

## Appendix A - Report of the Joint Independent Remuneration Panel

<b>1.</b>	<b>Introduction</b>
1.1	<p>This report sets out the conclusions and recommendations from the light touch review of the Somerset West &amp; Taunton Council Scheme of Members' Allowances carried out by the Joint Independent Remuneration Panel (JIRP) between March and July 2021.</p> <p>The Panel last undertook a fundamental review for the shadow authority in March 2019 prior to the creation of the Council, although membership of the Panel has changed since leaving one member who was actually part of that review.</p> <p>In this report Somerset West &amp; Taunton Council is referred to as SW&amp;T, the Basic Allowance is referred to as BA and the Special Responsibility Allowances are referred to as SRA (singular) SRAs (plural) and the Joint Independent Remuneration Panel is referred to either as JIRP or, more simply, as 'Panel'.</p> <p>The Panel wishes to thank members for their time and open engagement with the process, and officers from Somerset County Council and SW&amp;T for their invaluable assistance.</p>
<b>2.</b>	<b>Executive Summary</b>
2.1	<p>In the light of the probable restructuring of local government in Somerset, this has been a 'light touch' review rather than a fundamental review. With the changes to local government in Somerset proposed by the Secretary of State (but at the time of writing this report still subject to parliamentary approval) the recommendations made in this report should hold for the next two years, with no further fundamental review required.</p> <p>A more fundamental review will be required however in the event that there is no change to the current provision of local government in the county after all and/or if the Council changes its constitutional position from a cabinet-structure to a more traditional 'committee' structure.</p>
2.2	<p>A voluntary survey of elected members followed by a short series of interviews provided the panel with an important 'sense check' which has informed this review.</p> <p>The Panel also considered data gleaned from desktop survey of a benchmarking group of authorities which demonstrated that SW&amp;T remains broadly in line with the average for that group. The report includes an appendix summarising the Special Responsibility Allowances for SW&amp;T (Appendix 1).</p>
2.3	<p>Whilst the Panel found that there was some variation between the BA and SRA levels when comparing the Council to its 'nearest neighbour' peer group, the allowances set by SW&amp;T are within the overall range of the peer group, albeit mostly towards the bottom of the range.</p> <p>The Panel considered the issue that several deputy roles merit no SRA under the Council's scheme whereas, to varying degrees, they do within the peer group. The most significant of these are the Deputy Leader and the Vice Chair of Planning. The Panel concluded that the arrangement for the Deputy Leader, having no additional allowance other than the standard cabinet member SRA except during periods of prolonged absence/incapacity of the Leader, remains sound.</p> <p>The Panel considered that the role of Vice Chair of Planning merits the award of an SRA</p>

	<p>The Panel also considered the change since 2020/21 in the creation of two separate scrutiny functions. The Panel concluded that, in light of limited evidence given this was a light touch review process, overall the best course of action would be extending the full SRA previously awarded to the Chair of Scrutiny to both new chairs.</p> <p>All of the recommendations are contained in section 6.4 below.</p>
<b>3.</b>	<b>Members' Allowances and Remuneration Panels – the legal position and methodology</b>
3.1	<p>By way of an introduction the legal provisions in relation to members' allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692) ['the Regulations']. Under the Regulations each Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances. The Council must have due regard to the recommendations of the Panel before it makes any decisions in relation to its Members' Allowances Scheme but it may accept, reject, or amend any of the Panel's recommendations. The Regulations provide for a single panel to advise more than one Council [see 3.4 below].</p>
3.2	<p>The regulations define a number of basic requirements for allowances schemes but also give considerable scope to allow a council to adopt local provisions according to their circumstances. The only mandatory element provided for, in the Regulations, is the payment of a Basic Allowance to <u>all</u> members of a Council. All the other elements that are currently paid under the scheme, for example Special Responsibility, Travel, Subsistence and Carers' allowances are discretionary.</p>
3.3	<p>The basic principles on which Remuneration Panels work are not set out in statute but there is guidance from the government. On a regional basis South West Councils has also produced a guide aimed at filling a gap in supportive material for the work of Panels. The guide is currently undergoing revision having previously been produced in 2015 but sets out a number of commonly adopted principles used by Panels. The JIRP has considered these and concluded that the following principles should guide their considerations:</p> <ul style="list-style-type: none"> <li>▪ the 50% rule (an expectation that no more than 50% of members of any individual Council should receive an SRA. Government guidance states that "If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified"<sup>1</sup>);</li> <li>▪ an individual Member should only receive one SRA at any one time;</li> <li>▪ BA payments should take into account a discretionary voluntary time contribution, as set out in guidance to reflect the public service ethos and community-minded nature of the commitment and maintain the difference between a salary and an allowance. The calculation of this varies but in the past, in line with a number of other Panels, 33%<sup>2</sup> has been used;</li> <li>▪ when considering the payment of an SRA, clarity is needed by both Council and the Panel as to explicit criteria used by the Panel when considering each specific position and whether it qualifies for an SRA, e.g., is the</li> </ul>

<sup>1</sup> "New Council Constitutions - Guidance on Consolidated Regulations for Local Authority Allowances, 2003", published by ODPM.

<sup>2</sup> The Council and its predecessors, in the past, has used, 33%. This discount on hours 'worked' by councillors reinforces that the BA payment is not a salary paid for employment.

	<p>position one which requires judgment and responsibility or is it much more of a supporting role but based on substantial additional time and effort; and</p> <ul style="list-style-type: none"> <li>▪ the need to ensure that the level of allowance does not deter potential candidates from standing for election.</li> </ul> <p>The Local Authorities (Members' Allowances) (England) Regulations 2003 state that where allowances are adjusted annually by reference to an index "it may not rely on that index for longer than four years".</p>
3.4	<p><u>Joint Independent Remuneration Panel:</u> SW&amp;T is a member of a JIRP alongside Mendip District Council and Somerset County Council. The Panel's membership comprises three independent representatives appointed by Somerset and one each by the District Councils. All of the members of the Panel are residents of Somerset. The current JIRP membership is outlined in brief below for information:</p> <p>Panel members:</p> <p><u>John Thomson (Chair)</u> From a housing background, initially worked for local authorities and then was Chief Executive of SHAL Housing, a Bridgwater-based housing association, for 20 years, and now retired. John was originally appointed to the JIRP by the former Taunton Deane Borough Council and is now the representative of SW&amp;T.</p> <p><u>John Dodson</u> MA in Ceramic Design and Technology from Royal College of Art London. 40 years in Design, Marketing and Sales, UK, all Europe, USSR, Mid East and North America. Last 14 years Director of J. Wedgwood &amp; sons. Retirement 10 years Chair of Shropshire Seniors Association. John was recently appointed to the JIRP by Mendip District Council.</p> <p><u>Bryony Houlden</u> Chief Executive of South West Councils, a membership organisation of all 33 local authorities in the South West. Formerly a senior civil servant. Serves as a Chair/member or advisor to nine other Independent Remuneration Panels. Bryony has also acted as the independent advisor to the Devon and Somerset Fire and Rescue Service on their allowances scheme. Bryony was appointed to the JIRP by Somerset County Council.</p> <p><u>Colin McDonald</u> Semi-retired after over 30 years full-time employment in social housing, 25 (in total) of these at South Somerset District Council (over two occasions) including several years as Head of Housing &amp; Welfare. Colin was appointed to the JIRP by Somerset County Council.</p> <p><u>Alan Wells</u> 39 years' experience in financial services. Specialist in benefit and remuneration structures. Alan was appointed to the JIRP by Somerset County Council.</p> <p>Technical Advisers to the Panel:</p> <p><u>Scott Wooldridge</u>, Monitoring Officer, Somerset County Council  <u>Julia Jones</u>, Governance Specialist – Democratic Services, Somerset County Council  <u>Laura Rose</u>, Democratic Service Officer, Somerset County Council  <u>Amy Tregellas</u>, Monitoring Officer, SW&amp;T</p>

3.5	<p>The Panel carried out a major review into allowances on behalf of the Shadow Authority prior to the creation of the council. It is now time for a look to see how things have settled down and whether the Panel's recommendations at the time were correct.</p> <p>This review was conducted during the consultation period on proposals for reorganisation of local government in the county of Somerset. At that time there were two competing proposals for a possible 'unitary' structure both of which entailed the replacement of SW&amp;T (along with the county council).</p> <p>Consequently it was agreed with the Leader of the Council that the Panel will undertake a 'light touch' review of the Scheme of Allowances.</p> <p>If local government reorganisation had resulted in no change to the status in SW&amp;T then a future, more fundamental, review would have been required in due course, delving more deeply into the current scheme of allowances. However following the end of the review period but before this report was completed, the (then) Secretary of State announced his intention to create a new Unitary authority for the current County of Somerset with effect from 1<sup>st</sup> April 2023. It should be noted that, at the time of writing this report, the Secretary of States intentions remained subject to Parliamentary approval.</p> <p>The Panel were also aware that the Council may have otherwise considered whether to change from the 'cabinet' structure to a more traditional 'committee' structure – if such a change were to occur that would also trigger a more fundamental review of the allowances.</p> <p>Consequently, in the opinion of the Panel, this light touch review should suffice for the remainder of the council's lifetime.</p>
3.6	<p>The JIRP issued a 'two-part' report to the shadow authority prior to the establishment of the new SW&amp;T. The first was issued in November 2018 which covered the BA. The second was issued in March 2019 and looked at the SRAs in the light of the shadow authority's emerging deliberations. This second report also made reference to the BA.</p> <p>Those two reports included the following further actions to be taken by the Panel:-</p> <ul style="list-style-type: none"> <li>• A review of the operation of the scheme;</li> <li>• A check on how the offices of Chair of the Council and Charter Trustee Mayor are to support local community and civic events; and</li> <li>• Whilst no SRA was to be awarded to Vice-Chairs of Committees, the Panel keeps this under review.</li> </ul> <p>The bulk of this report deals with the first item, the second is dealt with in section 3.7, below and the third in sections 5.5, 5.6 &amp; 5.7 below.</p> <p>The 2018/19 reports, whilst acknowledging that allowances are not wages, nevertheless considered:</p> <ul style="list-style-type: none"> <li>• external regional wage comparators;</li> <li>• comparisons with peer authorities; and</li> <li>• indexing arrangements.</li> </ul> <p>This report does not cover the first or last of these points as it is intended to cover, as a 'light touch', the circumstances described in 3.5 above.</p>

	<p>As such the Panel has looked at peer councils (see section 4.2 for detail) to ensure that allowances are not out of line with those peers. In a full review the Panel would have reviewed the basis for the allowances, and this would have gone back to the local labour market, for, as will become apparent later in this report, to do a ‘reasonable’ job as a councillor (and not necessarily the excellent job of some) takes a lot of time; time which might otherwise be spent in paid employment.</p>
<b>3.7</b>	<p>Councillors will recall that upon reorganisation it was felt that loss of a Mayor would be a downgrading of the town of Taunton. The district of SW&amp;T contains many parish councils, but the centre of Taunton is an ‘unparished’ area, that is, it has no parish council. In the past that function was dealt with by the previous Taunton Deane Borough Council. It was decided that the ‘unparished’ area would be looked after by Charter Trustees. A report on the Mayor and Deputy Mayor was produced by the JIRP and presented to the Shadow Authority on behalf of the Charter Trustees before they were set up, and at the same time as the BA and SRAs were reported.</p> <p>There was also a review conducted by the JIRP in 2020. The Charter Trustees now raise their own funds in the same way as a parish council, and the allowances for Mayor and Deputy Mayor are paid from those funds. They are not, therefore part of the SW&amp;T allowances scheme as SRAs so have not been considered as part of this review.</p> <p>Since the fundamental report in 2019 the Panel is aware of the creation of the civic protocol designed to help clarify the events and functions that the Charter Mayor and the Chairman of Somerset West and Taunton (SW&amp;T) Council attend. Members of the Panel have also interviewed the Chair and are satisfied that the system is working well.</p>
<b>3.8</b>	<p>During the course of its work for SW&amp;T and the other councils it serves, the JIRP has become increasingly aware of the financial impact on elected members, in terms of available allowances, when appointed by their council to an outside body which furthers public service and scrutiny – for example the Police and Crime Panel. These members take on additional duties and are often paid an allowance by the external body to which they have been appointed. Often such allowances are subject to independent review and recommendation – indeed one member of the JIRP assists the Fire and Rescue Authority (which is itself a precepting authority) in just such a capacity. Current government guidance does not, then, expect the Panel to take such allowances into account and they do not form any further part of the consideration contained in this report. However the Panel wish to draw to the attention of the Council that such appointments to certain outside bodies are within the gift of the current administration and therefore, whilst strictly not part of the scheme, should be borne in mind when considering the overall number of councillors in receipt of allowances derived from public funds.</p>
<b>4</b>	<b>Basic Allowance (BA)</b>
4.1	<p>The purpose of the BA is: -  <i>“.....to recognise the time commitment of all councillors, including such inevitable calls on their time at meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes, [...telephone calls and visiting constituents]”<sup>3</sup>.</i> It is also expected to cover the occasional chairing of meetings, routine monitoring of services and budgets and taking part in performance management and training.</p>

<sup>3</sup> From “Guidance on Members’ Allowances for Local Authorities in England”, 2001, published by ODPM.

The BA is not a payment for a job, nor a wage or salary. However, elected members can devote a substantial time to the role, and this will inevitably mean that they cannot spend that time on other pursuits. For some this may be leisure activities or alternative voluntary commitments, but for others it will be paid employment, and standing for election may give rise to anxieties about financing the family income both in the short term but also potentially undermining their long-term career prospects, particularly if their employer is not supportive. This person might be known as the ‘marginal candidate’ (we use this term purely in a financial context). For these people, the level of BA is a material issue in considering whether to stand. Although it is eight years old, a 2013 University of Plymouth survey of local election candidates reported that 30% were “of the opinion that insufficient payment to councillors discourages people from standing”. So, whilst not looking, in this report, at underlying wage levels in our community the Panel has looked at comparisons with peer authorities.

4.2 The BA for 2020/21 for SW&T members was £5034 a year and is paid to all members.

In comparing the BA the Panel has looked, for the purposes of this ‘light touch’ review, only at similar local authorities. The Chartered Institute of Public Finance and Accountancy (CIPFA) produces ‘near neighbours’ for local authorities based, not upon geographical location, but upon demographic and socio-economic indicators. From this list we have used ten councils with the closest similarity and operating a Cabinet structure, all of which appear in the top twelve ‘near neighbours’.

It should be noted that this is a different set of authorities to that used by the Panel when previously reporting to the shadow authority. At that time since SW&T did not exist, it had no presence in the relevant published CIPFA data including, crucially, the basis on which to determine the ‘nearest neighbour’ authorities. Instead the Panel opted for a broader basket of potential peers, drawing on data from 45 different authorities of a similar ilk. Now that SW&T does appear in CIPFA tables, it is possible to match to the closest peers and ten has been the number previously adopted by the Panel for light touch review purposes.

Table 1  
Comparator councils

<b>Council</b>	<b>In the county of</b>
Teignbridge	Devon
East Suffolk	Suffolk
Kings Lynn & West Norfolk	Norfolk
Lewes	East Sussex
Sedgemoor	Somerset
South Somerset	Somerset
Mendip	Somerset
East Devon	Devon
Breckland	Norfolk
Arun	West Sussex

Table 2, below, shows a comparison of BA (2020/21 levels) from the ‘Comparator Councils’ with SW&T with current information gleaned from the websites of each of the councils concerned.

Table 2  
Basic Allowance comparison

	Comparator Councils
Maximum	£7,706
Median	£5,628
Average (Mean)	£5,435
SW&T	£5,034
Minimum	£3,260

The BA for SW&T is within the range of the ten comparator councils, at approximately 7% below the average (mean).

4.3

In April 2021, the Panel ran a short questionnaire for members at SW&T. There was no obligation to complete it but 29 members (out of a maximum of 59) did so, a 49% response rate. Some of the questions were specifically related to the BA. As mentioned in section 4.1 above one of the concerns is that people should not be discouraged from standing for election, particularly by financial concerns. And once elected it is not useful if the member is then put off by the volume of work expected of them in relation to the recompense from the allowance.

The panel believes the questionnaire responses highlight two key issues:

- There is a significant gender imbalance (2.3:1) meaning that the Council does not reflect the general population. However this is common throughout local government and it is discussed further in 4.5 below.
- The age profile of respondent councillors did not reflect the age profile of the general population. This is discussed further in 4.6 below

There are two other key observations

- In other demographic aspects there was a satisfactory match between the questionnaire results, the LGA survey and the wider population
- There was a remarkable consistency in the perceived number of hours required (in the pre-COVID era) to undertake the duties of being an elected member.

4.4

We asked how many hours they put in before the “covid era” on BA work.

Table 3  
Hours spent on BA work.

	Number of members
Less than 10 hours a week	1
10-19 hours a week	17
20-29 hours a week	6
30 hours a week or more	3

	<p>It must be remembered that this is a snapshot and that not all members have completed the survey and those that have used their own judgement to estimate. Nevertheless there is a substantial part of many members' time spent on council business. Despite the low response rate there is a remarkable consistency in the estimate of time required, possibly more so than the Panel has observed in other such surveys.</p>																
4.5	<p>The Panel are keen to understand whether the allowance scheme in its current structure provides support and encouragement to potential candidates to stand for election or acts as a barrier. Mention has been made, above, of allowances but the Panel also wonder whether SW&amp;T represents the communities it serves and in so far as it doesn't is that because of the allowances or other factors such as culture?</p> <p>The Panel notes a gender imbalance of approximately 2.3:1. This is slightly 'worse' than average when compared with the data provided by the LGA survey (which is closer to 2:1) but, given the response rate to the survey, the Panel does not see this as too far out of kilter with the LGA survey results. Nevertheless there is a systemic gender imbalance throughout local government which the Panel considers to be cultural, perhaps, for example, having more to do with the processes by which the different parties choose candidates.</p>																
4.6	<p>There is a remarkable difference between the ages of those councillors who responded to the survey (Table 4) vary from the age profile of the population, with a greater weighting of older people. Whilst the number of councillors over 65 is of a similar percentage to that revealed by the LGA survey, there is a significant under representation of the age brackets below age 45 both compared to the population of the district and to the LGA survey and a greater concentration in the 45-64 age brackets. Whilst the 'over representation' of those 65+ might be common to Local Government, the complete 'under representation' of those under 45 is of significance.</p> <p><u>Table 4</u> <u>Age of councillors completing survey, compared with SW&amp;T adult population.</u></p> <table border="1" data-bbox="323 1328 1257 1680"> <thead> <tr> <th>Age group</th> <th>Survey %</th> <th>SW&amp;T Population %</th> <th>LGA survey %</th> </tr> </thead> <tbody> <tr> <td>Under 45</td> <td>0</td> <td>47</td> <td>15</td> </tr> <tr> <td>45-64</td> <td>59</td> <td>28</td> <td>42</td> </tr> <tr> <td>65+</td> <td>41</td> <td>25</td> <td>43</td> </tr> </tbody> </table> <p>Source: Panel Questionnaire/ONS 2017 mid-year estimates, figures rounded. /LGA survey 2018</p>	Age group	Survey %	SW&T Population %	LGA survey %	Under 45	0	47	15	45-64	59	28	42	65+	41	25	43
Age group	Survey %	SW&T Population %	LGA survey %														
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4.7

Table 5  
Employment Status of councillors completing survey, compared with councillors in  
Local Government Association survey

	Survey %	LGA %
Employed (to some extent)	37	26
Retired (completely)	52	45
Other	11	29

Source: Panel Questionnaire/LGA survey 2018

Table 5 shows that the pattern of retirement within those councillors who completed the survey is not too dissimilar from the pattern revealed by the LGA survey, but a greater number having some form of employment (and presumably employed income) than the LGA survey.

4.8

The SW&T questionnaire found that just over 81% respondents considered that they didn't have a disability, which is a fairly close match to the LGA survey at 84%. No information was gathered on whether the (just under) 19% who considered that they did have a disability felt that sufficient reasonable adjustments had been made in order for them to carry out their duties.

4.9

The number identifying as being from a minority ethnic background was very similar between the SW&T and LGA surveys – being just under and just over 4% respectively. This is slightly lower than the general population in the district (6%) but the Panel does not consider this difference significant given that one more member identifying as being from a minority ethnic background would have meant exceeding the local general population percentage by a similar degree!

4.10

The Panel also interviewed Group Leaders at SW&T together with a number of other members who had indicated via the survey that they wished to be interviewed, in total ten interviews, all of which were conducted by the Chair and two other members of the Panel. The final sample group of elected members represented a range of responsibilities and came from all parties and included independents

It was consistently stated by several interviewees that they did not feel that the availability of the BA was important to them personally (when deciding whether to stand or not) but that they did feel it was important in principle.

One comment made endorsed the view that an SRA for leaders of smaller groups was not merited on the grounds of the difficulty of the task.

One interviewee felt that there should be consideration of an SRA payment to the role of Vice Chair of Planning. This triangulated information gained from the comparison of 'near neighbour' councils and is discussed further in sections 5.5 & 5.7 below.

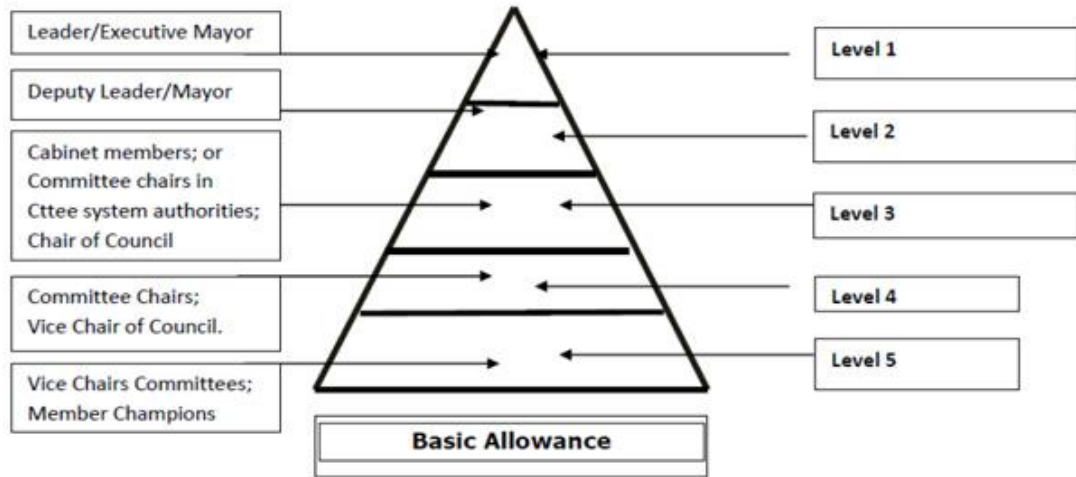
One interviewee mused about the link between the BA and the National Living Wage (commonly called the 'Minimum Wage'). This is discussed further in 4.11 below.

The Panel also heard comments about the split in the scrutiny function. This is discussed further in 5.8 below.

4.11	<p>The Panel did not originally intend to consider a comparison between the BA and the National Living Wage but felt the comment made by one interviewee deserved a quick double check.</p> <p>The National Living Wage is set centrally and currently applies to all adults aged 23 and above. For the comparison period (2020/21) it was set at £8.72 for all adults aged 25 and above (note the age limit was reduced in April 2021).</p> <p>The chief difficulty with comparison with any hourly rate is establishing how many hours the role of elected member actually entails. In Table 4 a significant majority of responding councillors asserted that they spend 10-19 hours per week (pre Covid) on their duties. However as has been previously stated, 33% of the time is 'discounted' to take into account the voluntary or altruistic nature of the role.</p> <p>Taking 15 hours as 'typical' (though this should be heavily caveated) and discounting the 33% gives us a benchmark of 10 'payable' hours. If this were a salaried post subject to the National Living Wage it would attract reimbursement of £4,534.40 annually (8.72 x 10 x 52)</p> <p>On this, admittedly crude, basis, the BA for 2020/21 was approximately 11% higher than the National Living Wage.</p>
<b>5</b>	<b>Special Responsibility Allowances</b>
5.1	<p>Section 5 of the Local Authorities (Members' Allowances) (England) Regulations 2003 states that an authority "may provide" for the payment of an SRA to members of the authority in one of the following categories: -</p> <ul style="list-style-type: none"> <li>• Leader or Deputy Leader of a political group;</li> <li>• Members of an executive;</li> <li>• Chair of a committee or sub-committee;</li> <li>• Representative of the council;</li> <li>• Member of a meeting with exceptional frequency / period;</li> <li>• Spokesman of a political group;</li> <li>• Member of an adoption or licensing panel; and</li> <li>• Any other activity requiring time and effort equal to, or greater than, the roles listed above.</li> </ul> <p>So, whilst an authority <b>must</b> provide a BA to all members, it may, if it wishes, provide SRAs for members with special responsibilities.</p> <p>At SW&amp;T there are 19 paid SRAs which represents 33% of members in receipt but 20 SRAs available in theory, representing 35% total. (see section 3.3 above).</p>
5.2	<p>The Panel has adopted its own methodology for assessing 'special responsibilities' which extends the identified categories set out in statute. In the view of the Panel a particular responsibility might be deemed 'special' if it is characterised as having some of, or elements of, the following components, but recognising that particular roles established by councils may well exhibit a range of component characteristics.</p> <ol style="list-style-type: none"> <li>(1) Time commitment</li> <li>(2) Specialist skills</li> <li>(3) Functional Leadership</li> <li>(4) Important decision-making</li> <li>(5) Complexity</li> <li>(6) Identifiable accountability</li> <li>(7) Direct responsibility for important outcomes</li> <li>(8) Culpability</li> <li>(9) Constitutional relevance</li> </ol>

5.3

The existing approach has been in place since 2015 and can be summarised by a 'pyramid of responsibility' which defines certain roles. The 'level' determined for a role gives (a) comparison with other roles and (b) a level of payment. The following diagram (of a notional council) illustrates the concept and is taken from South West Councils publication "Councillors' Allowances: A practical guide for those involved in the work of Independent Remuneration Panels".



As with many councils, SW&T currently calculates payment at various levels by reference to a multiple of the BA, so, for example, the Leader on level 1 receives an additional payment of 3.15 times the BA. This has been the case since the council was created. And it should be pointed out that it is the **role** which attracts the SRA, not the individual, and so the description of the role is the important thing. Performance is not formally assessed and so performance related payments are not appropriate or applicable!

5.4

In determining whether an SRA is appropriate for a role, it is important to ask whether the role is (a) outside the scope of the BA (see section 4.1 above), and (b) formally recognised by the Council and (c) included in the list in the 2003 Regulations. If the role satisfies **all** these criteria, and other criteria identified by the Panel as relevant (see 5.2 above), then the role may merit an SRA.

Having identified a role as qualifying for an SRA then the level of responsibility (and how the role fits into the pyramid, above) has to be set.

5.5

Using publicly available data on council websites current values of SRAs for principal roles in the 'top ten' comparator local authorities have been obtained. Table 6, below, shows how these SRAs compare with those of SW&T. The BA comparison is shown in Table 2 (above) but is repeated here for the sake of context with respect to the relative multipliers.

**Table 6.**  
**Comparison of BA & SRAs between SW&T and the top ten comparator Councils using both the mean and median figures.**

Role	Average of comparator councils £	Average comparator multiplier	SW&T £	SW&T Multiplier	% diff
Basic Allowance	5435		5034		-7.4
SRAs					
Leader	17535	3.23	15857	3.15	-9.6
Deputy Leader	10183	1.87	N/a	N/a	N/a
Cabinet member	7776	1.43	7500	1.49	-3.6
Chair of Council	6456	1.19	4656	0.92	-27.9
Chair Planning	7620	1.40	4656	0.92	-38.9
Chair of Scrutiny	5854	1.08	4656	0.92	-20.5
Chair of Licensing	3845	0.71	2341	0.46	-39.1
Chair of Audit	3483	0.64	2341	0.46	-32.8
Leader of Opposition	2903	0.53	3514	0.71	21.1
Deputy Chair Council*	2566	0.47	2341	0.46	-8.8
Deputy Chair Planning	3039	0.56	N/a	N/a	N/a
Deputy Chair of Scrutiny	1999	0.37	N/a	N/a	N/a
Deputy Chair of Licensing	1737	0.32	N/a	N/a	N/a
Deputy Chair of Audit	1768	0.33	N/a	N/a	N/a
Role	Median comparator councils £	Median comparator multiplier	SW&T £	SW&T Multiplier	% diff
Basic Allowance	5628		5034		-10.6
SRAs					
Leader	16221	2.8	15857	3.15	-2.2
Deputy Leader	9833	1.67	N/a	N/a	N/a
Cabinet member	7478	1.33	7500	1.49	0.3
Chair of Council	6452	1.04	4656	0.92	-27.8
Chair Planning	6406	1.15	4656	0.92	-27.3
Chair of Scrutiny	5009	1.03	4656	0.92	-7.05
Chair of Licensing	3098	0.71	2341	0.46	-24.4
Chair of Audit	3362	0.5	2341	0.46	-30.4

Leader of Opposition	2948	0.5	3514	0.71	19.2
Deputy Chair Council*	2812	0.42	2341	0.46	-16.7
Deputy Chair Planning	2632	0.44	N/a	N/a	N/a
Deputy Chair of Scrutiny	2207	0.30	N/a	N/a	N/a
Deputy Chair of Licensing	1765	0.22	N/a	N/a	N/a
Deputy Chair of Audit	1801	0.23	N/a	N/a	N/a

It should be noted that whilst there is significant variation from the mean or the median when compared to the peer group of comparator councils, in all cases the allowances paid by SW&T for 2020/21 were within the overall range.

However it is important to note that four roles are 20% or more below the peer group average (mean) and median. These are:

- Chair of Council
- Chair of Planning
- Chair of Licensing
- Chair of Audit

Whilst the Chair of Scrutiny role is more than 20% below the peer group average, it is only 7% below the peer group median.

One SRA, that paid to the Leader of the Opposition, also varies by more than 20% from the average (mean) of the peer group and by almost 20% from the median, but this time it is over rather than under.

Inevitably this raises the question of how could these roles have become so 'out of kilter' in such a short space of time since the recommendations made to the shadow authority. The chief answer here lies in the breadth of the range. As has been stated, none of the SRAs fall outside of the range of the peer group but with such difference from the average (mean) that demonstrates just how wide the range is. As previously mentioned the reports made to the shadow authority relied on comparison to a wider basket of 45 comparator councils at a time when the CIPFA classification could not be drawn on.

A further key observation is that whilst SW&T does not pay a separate SRA to the Deputy Leader role, other than the standard cabinet member SRA, most of the comparators (eight out of the ten) pay an SRA higher than the standard cabinet member. Whilst not alone, the Council is unusual in not automatically making a higher payment to the Deputy Leader.

A similar situation arises with four other deputy roles, although the number of comparators paying an SRA to one or other of these roles varies, in one case just four other Councils pay an SRA. These are:

	<ul style="list-style-type: none"> <li>• Deputy Chair of Planning</li> <li>• Deputy Chair of Scrutiny</li> <li>• Deputy Chair of Licensing</li> <li>• Deputy Chair of Audit</li> </ul> <p>Perhaps the most significant of these is the Deputy Chair of Planning role which nine comparators make an allowance for. In the case of the tenth (South Somerset) the role is undertaken by four area committees rather than a single planning committee but as an SRA is paid to the Vice Chair of each of these committees, the Panel consider this to be, effectively, ten out of ten comparator Councils.</p>
5.6	<p>The Panel has reflected on the role of the Deputy Leader. A further observation is that during the light touch review no attempt has been made to compare the full list of duties undertaken by Deputy Leaders in different peer group authorities – that would be a matter for a fundamental review. We do not know, therefore, if some or all of the comparator councils currently awarding a separate SRA do so in reflection of specific additional duties that merit greater remuneration than the ‘ordinary’ cabinet member. It is also possible that in some cases (or perhaps none, other than SW&amp;T itself!) there are no specific additional duties other than being in readiness to step into the role of Leader on a temporary basis when required.</p> <p>The current position for the council is that no additional SRA is made for this role, other than that paid to all cabinet members. However in the event that the Leader is incapacitated, causing the Deputy Leader to ‘act up’ for a significant period of time, an additional allowance is made being part way between the cabinet SRA and the Leader SRA. The Panel feels that this remains an appropriate approach, as agreed by the shadow authority, and does not wish to recommend any changes. However the Panel felt honour bound to draw to the Councils attention that in this case it appears to be out of step with its immediate peers.</p>
5.7	<p>The Panel has reflected on the four other deputy roles. As with the role of Deputy Leader, no attempt has been made to compare the full list of duties. However in three cases the SRA is not paid by all comparator councils, only by either six or four. In its original report to the Shadow Authority on this subject the Panel made the following observation:</p> <p>“The Panel has noted that majority of comparable Councils do not create SRAs for Vice-Chairs of Committees. There needs to be a clear indication of accountability and personal responsibility by a Vice-Chair role, and thus an argument that there is a <i>special</i> responsibility, for an SRA to be considered. The Panel does not believe at this stage there is evidence of any significant special characteristics relating to these positions that would justify a general award of a SRA.”</p> <p>At that time the ‘majority of comparable Councils’ referred to the wider basket of 45 of course, but this remains true for two of the three positions when looking at the current comparator group based on CIPFA close matching. Mindful of the ‘no more than 50%’ rule, the Panel is not minded to consider these roles further for the purposes of a light touch review, but does consider that further investigation may be merited in the event of a future fundamental review.</p> <p>However in the case of the Vice Chair of Planning, the payment of an SRA is effectively universal amongst the comparators and some representation was made during the interviews to assert that some significant duties were undertaken by this role other than ‘merely’ deputising in the absence of the Chair.</p>

	<p>The Panel therefore concludes that the role of Vice Chair of Planning merits the allocation of a separate SRA. In order to retain the current hierarchy of SRAs, the Panel consider this should be set at the lowest band, at a multiple of 0.46 times the BA. This compares well with the median of the comparator group which is currently 0.44 (see Table 6 above).</p>
5.8	<p>In the above discussion of SRAs and in Table 6, the Panel have referred to a single Chair of Scrutiny for comparison purposes. However whilst this was historically accurate at the start of 2020/21 (the year for which the comparisons are being made), the Council has since split the role and function of Scrutiny into two distinct committees, each with its own Chair and Vice-Chair.</p> <p>This raises the question of what the appropriate level of SRA should be for both new positions of Chair of a Scrutiny Committee. Taking into account the issues discussed in 5.7 above, the Panel does not feel that there is any merit in considering the level of SRA for both new Vice-Chairs.</p> <p>There are three logical options:</p> <ul style="list-style-type: none"> <li>a) That both Chairs should attract an SRA equal to the SRA awarded to the previous Chair of a (single) Scrutiny Committee</li> <li>b) That the current SRA for Chair of Scrutiny be split evenly between the two new Chairs</li> <li>c) That entirely new SRA are created to reflect the different levels of responsibility that fall on the two new Chairs, greater than the 50% rate suggested by option (b) but no higher than the original SRA for a single chair (except in taking into account any inflationary uplift to all SRAs)</li> </ul> <p>Under ordinary circumstances the Panel would make an interim recommendation with the intention of revisiting under a more fundamental review in due course. This light touch review does not accord the time or the resources to delve deeply enough to fully appreciate the revised responsibilities and workloads in order to reach a satisfactory conclusion on option (c).</p> <p>However, taken into account the information gleaned from the interviews, the Panel were assured that the split of role was intended to improve and underpin the scrutiny arrangements for the Council with an emphasis on greater resourcing to this overall function. The Panel therefore concluded that the fairest approach would be option (a) with the caveat that this ought to be subject to a satisfactory review that the new arrangements are indeed functioning as originally expected and intended.</p>
6	<p><b>Conclusions and recommendations</b></p>
6.1	<p>In undertaking a 'light touch' review for two years only, there is much background work that would ordinarily be left for a fuller review in due course. There are shortcomings of just carrying out a peer review, not least, if every council does that eventually every council will end up being average, despite important local differences. However, it does highlight if the council is currently wildly out of step with its peers and which may otherwise cause questions to be asked.</p> <p>Nevertheless, there is much that was needed to be considered. Always there is the underlying issue of ensuring that the level of allowances does not put off potential candidates standing for election. The member survey highlighted the issue of restricting the ability of those undertaking roles as carers from participating in the council. So many have commented that the time commitment is an issue as is mentioned in section 4.4 about the survey.</p>

	It would be useful to the Panel to know about all of those considering standing for election, and not just standard criteria but also working patterns, geographic location, travel time to Taunton and socio-economic background.
6.2	The Panel is satisfied that the level of the BA remains appropriate and compares well with the range of allowances paid by comparator Councils. Unless a further fundamental review is merited, the Panel are also satisfied that CPIH remains the correct index to use for inflationary increases for 2021/22 & 2022/23
6.3	<p>Sections 5.1 and 5.2 set out the Panel's criteria for setting SRAs.</p> <p>The Panel believe the current bandings for SRAs remain appropriate and that on the whole, the multiple of BA that applies is appropriate.</p> <p>The Panel consider that a new SRA should be made available to the Vice Chair of Planning, set at 0.46 x BA</p> <p>The Panel consider that the most satisfactory arrangement for the split in the role of Scrutiny is to extend the current level of SRA to both new Chairs.</p> <p>The SRA banding system for the financial year 2020/21 is attached in the Appendix.</p>
6.4	<p>Accordingly, the Panel RECOMMEND that:</p> <ol style="list-style-type: none"> <li>1. The Basic Allowance (BA) remains at the current comparative level</li> <li>2. All existing Special Responsibility Allowances (SRAs) remain in place at current multiples</li> <li>3. The previous SRA for Chair of the Scrutiny Committee is extended to both Chairs of the two new committees that replaced it (Corporate Scrutiny Committee and Community Scrutiny Committee)</li> <li>4. The previous SRA for the Chair of Audit, Governance and Standards Committee is extended to both Chairs of the two new committees that replaced it (Audit &amp; Governance Committee and Standards Committee)</li> <li>5. No permanent SRA is made available to the Deputy Leader but the current temporary additional provision is retained and kept at the mid point between the Leader SRA and the cabinet member SRA on a pro rata basis.</li> <li>6. No SRA is made available to the four vice chairs of the Corporate Scrutiny Committee, Community Scrutiny Committee, Licensing Committee and Audit &amp; Governance Committee</li> <li>7. A new SRA is made available to the Vice Chair of the Planning Committee set at 0.46 x BA</li> <li>8. The BA (&amp; by application of multipliers, all SRA) is inflated for 2021/22 &amp; 2022/23 by Consumer Prices Index including owner occupiers Housing costs (CPIH)</li> <li>9. Whilst the Panel feel there is an argument for looking at travel and subsistence rates in the SW&amp;T Scheme of Allowances for Members in any fundamental review that may be triggered, for this 2021/22 &amp; 2022/23 travel allowances to be adjusted in accordance with rates set by HM Revenue and Customs (HMRC) from time to time and subsistence allowances to remain linked to increases (or decreases) in staff subsistence rate</li> </ol>



**APPENDIX**

**SPECIAL RESPONSIBILITY ALLOWANCES (SRA) 2020/21**

<b>SRA structure based on the Basic Allowance of £5,034 per annum</b>	<b>Post</b>	<b>Amount - £</b>
<b>Band</b>		
1	Leader	15,857 (BAx3.15)
2	Portfolio Holder (up to 9)	7,500 (BAx1.49)
3	Chair of the Council Chair of Planning Chair of the Scrutiny	4,656 (BAx0.92)
4	Leader of the Opposition	3,514 (BAx0.71)
5	Chair of Audit, Governance & Standards Committee Chair of Licensing Vice Chair of Council	2,341 (BAx0.46)
<b>Other posts</b>		
Allowance for Independent Person		500
Leader of the smaller opposition group(s) with 5 or more members		150 per member in opposition group
Allowance for Independent/Co-optee Member of Audit		500

Note 1: That in the event of the Leader of the Council becoming incapacitated or dying in office, then the Deputy Leader, after a period of 6 weeks should be entitled to an enhanced SRA equivalent to the difference between that of a Portfolio-Holder and that of the Leader.

Note 2: the figures in brackets in the amount column represent the multiplier of the Basic Allowance used to calculate the value in pounds when SRAs were first developed for the Council in 2019/20.