

A Review of Members' Allowances for Torbay Council

The Seventh Report by the Torbay Independent Remuneration Panel

Members:

Bryony Houlden, Chairwoman
Linda Lear
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November 2015

Report of the Independent Remuneration Panel to Torbay Council – November 2015

Introduction

1. The Panel was asked to undertake a fundamental review of the Members' Allowances Scheme ('the Scheme') and to report to the Council to enable Members to consider their recommendations as part of the budget setting process for 2016/2017.
2. The Panel is aware that elected Members will be making brave and challenging decisions about funding over the next few years. While affordability of the outcome of the Panel's review is an issue for the Council to consider, the Panel appreciated the sensitivity of making any changes to the members' allowances in the current economic climate and balanced this with the need to propose a scheme which is both fair and easy to understand.
3. The Panel had particular regard to cross party working amongst Members. They noted how much this style of working is valued across the authority. This has particularly been taken into account when the Panel was forming its recommendations.
4. The Panel has been concerned to ensure that, as far as possible, the Scheme does not create barriers to candidates standing for elected office. In this context the Panel are recommending an allowances regime that they believe is fair and reflects the right balance, and which fits the present economic climate.
5. The overall cost of the Panel's proposals in relation to the Basic Allowance is £302,179. The cost of the proposals for the Special Responsibility Allowances (referred to as SRA) is £156,976. Therefore, the total cost of the proposed Scheme is £459,155 compared to the current year's Scheme of £476,958. If the Panel's recommendations are implemented there will be a saving of £17,803.

Recommendations

6. **The recommendations will be presented to the Council on 3 February 2016 for consideration (a full explanation of the Panel's conclusions leading to these recommendations is set out in the body of this report):**
 - (a) **that the Basic Allowance for all Members should remain unchanged at £8,167 (this is set at a level to include covering costs such as telephone charges, broadband, stationery, postage and travel on non-approved duties etc.);**
 - (b) **that the rates for travel be the same as those set in the Torbay Council Expenses Policy and be paid for all approved duties (e.g. 40p for car, electric car, motorbike or bicycle per mile);**
 - (c) **that subsistence is only paid for the approved duties listed in (d) and the following must apply:**
 - **breakfast – depart from home before 8.00 a.m. £6.22;**

- lunch – absent from normal place of work between 12.00 noon and 2.00 p.m. £7.35; and
 - evening meal – not home before 6.00 p.m. £10.17;
- (d) that the following are identified as approved duties for the purpose of travel, subsistence and childcare/dependent carers' allowances:
- (i) attendance at meetings as a duly appointed member of:
 - (a) the Council and any committee of the Council;
 - (b) any sub-committee appointed by a committee;
 - (c) the Executive or committee of the Executive (if appointed);
 - (d) working parties;
 - (e) scrutiny review panels;
 - (f) policy development groups;
 - (g) any outside organisation and their sub-groups appointed by the Council or the Mayor, provided that the organisation does not pay any such expenses (these are listed on each Councillor's details page on the Council's website at www.torbay.gov.uk/DemocraticServices/mgMemberIndex)
 - (ii) attendance at site visits for planning or licensing purposes or as part of overview and scrutiny;
 - (iii) attendance at member development sessions;
 - (iv) attendance at seminars and all member briefings organised by Torbay Council, except for those held immediately prior to a meeting of Council;
- (e) that the co-optees allowance is frozen at £114 and that this will include expenses for travel and subsistence;
- (f) that the Special Responsibility Allowances (SRA) be set as a multiple of the basic allowance (as shown in (g) to (s) below) and that Members may claim only one SRA in addition to their basic allowance;
- (g) that the SRA for the Elected Mayor be set at £53,085 (6.5 x basic allowance);
- (h) that the SRA for the Deputy Mayor with Portfolio be set at £12,250 (1.5 x basic allowance);
- (i) that the SRA for the Deputy Mayor without Portfolio be set at £6,533 (0.8 x basic allowance);
- (j) that the SRA for the Executive Lead for Adults and Children (combined role) be set at £12,500 (1.5 x basic allowance);
- (k) that the SRA for Executive Leads who have one of the following service areas within their portfolio: Adults; Children; Community Services; Planning and Transport; Finance and Regeneration be set at £8,167 (1 x basic allowance);

- (l) that the SRA for Executive Leads who have one of the following service areas within their portfolio: Corporate Services; Health and Wellbeing; Customer Services; Business Services; and Tourism, Culture and Harbours be set at £6,533 (0.8 x basic allowance);
- (m) that the SRA for the Overview and Scrutiny Co-ordinator be set at £6,533 (0.8 x basic allowance);
- (n) that the SRA for the other Scrutiny Leads be removed;
- (o) that the SRA for the Chairman/woman of the Development Management Committee be set at £6,533 (0.8 x basic allowance);
- (p) that the SRA for all other Chairmen/women of all remaining Committees be set at £3,267 (0.4 x basic allowance) with the Chairman/woman of Licensing being expected to Chair at least 15 meetings of the Licensing Sub-Committees per year;
- (q) that if any members of the Licensing Committee, other than the Chairman or Vice Chairman, are required to Chair Licensing Sub-Committees the SRA for those members be as follows:

20 - 40 meetings	£2,042 (0.25 x basic allowance);
15 - 19 meetings	£1,633 (0.2 x basic allowance);
10 - 14 meetings	£817 (0.1 x basic allowance);
5 - 9 meetings	£408 (0.05 x basic allowance);
- (r) that the SRA for the Chairman/woman of the Council be £3,267 (0.4 x basic allowance);
- (s) that the SRA for the Leaders of Political Groups remains unchanged as £327 per member of the group(excluding the Group Leader in the calculations);
- (t) that the Basic Allowances, Special Responsibility Allowances and Co-optees Allowances be indexed from 1 April 2016 to the annual local government pay percentage increase as agreed by the National Joint Committee for Local Government Services. The travel and subsistence allowances will be up-rated as and when the Council's Expenses Policy is adjusted and the whole allowances Scheme will be reviewed by no later than 2019;
- (u) that the Council is recommended to consider introducing performance management arrangements for the Group Leaders/Mayor to assess the performance of all Members and in particular those in receipt of an SRA, except political group leaders who will be held to account by their group;
- (v) that the rates for childcare and dependent carers' allowances remains the same, namely equal to the cost incurred when a carer has been engaged to enable a Member or Co-opted Member to carry out an approved duty;
- (w) that the Mayor is not part of the Council's pension scheme; and

- (x) that the recommendations set out in (a) to (w) above are implemented from 1 April 2016.**

Report of the Independent Remuneration Panel to Torbay Council – November 2015

Introduction

1. Under the Local Government (Members' Allowances) (England) Regulations 2003, Torbay Council, like all local authorities, has set up an Independent Remuneration Panel to make recommendations to it on members' allowances (Councillors and the Elected Mayor). All Councils are required to convene their Panel before they make any changes or amendments to their Scheme of Allowances and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
2. The Panel, who was appointed in 2011, comprised the following:
 - Bryony Houlden (Chairwoman), Chief Executive of South West Councils;
 - Linda Lear, from a voluntary and community background, who is an experienced panel member who was involved in the 2007 Panel ; and
 - Debbie Franklin, who is a chartered accountant.
3. The Panel would like to thank the officers for their hard work in organising the meetings; collating information and providing factual advice. In particular the Panel would like to thank Amanda Coote for her excellent support throughout the process.
4. The Panel would also like to express its appreciation to the Mayor and all the Councillors who gave evidence and submitted questionnaire returns. This has given the Panel a sound evidence base for its considerations. The Panel was impressed by the strong commitment to serving the community of Torbay expressed by the Mayor and other Members and noted the work that they were undertaking.

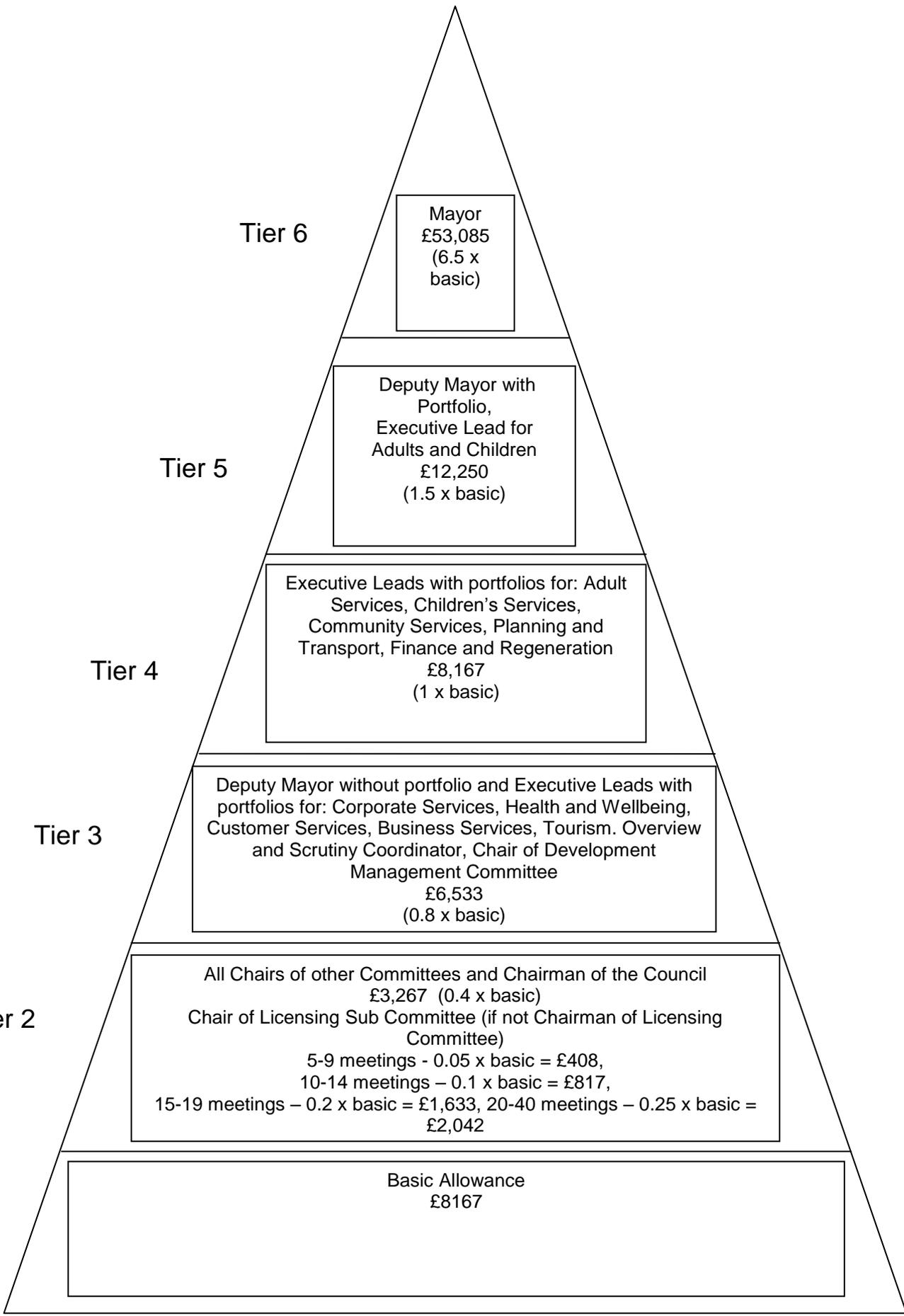
Primary Purpose of the Review

5. The primary purpose of the fundamental review of the Members' Allowances Scheme was to ensure that the Scheme remains relevant to Torbay Council in the present climate for local government and reflects the governance arrangements following the Local and Mayoral elections in May 2015. It is not however the role of the Panel to consider budgetary implications in detail although the economic pressures on Local Government have formed part of the background considerations.

Methodology

6. The Panel met on 16 October and 5 November 2015 to carry out its review of the Scheme.
7. All Members were invited to submit comments on the Members' Allowances Scheme via a questionnaire. 14 out of 37 Members initially responded and 2 additional emails were received and considered by the Panel.

8. The Panel met with the Mayor (Gordon Oliver), the Deputy Mayor (Councillor Derek Mills), Executive Lead for Tourism (Councillor Nicole Amil), Executive Lead for Community Services (Councillor Robert Excell), Executive Lead for Customer Services (Councillor David Morris), Executive Lead for Corporate Services (Councillor Andy Lang), Executive Lead for Planning, Transport and Housing (Councillor Mark King), Executive Lead for Business (Councillor Richard Haddock), Executive Lead for Adults and Children (Councillor Julien Parrott), Councillor Nick Bye and the Chairman of Audit Committee (Councillor Alan Tyerman). The Panel also invited the Overview and Scrutiny Co-ordinator for interview (Councillor Chris Lewis), but he was unavailable to meet the Panel.
9. As part of the review, the Panel considered the following background documents:
 - Current Members' Allowances Scheme;
 - 2011 Independent Remuneration Panel Report;
 - Torbay Council's Officer Structure Chart;
 - Review of Members' Allowances Scheme for 2015/16 – Background Issues for Consideration;
 - Torbay Council Expenses Policy (this is the officers expenses policy);
 - Mileage and subsistence claims for 2011/12, 2012/13, 2013/14 and 2014/15;
 - Mileage comparisons of Members living across Torbay;
 - Council report 411/2005 which was considered at Council 29 September 2005;
 - Benchmarking data for Mayoral Authorities, Local Devon Authorities and Unitary Authorities.
 - Schedule 5 of the Constitution – Delegation of Executive Functions
10. The Panel resolved that the SRA's should be tiered and set as a multiple of the basic allowance. The approach of using multiples of the Basic Allowance is a fairly common practice amongst Independent remuneration Panels and having reflected on the relationships between the various roles attracting SRA's and the Basic Allowance the Panel believed this was a transparent and simple mechanism to follow. As illustration the following diagram sets out the Panel's recommended tier structure:



Tier 6

Mayor
£53,085
(6.5 x basic)

Tier 5

Deputy Mayor with Portfolio,
Executive Lead for Adults and Children
£12,250
(1.5 x basic)

Tier 4

Executive Leads with portfolios for: Adult Services, Children's Services, Community Services, Planning and Transport, Finance and Regeneration
£8,167
(1 x basic)

Tier 3

Deputy Mayor without portfolio and Executive Leads with portfolios for: Corporate Services, Health and Wellbeing, Customer Services, Business Services, Tourism. Overview and Scrutiny Coordinator, Chair of Development Management Committee
£6,533
(0.8 x basic)

Tier 2

All Chairs of other Committees and Chairman of the Council
£3,267 (0.4 x basic)
Chair of Licensing Sub Committee (if not Chairman of Licensing Committee)
5-9 meetings - 0.05 x basic = £408,
10-14 meetings - 0.1 x basic = £817,
15-19 meetings - 0.2 x basic = £1,633, 20-40 meetings - 0.25 x basic = £2,042

Tier 1

Basic Allowance
£8167

Basic Allowance

11. The Panel heard from Members about the continued way the Council operates with all Mayoral decisions being taken at full Council meetings following the debate and recommendation by all Members.
12. The Panel considered whether it would be appropriate, in light of the administrative burden and therefore costs to the Council of Officers processing claim forms, to provide a lump sum to cover the cost of travel within Torbay. This was a recommendation in the previous report which was rejected by the Council. The Panel received evidence on mileage and subsistence claims for the period 2011 to 2015 and details of mileage claims from Members who travel from Torquay, Paignton and Brixham on approved duties.
13. Whilst the option to increase the basic allowance to cover all travel costs was broadly supported by Members, some Members were conscience of the public perception of increasing the basic allowance. The Panel also had concerns about the fairness of the measure. Taking into account the evidence which was presented to them, the Panel therefore felt it was appropriate to continue using the rates and range of approved duties for travel as set out in the current Members' Allowances Scheme. The Panel thought it was important to remind Members that they were justified in making these claims if travel was required, but also encouraged Members to take the time to ensure they were correctly and clearly claiming to minimise the effort required by the officers in processing them.
14. The Panel noted the current IT package available to all Members and that all Members had been provided with an iPad, keyboard, case and SIM card to access their emails at home and out and about. The Panel were advised Members were given the option to buy the iPad and associated equipment over a 4 year period, or alternatively lease the device. The Panel observed that 3 Councillors had opted to purchase the device but the Council funded all 36 Members' SIM cards. The Panel was advised that broadband had been installed at the Town Hall and the Panel recognised that most people have their own broadband connections at home.
15. In looking to set the allowance the Panel considered a range of benchmarking data including the average basic allowances across different groupings of authorities as follows:

Mayoral authorities	£9,275 (these ranged from £6,130 to £12,120)
Unitary authorities	£9,208 (these ranged from £5,392 to £13,300)
Devon County Council	£10,970
Plymouth City Council	£10,368
16. Having regard to the written and oral representations, the Panel considered that the basic allowance should remain unchanged at £8,167 and should be deemed to cover costs such as telephone charges, broadband, all stationery, postage and travel on non-approved duties etc.
17. Payment of the basic allowance, regardless whether the Member has been re-elected or not, should be received up to four calendar days after an Election. Payment of the basic allowance after an election to be paid from the fifth calendar day after the election.

Co-opted Members

18. The Panel noted that the Co-opted Members did the job on a voluntary basis and that the allowance was a token to help cover their expenses and noted that none of the members claimed any other expenses.
19. The Panel felt that whilst the two co-optees' allowances were fairly modest they did help to cover the costs of attending meetings and that they should continue to be paid at the current rate, but that they would be expected to cover the cost of travel and subsistence expenses. The co-optees would still be entitled to claim childcare and dependent carers' allowances.

Special Responsibility Allowances

20. Special Responsibility Allowances (SRA's) are payable at the Council's discretion to those Members who have significant additional responsibilities over and above the generally accepted duties of a Councillor. Members may only claim one SRA in addition to their basic allowance.
21. The Panel were of the opinion that all SRA's are in place to cover the cost of attending additional meetings within Torbay (eg meetings with officers, briefings and network meetings) as part of their role and felt the current Allowances Scheme covered this point. Where their attendance at meetings etc is required outside Torbay, this would be first agreed by the relevant Directorate and met from their service budget.
22. The Panel's 2011 report suggested that the SRA's should be based on a percentage of the Mayor's allowance as this role was seen as the most significant full-time role. The Panel formed the opinion that the SRA's should be set on a multiple of the basic allowance and applied this principal to its recommendations as referred to above.
23. Payment of all SRA's end on the last day of the term of office (four calendar days after the election). SRA's are not paid until the new/returning Councillor is formally appointed to a position which attracts a SRA.

Elected Mayor's Allowance

24. The Panel reflected on the governance arrangements where the Mayor takes all executive decisions at meetings of the full Council following a recommendation voted on by all Members. Whilst the Panel acknowledged that the Mayor was ultimately the decision maker, in such cases he was guided by the whole Council.
25. The Panel had regard to the benchmarking information which showed that the SRA for the Elected Mayor was already one the lowest of all Mayoral Authorities with the average being £64,319.24, however, they felt that this was appropriate given the size and demographics of Torbay.
26. The Panel heard powerful evidence from the Mayor himself about the austerity measures being applied to the Council and the Panel also noted that the current Mayor only claimed half of his SRA and pledged the remaining half to charitable causes, which is advertised as the Mayor's Fund. Therefore the Panel recommended that the Mayor's SRA be set at 6.5x the basic allowance which equates to £53,085. The Panel recognises that because of the different methodology used to calculate this allowance it does represent a slight reduction in the overall allowance. This should

not be taken as an indication that the Panel do not value the role and contribution of the Mayor.

27. Payment of the Mayor's Allowance ends on the last day of the term of office (four calendar days after the election). A newly elected Mayor or re-elected Mayor would be paid their SRA from the start of their term of office (five calendar days after the election).

Deputy Mayor and Executive Leads

28. The Panel noted that the Executive Members perform an advisory role to the Mayor and the scheme of delegation if the Mayor is unavailable or the Mayor has a pecuniary interest.
29. Whilst undertaking their interviews the Panel sought Members' views on the differing roles of the Deputy Mayor and Executive Leads and asked Members to weight which Portfolios they considered to have a higher level of accountability. The Panel felt that due to the statutory responsibility of the Executive Leads with Portfolios for Children, Adults and Finance and the significantly higher level of accountability and responsibility of these Portfolios they should receive a higher SRA than the other Executive Leads. They also recognised the higher level of responsibility of the Executive Lead Portfolios for Community Services and, Planning and Transport and felt these Portfolios should receive a higher SRA too.
30. The Panel noted that currently the current Executive Lead structure allows for one Executive Lead to have two statutory services areas in their Portfolio (Adults and Children). The Panel felt that this Portfolio carried a significantly higher level of accountability and responsibility and resolved that whilst the current arrangements are in place the Executive Lead should receive 1.5 x basic allowance. However, the Panel were mindful that should this Portfolio be separated the SRA set out in 31 below should be applied.
31. Therefore the Panel resolved the Executive Leads with Portfolios for Children, Adults Finance and Regeneration, Community Services and Planning and Transport should receive a higher SRA of 1 x basic allowance.
32. The Panel resolved that the Executive Leads with Portfolios for Corporate Services; Health and Wellbeing; Customer Services; Business Services; and Tourism, Culture and Harbours should receive an SRA of 0.8 x basic allowance.
33. With the Executive Members only performing an advisory role, the Panel resolved to remove the individual decision making and collective decision making SRA's for Executive Members from the current scheme.
34. They also recognised the additional responsibilities of the Deputy Mayor which could be appointed with or without a Portfolio. The benchmarking data showed the average SRA being £24,986.85. During their interviews the Panel received feedback on the relative weighting of this role and were also informed that the Deputy Mayor did not claim the full entitlement of the SRA.
35. The Panel felt that there should be different allowances for the Deputy Mayor depending on whether or not he/she had a Portfolio. The Panel felt that the SRA for the Deputy Mayor with Portfolio should be 1.5 x basic allowance and a Deputy Mayor

with no Portfolio should be 0.8 x basic allowance and in line with the other Executive Lead SRA's.

Overview and Scrutiny

36. The Overview and Scrutiny Co-ordinator currently receives an SRA of £10,114 which is the same as an Executive Member who has collective decision making powers. This was originally set when the Council had a collective decision making Executive as it was felt the role of the Overview and Scrutiny Co-ordinator was on par with that of an Executive Member.
37. The Panel felt that the SRA for the Overview and Scrutiny Co-ordinator should be the same as the Executive Lead with any other Portfolio (0.8 x basic allowance). This is closer to the average allowance paid in other Unitary authorities e.g. £7,499.60.
38. The Council has 3 Scrutiny Leads. Taking into account the written and oral representations, the Panel considered that with the current governance arrangements and the provision of Policy Development Groups, the need for the Scrutiny Leads to receive an SRA was not required. It is therefore recommended that this SRA be removed from the scheme.

Development Management Committee

39. The Panel reviewed the SRA for the Chairman/woman of the Development Management Committee and felt that the current SRA was appropriate and recommended the SRA should be 0.8 x basic allowance.

Licensing

40. The Panel reviewed the SRA for the Chairman/woman of the Licensing Committee and Licensing Sub-Committee. The Panel noted that, although the Licensing Committee only met twice a year, it was usual for the Chairman/woman of the Committee to chair approximately 50% of the meetings of the Licensing Sub-Committee with the Vice-Chairman and possibly another member of the Committee chairing the remaining meetings of the Sub-Committee. The Panel felt that the Chairman/woman of the Licensing Sub-Committee should be required to chair at least 15 meetings of the Licensing Sub-Committee per year. The SRA for the Chairman/woman should therefore be 0.4 x basic allowance.
41. The Panel felt that any other Member who Chairs meetings of the Licensing Sub-Committee should be paid an SRA depending on the number of meetings they chair as follows:

20 - 40 meetings	£2,042 (0.25 x basic allowance)
15 – 19 meetings	£1,633 (0.2 x basic allowance);
10 - 14 meetings	£817 (0.1 x basic allowance);
5 - 9 meetings	£408 (0.05 x basic allowance); and

Harbour and Audit Committee

42. The Panel noted the respective roles of the Chairman/woman of the Harbour Committee and Chairman/woman of the Audit Committee. Both Committees meet four times a year.

43. The Chairman/woman of the Harbour Committee also chairs various sub-committees and working party meetings. The Chairman/woman of the Audit Committee also represents the Council on the Devon Audit Partnership which is responsible for monitoring the contract and services provided by the Council's shared Devon Audit Partnership. The Panel felt that additional duties the Chairman of the Audit and Harbour Committee undertake are no greater burden than the other Chairman positions (excluding the Chairman of Development Management Committee) and recommended the SRA's be reduced to be brought in line with the other Chairman roles – 0.4 x basic allowance.

Chairman of the Council

44. The Panel noted that Council meets bi-monthly with additional meetings required during the budget setting process and felt the SRA in line with the other Chairman was appropriate (0.4 x basic allowance).
45. The Panel noted that outside of the Members' Allowances Scheme the Chairman/woman of the Council also receives a civic allowance of £3,096 per annum which is paid in monthly instalments, plus £1,600 which is held and administered by Community and Customer Services department. The Vice-Chairman/woman of Council also receives a civic allowance of £1,000 per annum. This is intended to cover the additional cost of outfits, purchase of raffle tickets, gifts to charity and helping with general expenses relating to the ceremonial aspect of the role.
46. The Panel confirmed that the Chairman's allowance is payable from the Adjourned Annual Council meeting date to the Annual Council meeting 12 months later. In the year of a Local Election and in the event the Chairman is not re-elected or does not re-stand, the SRA is still paid to the Chairman until, and including, the Annual Council Meeting.

Leaders of Political Groups

47. The Panel noted that the Political Groups no longer had the support of Political Assistants. The Panel felt the SRA for the position of Group Leader should remain unchanged, but this would not include the Group Leader as part of the calculation.
48. The Leaders' Allowance should be received up to four calendar days after the election. Payment of the Leaders' Allowances after an election is made once the Governance Support Manager receives written confirmation of the appointment of Group Leader.

Indexing

49. The Panel noted that the Scheme was currently up-rated using the annual local government pay settlement as agreed by the National Joint Committee for Local Government Services. The Panel felt that the current method for up-rating the Scheme should remain unchanged as it meant that staff and members will receive the same increase in pay. The method for up-rating the Scheme and the whole allowances scheme must be reviewed at least every four years (e.g. by no later than 2019).

Performance Management

50. The Panel felt that formal performance management arrangements should be introduced ideally for all Members particularly those in receipt of SRA's to be carried out by the appropriate Group Leader or the Mayor, so that there is recorded evidence as to whether or not the people appointed to these positions were carrying out their roles and responsibilities and that where development needs were identified these could be met where possible as part of the Member Development Programme.

Childcare and Dependent Care

51. The current Scheme includes provision for the payment of the actual costs incurred for childcare and dependent care to be reimbursed to enable a member to carry out an approved duty. The Panel considered that the current system was fair and should be retained.

Outside Bodies

52. Members cease being representatives on outside bodies four days after the election and are re-appointed at Annual Council or by the Executive Director under urgent powers if the outside organisation needs Councillor representation prior to the Annual Council meeting.

Significant Changes such as alterations to the Governance Arrangements, Scheme of Delegation

53. If any significant changes are made prior to the next review of Members' Allowances (for example changes to governance arrangements, the scheme of delegation or changes to warrant a review of the current Members Allowances Scheme) the Independent Review Panel should be consulted and requested to make any recommendations to Council.