

**A Review of Members' Allowances
for Torbay Council**

**The Eighth Report by the
Torbay Independent Remuneration Panel**

Members:

Bryony Houlden, Chairwoman
Linda Lear
Debbie Franklin

January 2019

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 2019/20.
2. The Panel noted that local elections would be held in May 2019 and were aware elected Members will be making brave and challenging decisions about funding over the next few years. The Panel appreciated the sensitivity of making any changes to the members' allowances scheme 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 was informed by the Director of Corporate Services of the changes to the system of governance from May 2019. They noted that the elected Mayor would cease to exist and that a Leader and Cabinet system would be in operation. The Panel also noted the uncertainty as to how many Cabinet members would be appointed as this would be at the Leaders' discretion. The Panel was also told that included in the Elected Mayors budget proposals was a saving of £50k from the members' allowances budget.
4. The Panel were mindful that recommendations on a proposed Scheme should, as far as possible, not create barriers to candidates standing in the forthcoming elections. In this context the Panel recommend allowances which they believe is fair, reflects the right balance, and which fits the present economic climate. The recommended allowances reflect the 2% pay increase which will be awarded to staff from 1 April 2019. This is in line with paragraph 14 of the current Scheme.
5. The overall cost of the Panel's proposals in relation to the Basic Allowance is £312,048. This includes the 2% pay increase effective from 1 April 2019 and therefore remains unchanged.

In the event that all positions of special responsibility are appointed to and allowances for these posts are claimed, the total cost of the proposals for the Special Responsibility Allowances is £164,044. This has been calculated as follows: a Leader, Deputy Leader, 6 x Cabinet members, 4 x Scrutiny Leads and 33 x councillors being claimed for by group leaders and the other SRA's set out in Appendix 2.

Therefore, the total cost of the proposed Scheme is £476,092 compared to the Elected Mayor's provisional budget of £444,990. (These calculations are based on the rates of allowances in effect from 1 April 2019 and include the 2% pay increase).

Recommendations

6. **The recommendations will be presented to the Council on 31 January 2019 for consideration (a full explanation of the Panel's conclusions leading to these recommendations is set out in the body of this report) and reflect the 2% increase effective from 1 April 2019:**
 - (a) **that the Basic Allowance for all Members be set at £8,668 (this is set at a level to include covering all costs which are not covered elsewhere in the**

- Allowances Scheme, such as telephone charges, broadband, stationery, paper, 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 for officer and be paid for all approved duties;**
- (c) that subsistence is only paid for the approved duties listed in (d) below of and the following must apply in line with the officer policy:**
- 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 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 Leader of the Council, 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 by committee/board members;**
 - (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;**
 - (v) attendance at non-political conferences/seminars, subject to prior approval by the Director or Executive Head who holds the budget, and funding for the conference being available (in accordance with the Local Protocol for the Leader of the Council and Political Groups);**
- (e) that the co-optees allowance is frozen at £118 and that this will include expenses for travel and subsistence;**
- (f) that the Special Responsibility Allowances (SRA) be set as multiple of the particular allowances (as shown in (g) and (h) below) and that Members may only claim one SRA in addition to their basic allowance;**

- (g) that the SRA for the Leader of the Council be set at £24,150 (2.25 x Cabinet Member SRA);
- (h) that the SRA for the Deputy Leader be set at £13,416 (1.25 x Cabinet Member SRA);
- (i) that the SRA for Cabinet members be set at £10,733 (in line with the existing SRA for a collective decision making Cabinet);
- (j) that the allowances for the Leader, Deputy Leader and Cabinet members (x6) be capped at £101,964 ;
- (k) that the SRA for the Overview and Scrutiny Co-ordinator be set at £7,155 (one third reduction of the current allowance);
- (l) that the SRA for the Scrutiny Leads be set at £2,385 (one third reduction of the current allowance) and that there be no more than 4 Scrutiny Leads appointed;
- (m) that the SRA for the Chairman/woman of the Development Management Committee be set at £7,155 (in line with the current allowance);
- (n) that the SRA for all other Chairmen/women of all remaining Committees be set at £3,578 (in line with the current allowance);
- (o) 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:

10+ meetings	£1,155
5 - 9 meetings	£578

(both in line with the current allowance);
- (p) that the SRA for the Worshipful Mayor of Torbay (currently known as the Chairman/woman of the Council) be £3,578 (in line with the current allowance);
- (q) that the SRA for the Leaders of Political Groups is set at £347 per member of the group(excluding the Group Leader in the calculations and in line with the current allowance);
- (r) that the Basic Allowances, Special Responsibility Allowances and Co-optees Allowances be indexed from 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 updated as and when the Council's Expenses Policy is adjusted and the whole allowances Scheme will be reviewed by no later than 2023;
- (s) that the Council is recommended to consider introducing performance management arrangements for Group Leaders and Leader of the Council 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 and identify skills development needs;

- (t) that the rates for 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;**
- (u) that Members have the option to purchase either an annual car parking permit or pay to park on an ad-hoc basis and that both of these options are in line with the charges applicable to staff;**
- (v) that the provision of ICT equipment for members is in line with the officer provision;**
- (w) that, if following the election, there are significant implications to the Members' Allowances Scheme as a result of member appointments to positions of special responsibility or there is not collective decision making in the Cabinet, the Independent Remuneration Panel is re-convened; and**
- (x) that the recommendations set out in (a) to (w) above are implemented from 5 May 2019.**
- (y) that the Independent Remuneration Panel be appointed to undertake a further review once the Leader and Cabinet system has been in operation for a period of three months.**

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 comprised the following:
 - Bryony Houlden (Chairwoman), Chief Executive of South West Councils and involved in the 2015 Panel;
 - Linda Lear, from a voluntary and community background, who is an experienced panel member who was also involved in the 2015 Panel; and
 - Debbie Franklin, a chartered accountant and also involved in the 2015 Panel.
3. The Panel would like to thank the officers, particularly Amanda Coote, for their hard work in organising the meetings; collating information and providing factual advice.
4. The Panel would also like to express its appreciation to 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 evidence presented to them about the level of commitment of most members to serving the community and being an advocate for them. However, the Panel was concerned about the number of representations made to them that a small number were not actively engaging with their constituents as much as they should be in line with expectations about the work covered by the Basic Allowance. This is reflected in our recommendation on performance management by Group Leaders and the Leader of the Council, although this recommendation also reflects the fact that the Panel believes it is important for all members to identify their skills needs and have the support from the Council to develop.

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 will reflect the governance arrangements following the local elections on 2 May 2019. It is not however the role of the Panel to consider budgetary implications in detail, although the economic pressures on Local Government funding and the budget which is proposed for 2019/20 have formed part of the background considerations.

Methodology

6. The Panel met on 4 and 8 January 2019 to carry out its review of the Scheme.

7. All Members were invited to submit comments on the Members' Allowances Scheme via a questionnaire. 13 out of 37 Members responded and one written representation was made - these responses were considered by the Panel.
8. The Panel met with the Executive Lead for Tourism and Harbours (Councillor Nicole Amil), Executive Lead for Community Services (Councillor Robert Excell), Executive Lead for Customer Services (Councillor Richard Haddock), Executive Lead for Adults (Councillor Julien Parrott), Chairman of Audit Committee and Deputy Leader Conservative Group (Councillor Alan Tyerman), Overview and Scrutiny Co-ordinator (Councillor Chris Lewis), Leader of the Independent Group (Councillor Mike Morey) and Chairman of the Development Management Committee (Councillor Mark Kingscote).
9. As part of the review, the Panel also considered the following background documents/information:
 - Current Members' Allowances Scheme;
 - Torbay Council's Officer Structure Chart;
 - Torbay Council Expenses Policy (this is the officers expenses policy);
 - Benchmarking data for other Authorities;
 - Feedback from the South West Independent Remuneration Panel Chairs meeting;
 - Update from the Director of Corporate Services on the new governance arrangements effective from May 2019;
 - Update on from the Section 151 Officer on the budget setting process for local authorities; and
 - Minutes from the meeting of Council held on 5 December 2018.
10. The Panel resolved that some of the SRA's should be set as multiple of the certain allowances and the recommendation reflects this. Having reflected on the relationships between the various roles attracting SRA's the Panel believed this was a transparent and simple mechanism to follow.

Basic Allowance

11. The Panel heard from Members and the Director of Corporate Services about the changes to the system of Governance from May 2019 with the implementation of a Leader and Cabinet system.
12. The Panel did not receive any evidence in support of or objecting to an increase or decrease to the basic allowance. The Panel did however hear representations which suggested that the basic allowance was low compared to other local authorities, but with pressures facing local government funding any measures to align the allowances should be done on a marginal basis.
13. The Panel noted the current IT package available to all Members and that all Members had been provided with an iPad, keyboard, case and data 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. The Panel observed that only 3 Councillors had opted to purchase the device and that the Council funded all 36 Members' data. 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.

14. The Panel took into account equity and fairness between officers and members and although recognising that the roles are very different, and that members receive an allowance not a salary they agreed that there was discrepancies between officers and members on travel, parking and ICT equipment and therefore the Panel were keen to align these.
15. The Panel were of the view that whilst aligning the Scheme to staff policies and guidance, Members IT equipment after the Election in May 2019 should be provided to all Members by the Council as this was in line with officer practices and was necessary for them to undertake their roles on the Council.
16. Further, in respect of the alignment the Panel recommended that the rates for travel be amended to reflect staff policy (i.e. 30p per mile for motor cars, 40p per mile for electric cars, 40p per mile for motorcycles and 40p per mile for bicycles).
17. The Panel were provided with information about staff parking permits and recommend aligning the members' parking permits to that of staff, therefore the Panel recommends from May 2019 members have the option to purchase an annual car parking permit or pay to park on an ad-hoc basis (currently 50p for six hours, £1 for 12 hours or an annual permit at £170). This would give members more flexibility whilst also delivering a fair and equitable approach. Both these options would be in line with the charges applicable to officers.
18. In looking to set the basic allowance the Panel considered a range of benchmarking data including the average basic allowances across different authorities as follows:

Devon County Council	£12,607
Plymouth City Council	£10,788
Other local authorities	£4,360 to £14,188.74
19. Having regard to the written and oral representations, the Panel considered that the basic allowance be set at £8,668 (current allowance plus 2% increase) and should be deemed to cover all costs which are not covered elsewhere in the Allowances Scheme, such as telephone charges, broadband, all stationery, paper, postage and travel on non-approved duties etc.
20. 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

21. 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.
22. The Panel felt that whilst the co-optees' allowance was 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

23. 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.
24. 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.
25. The Panel's were of the view that some SRA's should be based on a multiple of other allowances and applied this principal to its recommendations as referred to above.
26. 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.

Leader of the Council's Allowance

27. The Panel reflected on the governance arrangements which would come into effect from May 2019 and how the appointment of Leader would be made.
28. The Panel had regard to the benchmarking information which showed that the SRA for the Leader of the Council at other authorities within the geographic ranged from £31,518.00 (Devon County Council) to £8,740(West Devon) although they recognised that these were different types of authority
29. The Panel looked at using a multiplier based on the level of the Cabinet allowances for the Leader and Deputy Leader, in doing this they also looked at appropriate benchmarking data from other authorities. This led to the Panel setting a multiplier of 2.25 times the Cabinet Member SRA to set the SRA for the Leader. As the new structure embeds the Panel would wish to revisit the relative weighting of this role in light of evidence.
30. The Panel heard evidence from the Members both verbally and in writing about the austerity measures being applied to the Council and the role of a Leader of the Council. The Panel have recommended an allowance which they feel reflects the representations made to them.
31. Payment of the Mayor's Allowance ends on the last day of the term of office (four calendar days after the election). A new Leader of the Council would be paid their SRA from the start of their term of office (at their election at the Annual Council meeting following the next whole Council election).

Deputy Leader and Cabinet Members

32. The Panel noted that the current Executive Members perform an advisory role to the Elected Mayor and the scheme of delegation if the Mayor is unavailable or the Mayor has a pecuniary interest. The Panel noted that the future Leader could continue with this arrangement or elect to have a collective decision making cabinet, however also

noted that the vast majority of Leader and Cabinet models have adopted collective responsibility and have therefore assumed that collective decision making will be in place in Torbay for the purposes of this allowance review.

The Panel also noted the current number of Executive Leads and noted that a future Cabinet could be made up of a maximum of 9 Cabinet members plus the Leader. The Panel had regard to the officer structure with 5 Directors and felt that 6 Cabinet members would align to the officer structure whilst giving the Leader some flexibility in Cabinet appointments, but that more than 6 could cause duplication in work across portfolios. However, the Panel resolved that should the Leader of the Council wish to appoint more than 6 Cabinet members or if there was no collective decision making, the Panel should be reconvened to recommend revised SRA's for these positions. If this did occur the Panel would see the same level as set out in this report as the starting point maintaining the overall pot of money set aside for the Cabinet at the same level as the expectation would be that additional cabinet members would lighten the load across other portfolios.

33. Whilst undertaking their interviews the Panel sought Members' views on the differing portfolios and asked Members to weight which Portfolios they considered to have a higher level of accountability. The Panel heard evidence to suggest that Children and Adults were high profile portfolios, but each portfolio undertaken by a Cabinet member would not be significantly more onerous than other roles and that if they were all part of collective decision making they should not distinguish between them. Therefore the Panel did not recommend the portfolios receive differential SRA's.
34. Following the gathering of evidence the Panel recognised there were additional responsibilities of the Deputy Leader. The benchmarking data showed the SRA ranging from £6,184 (East Devon) to £21,571 (Plymouth).
35. As with the Leader the Panel also looked at using a multiplier based on the level of the Cabinet allowances for the Deputy Leader, in doing this they looked at appropriate benchmarking data from other authorities. This led to the Panel setting a multiplier of 1.25 times the Cabinet Member SRA to set the SRA for the Deputy Leader. As the new structure embeds the Panel would wish to revisit the relative weighting of this role in light of evidence.

Overview and Scrutiny

36. The Overview and Scrutiny Co-ordinator currently receives an SRA of £10,523 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 saw effective scrutiny as of real importance to the operation of the Council. However, having regard to evidence presented to it by members which for the most part reflected the view that the SRA for this post was set too high and taking into account benchmarking data and the belief that this is a changed role under a Leader and Cabinet model, the Panel felt that the SRA for the Overview and Scrutiny Co-ordinator should be reduced by one third to £7,155. The Panel were of the view that this is closer to the average allowance paid in other authorities which ranged from £2,147 (Reading) to £10,788 (Plymouth).

38. The Council currently has 4 Scrutiny Leads. Taking into account the written and oral representations, the Panel considered that the SRA for this post should also be reduced by one third to £2,385 and that was more in line with other authorities. They were also of the view that a cap of a maximum of 4 leads should be set.

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 remain unchanged £7,155 (this includes the 2% pay increase).

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.
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:

10 + meetings	£1,155; and
5 - 9 meetings	£578;

42. This is in line with the existing allowance plus 2% pay increase.

Other Chairman roles

43. The Panel noted the respective roles of the remaining Chairman/woman of Committees. The Panel noted that the Audit Committee Chairperson received a higher SRA but did not hear any evidence to suggest that this role was more onerous than the other Chairing roles. The Panel felt that additional duties the Chairman of the Audit Committee undertake are not of significantly greater burden than the other Chairman positions (excluding the Chairman of Development Management Committee) to warrant a higher allowance and recommended this SRA's be reduced to be brought in line with the other Chairman roles at £3,578 (this includes the 2% pay increase).
44. The Panel noted that the Investment & Regeneration Committee and Housing Committee may cease to exist after the Local Election in May 2019, however, as this remains unclear they recommend that should they be re-appointed the Chairman/woman of these committees receive the same SRA as other Chairmen/women of £3,578 (this includes the 2% pay increase).

The Worshipful Mayor of Torbay (currently known as Chairman of the Council)

45. The Panel noted that Council meets bi-monthly with additional meetings required during the budget setting process. The Panel heard evidence which informed them that both the Elected Mayor and Chairman currently attend events, depending on the

nature of the event. The Panel were minded that the demands on this role could increase significantly and would like to explore this further at their next review.

46. The Panel noted that outside of the Members' Allowances Scheme the Chairman/woman of the Council also receives a civic allowance which is set by the Council and is paid in monthly instalments. The Vice-Chairman/woman of Council also receives a civic allowance. 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.
47. 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

48. 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. The Panel have included a recommendation that Group Leaders undertake performance management of their group members and identify skills development training.
49. The Group 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

50. The Panel noted that the Scheme was currently updated 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 updating the Scheme should remain unchanged as it meant that staff and members will receive the same increase in pay. The method for updating the Scheme and the whole allowances scheme must be reviewed at least every four years (e.g. by no later than 2023).
51. The Panel also felt that when changes to staff policy are made in respect of travelling, subsistence and parking, the Scheme should also be changed to ensure they are aligned. This would ensure fairness and equity between members and officers.

Performance Management

52. 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 Leader of the Council, so that there is recorded evidence as to the people appointed to these positions.

Childcare and Dependent Care

53. 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

54. Members cease being representatives on outside bodies four days after the election and are re-appointed at Annual Council or by the Chief Executive 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

55. If any significant changes are made prior to the next review of Members' Allowances (for example changes to governance arrangements, the number of Cabinet/Scrutiny Lead Members, 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.