

Report of the Independent Remuneration Panel (Members' Allowances) to North Somerset Council – January 2023

Introduction

1. North Somerset Council periodically commissions a review of its Members' Allowances Scheme through its Independent Remuneration Panel (IRP). These reviews are usually carried out every four years but the cycle was interrupted by the Covid pandemic and this is the first review since January 2016
The Council must have regard to the recommendations of the IRP in setting members' allowances, but it remains the responsibility of the Council to determine the number and value of allowances.
2. The North Somerset IRP met on a number of occasions during the period October 2022 to January 2023, at the Council Castlewood Offices in Clevedon, and remotely by Microsoft Teams, to gather evidence and review the Scheme.
3. The members of the Panel are as follows:
 - David McFarlane (Chairman) – Business Executive (retired)
 - Philip Burton – Project Management Consultant
 - Anne Hogarty – Human Resources Manager (retired)
 - Peter Smith - Civil Servant (retired)
 - Stefan Ramel - Barrister
4. The Panel wishes to place on record its appreciation of the support it has received throughout the review from Nicholas Brain, Monitoring Officer, Sue Bullock, P.A. to the Leader and Bryony Houlden and the staff at South West Councils.
5. We are especially grateful to those North Somerset councillors who participated in our review process. We were also pleased to have the opportunity to meet with a number of councillors to discuss their roles. We are grateful for the time spent with us. This has helped to clarify aspects of current member working within the Council.
6. The review process revealed divergent views in relation to the Government view that the Councillor role be considered, in part, voluntary. It also identified a difference of opinion on the adequacy of the Allowances for those with independent means, including income from a pension, and those whose ability to maintain an adequate earned income, and make pension provisions, from other sources is adversely affected by meeting their Council responsibilities.

However, whilst recognising that it may deter a significant number from standing for election, the Panel is unable to address this latter issue due to the current requirement for the Basic Allowance to be available to all and paid at the same level for each Councillor and the Government decision to exclude Councillors from the LG Pension Scheme.

7. A number of Councillors referenced the current lack of diversity amongst Councillors and are supportive of any measures which promote the objective of “attracting and retaining a Council broadly representative of the population of North Somerset.” The Legal and Democratic Services Department have set up a website which will help potential candidates understand the role of a councillor and encourage applications from across the community. In addition, a comprehensive induction programme will provide information and support to new councillors.

Methodology

8. The initial approach of the Panel was to invite councillors to complete a short questionnaire online, the process being managed by South West Councils. The survey principally addressed the Basic and Special Responsibility Allowances, including the hours worked and the duties involved, but also took account of other aspects of the current Scheme.
9. Whilst all Councillors were invited to participate, with reminders also sent out, the Panel feel the level of participation - 42% - to be somewhat disappointing and significantly lower than that of the previous review.
10. The Panel also reflected on the outcome of the last Panel report and considered the recommendations contained therein in preparing this report.
11. We looked at the statistics for neighbouring and comparable Unitary Authorities. We are aware that in comparing values, it is important to understand that the structures and cultures of other Councils may vary from those of North Somerset. For example, among comparator authorities, differing levels of authority appertain to individual executive members.
12. Nevertheless, the information has proved a useful guide to where North Somerset Council sits alongside other comparable Councils.

General principles

13. The Panel wishes to make clear the following points of principle:
- (a) It is not constrained by financial considerations – that is a matter for the Council to consider under advice from its Officers.
 - (b) Our recommendations are founded on our interpretation of the evidence offered to the Panel and our independent assessment of the various aspects of the Allowances Scheme.
 - (c) The Panel recognise that Councillors are in receipt of Allowances – Basic and Special Responsibility – the principles of which vary from those of a salaried position.
 - (d) The Panel's objective is to recommend Allowances which will be seen as both fair and reasonable and which will, as far as possible, both attract and retain a Council broadly representative of the population of North Somerset.

Basic Allowance

14. The Basic Allowance must be available to all Councillors and paid at the same level for each Councillor. The present Basic Allowance is **£9,666**. This represents the level of the allowance recommended by the Panel for 2008/09 upgraded in accordance with the successive pay awards for Local Government staff including the award for 2022-2023
15. Councillor Role Descriptions are understood to have been prepared but not yet adopted. We have therefore continued to consider that the Basic Allowance provides for or recognises the following: -
- time and effort in conducting the ward representational role;
 - use of home as an office;
 - travel within the electoral ward;
 - recompense in part for the direct impact of the councillor role on the family;
 - serving on such outside bodies to which the member may be appointed;
 - serving as a member of the full Council and reasonable attendance at Council meetings;
 - membership of a reasonable number of formal and less formal committees, working parties etc. and a reasonable level of attendance at such meetings;
 - performing a chairing role at such meetings where the time and effort involved does not equate to a chairing role for which a special responsibility allowance is justified;

- making a contribution towards the effective governance, performance and administration of the Council as a whole;
 - attendance at reasonable training and personal development events;
16. The previous Report, presented to the Council in February 2016, followed the Boundary Review that reduced the number of elected Councillors for North Somerset from 61 to 50. It contained a recommendation, strongly supported by evidence provided, but not implemented by the Council at that time, that the subsequent increase in the demands placed on Councillors be compensated for by a corresponding increase in the Basic Allowance from **£8,193** to **£9,332** for 2016/17.
 17. Although this appeared to be a substantial increase, it would have resulted in a reduction in the total cost of the Basic Allowance of **£33,000 p.a.** or **6.6%**.
 18. Since the time of the previous Report, the Panel has not been advised of any significant changes to the duties or responsibilities of Councillors nor the hours required to undertake them. It is therefore our view that this proposal remains valid and that the Basic Allowance for 2023-2024 be **£11,010**. This is the 2016/17 recommendation uplifted in accordance with the successive pay awards for Local Government staff.

This would: -

1. Align North Somerset more closely with comparable Authorities.
2. Address, at least in part, the comments made by some Councillors in their survey responses on the level of Allowances.
3. Contribute to the objective of attracting a Council broadly representative of the electorate.

A copy of the relevant section of the 2016 Report is attached as Appendix 1 of this Report along with Appendix 2 which details the year-on-year increases in both the Basic Allowance and the Panel recommendation of 2016-2017

RECOMMENDATION 1 That the Basic Allowance for 2023/24 be set at £11,010

However, although the Panel is not constrained by financial considerations, it recognises that, in the current situation, the Council might consider the alternative proposal of applying this adjustment in two stages, bringing the Basic Allowance to **£10,338** for 2023-2024 and **£11,010** in 2024-2025

RECOMMENDATION 2 That the Basic and Special Responsibility Allowances for 2023-2024 and subsequent years be adjusted in line with any percentage

pay award to officers through the national local government pay award structure;

RECOMMENDATION 3 That the Council adopt Role Descriptions for Councillors which incorporate the factors detailed in item 15 of this report.

Special Responsibility Allowances

19. The purpose of Special Responsibility Allowances (SRA) is to recognise the responsibilities, accountabilities, time and effort attached to certain member roles. These are usually responsibilities that are significantly greater than those carried out generally through the role of the Councillor as recognised through the Basic Allowance.
20. The payment of SRAs is entirely at the discretion of the Council. However, the Panel is in no doubt that, without such recognition, it would be very difficult to find councillors of the required calibre to undertake these significant responsibilities, including the political management and leadership of the Council.
21. The Panel has benefitted from interviews with the Leader and a number of members of the Executive and gained an understanding of the level of responsibility and accountability attaching to these offices.
22. The comments in item 6 of this Report regarding the ability to maintain an adequate earned income from other sources are relevant to these positions, particularly the Leadership and Executive roles, in view of the enhanced demands of their responsibilities.

Leaders Special Responsibility Allowance

23. The present Leader SRA of **£30,500** is broadly comparable with other Unitary Authorities in the region and recognises the level of executive responsibility and accountability attaching to this office, and the responsibility for such strategic matters as the promotion of North Somerset's interests at regional and sub-regional level.
24. There has not been evidence presented to justify an increase in the SRA of the Leader at this time.
25. **RECOMMENDATION 4: That the SRA for the Leader of the Council be set at £30,500 for the period 2023/24;**

Other SRAs – general

26. Under the present Scheme, all SRAs are calculated as a percentage of the Leader's SRA Allowance.
27. The Panel believes that all the SRAs in North Somerset reflect in some way aspects of the leadership of the Council and its key functions, whether at executive level or in the delivery of regulatory responsibilities.
28. The Panel therefore remains committed to using the Leader's SRA as the cornerstone for calculating other SRAs
29. **RECOMMENDATION 5: That any special responsibility allowances awarded under the North Somerset Scheme continue to be calculated as a percentage of the Leader's SRA.**

Deputy Leader's SRA

30. The role of Deputy Leader is allocated by the Leader to one of his/her executive members. The Leader must appoint a Deputy.
31. It is expected that the Deputy Leader will be available in the absence of the Leader, on an immediate day to day level and in the event of any prolonged absence. The Deputy Leader carries a portfolio of executive responsibilities.
32. The Panel is satisfied that the present Scheme correctly recognises the Deputy Leader's additional duties, over and above his/her executive responsibilities with an enhanced payment.

RECOMMENDATION 6: That the SRA for the Deputy Leader be set at £21,350, for the period 2023/24 i.e. 70% of the Leader's SRA.

Executive Members' SRAs

33. Councillors are appointed to the Executive by the Leader. The Panel has heard evidence of the impact that the time and effort have upon a Councillor acting in an Executive capacity. We believe that, at **£18,300**, the Scheme correctly recognises this role.

RECOMMENDATION 7: That the SRA for an Executive Member be set at £18,300 for the period 2023/24 i.e. 60% of the Leader's SRA.

Other SRA's

Having considered the evidence provided by the survey referenced earlier in this report and the subsequent interviews with Councillors, the Panel are of the view that, except for the Chair of the Licencing Committee – not currently eligible for an SRA - all other SRA's are at an appropriate level.

RECCOMENDATION 8: That the SRA's for the following positions be set as indicated for the period 2023-2024.

(1) Chairs of Overview/Scrutiny and Policy Panels - £7,625 i.e. 25% of the Leaders SRA.

(2) Chair of the Audit Committee – £4,575 i.e. 15% of the Leaders SRA

(3) Chair of the Planning and Regulatory Committee - £7,625 i.e. 25% of the Leaders SRA

(4) Chair of the Council - £9,150 i.e. 30% of the Leaders SRA

Recommendation 9 That the Chair of the Licensing Committee be awarded an SRA of £7,625 i.e. 25% of the Leaders SRA.

NB this recommendation is made on the proviso that the Chair of the Licencing Committee also Chairs all Licencing Sub-Committees.

Vice Chairs of Panels and Committees

34. The current Scheme does not allocate any SRA entitlements to vice-chairs of committees, or to the Vice Chairman of the Council.
35. We are firmly of the view that the role of vice chair is one that is usually played out at a meeting, presiding in the absence of the chair. We have received no evidence that a vice chair of any committee or panel will incur additional responsibilities at such a significant level as to justify a special responsibility allowance. We do not therefore propose to include any recommendations for SRAs for vice-chair roles.
36. The position of the Vice Chair of the Council is slightly different in that they will inevitably take on some of the civic engagements that the Chair of the Council is unable to attend. We remain of the view however that there are no grounds to support a recommendation for an SRA for this position.

Minority Group Leaders

37. The Panel recognises that the Leaders of minority parties on the Council have some responsibility for the good corporate governance of the Council and for ensuring the actions of their group do not conflict with that. There is of course an additional responsibility for effective group management.
38. The present Scheme recognises both roles by awarding an allowance of 5% of the Leader's allowance as a lump sum in addition to an amount equivalent to 1% of the Leader's allowance for each other member of the political Group.
39. We believe this is an appropriate provision within the Scheme and accordingly recommend that it continues.

RECOMMENDATION 10: That the SRA for Minority Group Leaders be set at £1,525 (i.e. 5% of the Leader's SRA) together with £305 (i.e. 1% of the Leader's SRA) for each other member of the political Group.

Other Provisions of the Scheme

Travel and Subsistence Allowance.

Recommendation 11: That the Travel and Subsistence Allowance for Councillors continue to be that applicable for Council Officers

Dependent Carers Allowance

Having considered this little used policy, the Panel find no issues on which it wishes to comment but recommends clarification on the Claims Procedure to avoid any potential misunderstanding.

Parental/Adoption Leave

The Panel supports the objective of attracting a Council broadly representative of the electorate by removing perceived barriers to standing for election. We suggest that adopting a policy covering Parental/Adoption Leave would promote this.

Recommendation 12: That the Council adopt the Parental/Adoption Leave policy currently applicable for Officers.

Sick Pay

The current provision is for Councillors Allowances to continue during absences due to ill health. The view of the Panel is that this aspect of the Allowances Scheme be changed. Our view is that the full Allowances received should continue for the first six months of any absence due to ill health and at 50% for a further six months.

Recommendation 13: That the Council adopt the Sick Pay policy currently applicable for Officers.

40. There are no other matters upon which the Panel wishes to comment to the Council. Accordingly, the Panel is happy to propose that all other existing provisions of the scheme be maintained.

RECOMMENDATION 14: That in all other respects, the provisions of the Scheme of Members Allowances, as set out in Part 6 of the Constitution of the Council, be confirmed for the period 2023-2024,

Conclusions

41. This review, which should have been conducted earlier, in accordance with the Regulations, which require a Members' Allowances Scheme to be reviewed every four years, has been delayed due to the Covid Pandemic
42. We have based on our recommendations on the evidence provided about the present Member roles. The Panel is prepared to meet at any time to consider any changes which may subsequently be made to any Councillor role or to any other aspect of the Allowances Scheme.
43. The overall financial impact of our recommendations is provided in the officers covering report.

Appendix1 – Extract from Members Allowances Panel Report February 2016

44. A number of the questionnaire returns presented evidence of the increased workload and travel within the newly created wards, following the boundary review. We recognised that as the scheme does not allow councillors to claim for travel within the ward an additional burden is imposed on some councillors, particularly those in larger more rural wards.
45. However, having regard to our recommendation on the level of Basic Allowance, we believe that there will be improved recognition of all aspects of the above list with the Basic Allowance covering all situations.
46. We turn now to our formula for calculating the Basic Allowance. Using data from the questionnaires, the median figure for the number of hours worked by councillors on general elected member duties, is **24.5 hours per week**. For this purpose we have discounted the hours used for familiarisation of roles. This represents an increase of **3 hours per week over the 21.5 hours** per week figure used previously.
47. In line with the Government's statutory guidance that a certain number of Councillor's hours are considered voluntary and therefore not remunerated, we have followed the precedent of applying a 33% reduction giving a revised total of 16.41 hours compared to the previous 14.41 hours. This has the effect of reducing the additional hours referred to in paragraph 20 from three to two, i.e. requiring an additional voluntary hour but generating an increase of **13.9%** in hours potentially remunerated.
48. We believe that this percentage increase in time and effort has resulted primarily from the increased size of wards which, whilst this has not affected all wards and all Councillors should be reflected in an equivalent increase in the Basic Allowance, bringing it up to **£9,332 for 2016/17**.