRA paid to the relevant Chairman.** The payment of SRAs to Member Champions is therefore not recommended.

45. As a result of the decisions set out in the preceding paragraphs the SRAs we are recommending from May 2021 are:

<b>Role:</b>	<b>SRA payable</b>	
	<b>Multiple</b>	<b>£</b>
Leader of Council	2.2 x BA	16,258
Deputy Leader	1.4 x BA	10,346
Portfolio Holders	1.21 x BA	8,942
Chairman of Overview and Scrutiny Committee	1 x BA	7,390
Chairmen of Area Planning Committees (x 2)	0.75 x BA	5,543
Chairman of Licensing Committee	0.45 x BA	3,326
Minority Opposition Group Leader (Larger Group)	0.45 x BA	3,326
Chairman of Council	0.45 x BA	3,326
Chairman of General Purposes Committee	0.33 x BA	2,439
Vice-Chairmen of Area Planning Committees (x 2)	20% of Chairman's SRA	1,109
Vice-Chairman of Overview and Scrutiny Committee	20% of Chairman's SRA	1,478
Vice-Chairman of Licensing Committee	20% of Chairman's SRA	665
Vice-Chairman of Council	20% of Chairman's SRA	665
Vice-Chairman of General Purposes Committee	20% of Chairman's SRA	488

## Pro-rata'ing of SRAs

46. We were asked specifically to provide guidance on the arrangements which should apply to the transfer of an SRA if a Chairman resigned from the Council and a replacement Chair was not appointed immediately.
47. We looked back at our previous report in which we had re-iterated our support for the existing provision in the Council's scheme of allowances that the pro-rata'ing of SRAs should be applied in the context of long-term illness. (A provision in the Regulations permits such pro-rata'ing where the member concerned is prevented from undertaking all or most of the duties covered by the SRA for a period of more than a calendar month by illness.)
48. We had also recommended that a member who takes on the duties covered by an SRA for a continuous period of a month or more, when another member is ill, should be entitled to receive the SRA, *pro rata*, for the period in question.
49. It seems to us that the latter arrangement should also apply if a member takes on the duties where another member is absent or unavailable for other reasons besides illness (including a situation where an SRA holder has resigned from the Council and has not yet been replaced). We recommend accordingly.

## Other allowances

50. It was clear to us from the questionnaire survey that there was strong support for the provisions in the current scheme (and the level of allowances payable) relating to
- Child Care and Dependant Carers Allowance

- Travel and subsistence allowances (including the “approved duties” for which these allowances are payable).
51. We therefore agreed to recommend that these provisions should continue unchanged in the new scheme.

### **Allowances for co-opted members**

52. The Member Allowances Regulations potentially allow the Council to provide for payments to co-opted members in its scheme of allowances. Currently, the Council has no co-opted members.
53. Nonetheless, it is possible that co-opted members could be appointed within the lifetime of the new scheme, and the questionnaire survey showed support for the current provision for the payment of travel and subsistence allowances to any co-opted members in respect of attending meetings etc at the same rates which apply to Councillors, plus the re-imbursment of any reasonable out-of-pocket expenses they have incurred (subject to the approval of the Council’s Head of Legal and Democratic Services).
54. We therefore recommend that such a provision is replicated in the new scheme of allowances from May 2021.

### **Indexation of allowances**

55. We support the Council’s use of the indexation provisions in the Regulations, so that it is only necessary to revise the scheme of allowances every four years, coinciding with the Council’s electoral cycle.
56. Hitherto,
- The BA and SRAs have been indexed to the annual increases agreed for National Joint Council (NJC) for Local Government Services.
  - All other allowances, other than Travel Allowances have been linked to the Consumer Prices Index (CPI).
  - Travel Allowances have been linked to HMRC approved costs, to avoid any tax liabilities being incurred.
57. The Panel recalled that the reason that that the BA and SRAs had been indexed to employee pay increase was a concern, some years ago, that CPI would run ahead of such increases and that, if these allowances were linked to CPI, they would be subject to increases considerably greater than those applied to employees’ pay.
58. Our judgement is that this risk no longer exists in the current economic climate. This opens the way for a simpler, more transparent and more predictable system of indexation, whereby all allowances (other than Travel Allowances) are linked to movements (up or down) in the CPI.
59. This would mean that, in future, the BA and SRA increase (or decrease) in line with costs in the wider economy, which seems a very fair arrangement.
60. The Panel were also aware that, under the previous Allowances Scheme, a final increase was due on 1<sup>st</sup> April 2021, in line with the annual increase for local government employees agreed in the NJC. However, this increase seemed to us to be an undesirable complication, because:

- The increases in the BA and SRA we are recommending from May 2021 will of themselves provide an appropriate increase to the current (2020) rates in 2021;
  - Any increases to the BA and SRAs paid under the current scheme on 1<sup>st</sup> April 2021 would only apply for a month before being superseded by the new BA and SRA rates; and
  - Given that the NJC rarely concludes its annual negotiation of the increase in employees pay by the due date of 1<sup>st</sup> April, there would be a risk of an awkward back-dating issue, after the new Allowances Scheme had been introduced.
61. For these reasons, we felt that the indexation increases to the BA and SRAs due on 1<sup>st</sup> April 2021 under the current scheme should not be paid.
62. In summary, we recommend the following indexation arrangements in the new Allowances Scheme:
- All allowances, other than Travel Allowances to be linked to movements in the Consumer Prices Index, and
    - the Basic and Special Responsibility Allowances should be increased (or decreased) on 1<sup>st</sup> April 2022 by the same percentage as the increase (decrease) in the Consumer Prices Index for the preceding September; and increased thereafter on 1<sup>st</sup> April each year by the same percentage as the increase (decrease) in the Consumer Prices Index for the preceding September. (For clarity, no increases to the BA and SRA should be paid in April 2021).
    - All other allowances, should be adjusted on 1<sup>st</sup> April each year by the same percentage as the increase/decrease in the Consumer Prices Index for the preceding September. (For clarity, an increase should be applied in April 2021, and the relevant allowances in the new scheme should include this increase).
  - Travel allowances should be increased in line with HMRC approved costs.

### **Ceasing payments of allowances to Councillors who have been suspended**

63. Whilst the new Regulations do not require us to make a recommendation on this issue, we again reiterate our support for the Council to making full use of the ability to withhold or recover allowances from members who have been suspended or disqualified.

### **Mechanism for SRAs in relation to new Committees etc.**

64. As the allowances scheme the panel is recommending is expected to last for 4 years, there is always a possibility that, during that period, the Council may constitute new Committees and/or new roles, and that a question will then arise as to whether an SRA is warranted for new Chairmen, Vice-Chairmen etc.
65. The best way of dealing with such a situation will be via a brief meeting of the IRP if and when it arises. Given modern communications, decisions over any issue could be made quickly and easily, without the need for a formal meeting – e.g. through e-mail exchanges.

## Accountability

66. Previous reports by the panel have expressed concerns that, under the statutory regime for member allowances which has been in place since 2001, there was a risk that certain members might claim their BA entitlement, but fail to undertake their duties adequately.
67. This concern was raised with us again in 2020, and, given that disqualification of Councillors is lawful in very limited and exceptional circumstances and that the law requires that the BA is paid to all members who have not been disqualified or suspended, this risk persists.
68. Unfortunately, there is little that can be done currently within the current legal framework for schemes of allowances to address this issue. (The Council may wish to make representations in other quarters – e.g. through the Local Government Association – for future changes which would address it.)
69. However, in order to provide some measure of transparent accountability, we feel strongly that the Council should continue to **publish annual figures showing the percentages of meetings attended by individual members on its website.**

## Mayoral Allowance

70. As well as recommending a new allowances scheme under the 2003 Regulations, the panel was also asked to examine the current allowances paid to the Mayor and Deputy Mayor to cover their expenses, and to recommend the future level of these allowances.
71. The current allowances were set in 2014 at a level to provide a gross allowance £15,000 and £5,500 for the Mayor and Deputy Mayor respectively. However, in an attempt to create pressure for value-for-money, no indexation provisions were made for these allowances, so that they have continued to be paid at this level for the past 6 years.
72. Whilst the Panel could see no justification for a substantial increase in these allowances, it was obvious that cost increases since 2014 would have eroded the value of the allowances. We felt that some form of indexation would be appropriate in the future.
73. It was also the case that our 2014 recommendation on the level of these allowances had been intended to apply only until 2018. (But a review of then had not been included in the scope of the Panel's 7<sup>th</sup> Report in 2018).
74. **We therefore recommend that the allowances for the Mayor and Deputy Mayor in 2021/22, should be set at £16,500 and £6,050 respectively, and that these allowances should be increased on 1<sup>st</sup> April 2022 by the same percentage as the increase in the Consumer Prices Index for the preceding September; and increased thereafter on 1<sup>st</sup> April each year by the same percentage as the increase in the Consumer Prices Index for the preceding September.**
75. These allowances should be paid in monthly instalments.

## Future meetings of the IRP

76. The Member Allowances Regulations allow the Council to continue to operate a scheme of allowances implemented following a recommendation from its IRP for up to four years (with indexation), before seeking fresh recommendations from the IRP.

77. We recommend that the Council should take full advantage of this provision, and should therefore schedule a full review of all allowances by the Independent Review Panel in summer/autumn 2024 (with a view to recommending a revised allowance scheme for implementation from May 2025), unless members wish allowances to be reviewed again at an earlier stage, or there are changes in the Council's organisation or structure which require an earlier review of the current scheme by the IRP.

### **Acknowledgments**

78. We are grateful to all those Councillors who completed and returned questionnaires and, particularly, to those Councillors and officers who attended our meetings, answered our questions and gave us their views
79. We would like to thank the Council's Democratic Services Officer, Sally Prior, and Democratic Services Manager, Emma Horbury, for their support in organising our meeting, assembling the information and documents we needed, undertaking the questionnaire survey on our behalf and analysing the results, and looking after us during the 2 days of our meeting.