

TITLE OF REPORT: MEMBERS' ALLOWANCES SCHEME 2015/2016

REPORT OF THE CHIEF EXECUTIVE
PORTFOLIO HOLDER – LEADER OF THE COUNCIL (COUNCILLOR MRS. L. A. NEEDHAM)

1. SUMMARY

- 1.1 This report is to assist the Council to agree a Members' Allowances Scheme (the scheme) for 2015/16. It describes the content a scheme may contain and presents the advice of the Independent Remuneration Panel (the Panel). The advice of the Panel includes a draft scheme for 2015/16 (see Appendix A).

2. RECOMMENDATIONS

- 2.1 That the Council considers the advice of the Independent Remuneration Panel.
- 2.2 That the Council agrees a Members' Allowances Scheme for financial year 2015/16.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council meets statutory requirements.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternatives to the recommendations set out at paragraph 2.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 Before formulating advice and recommendations the Panel received the views of the Leader of the Council and the Democratic Services Manager. The Panel also noted allowances currently paid by comparable local authorities and other Hertfordshire authorities (Appendix B).

6. FORWARD PLAN

- 6.1 This item was first published in the Forward Plan on 22 July 2014.

7. BACKGROUND

- 7.1 Local authorities are required to make a Scheme for their Members and to establish and maintain an independent panel to make recommendations about the scheme.

8. ISSUES

- 8.1 A Scheme should include:

The Basic Allowance

- 8.2 This allowance recognises the time commitment of all Members, including council and committee meetings, meetings with officers, constituents and attendance at political group meetings. It is intended to cover incidental costs, such as the use of their homes and personal equipment. Some elements of the work should be voluntary and not remunerated. This must be balanced against the need to ensure that financial loss is not suffered.

The Special Responsibility Allowance (SRA)

- 8.3 This allowance recognises the commitment of Members who have significant additional responsibilities. The Scheme must include an allowance for at least one Member of a minority Group. Not every additional responsibility should be considered to be so significant that it attracts an additional allowance. The additional roles of Members should be considered carefully both in terms of responsibility and real time commitment. The categories for which an SRA may be paid are:
- Membership of the Cabinet;
 - Acting as Leader or Deputy Leader of a political group;
 - Chairman of a Committee, Sub-Committee or Joint Committee;
 - Representing the Council at meetings of other bodies;
 - Membership of a Committee or Sub-Committee of the Council which meets exceptionally frequently or for exceptionally long periods; and
 - Other such activities requiring equal or greater amount of time and effort; whether or not those activities are contained within the scheme.

Childcare and Independent Carers Allowance

- 8.4 This allowance is for those Members who incur costs whilst carrying out any of the following duties:
- Attending a meeting of the Council, Cabinet or any Committee, outside bodies which the Council has appointed a member to a meeting authorised by the Council to which members of more than one political group has been invited, or local authority associations;
 - Opening tenders;
 - Inspection of premises; and
 - Any other duty, authorised by the Council, in connection with discharging the duties of the Council.

Travel and Subsistence Allowance

- 8.5 This allowance may be paid for any of the functions referred to above.

Tax and National Insurance

- 8.6 Payments under the Scheme are subject to PAYE tax and national insurance.

9. LEGAL IMPLICATIONS

- 9.1 The Council has a duty, under Section 99 of the Local Government Act 2000, to determine a Scheme of Allowances for each financial year and set up and maintain an independent panel for the purpose of advising the Council about the Scheme.

10. FINANCIAL IMPLICATIONS

10.1 Council may wish to note the following assumptions;

- Staffing – pay increase - for 2014/15 and onwards = 1%;
- Savings – the requirement to project savings, required from 2015/16 to 2019/20 of £1.9million.

10.2 A Scheme may make provision for an annual adjustment of allowances to be ascertained by reference to an index, specified by the Council. Where the only change made to a Scheme is that caused by the annual impact of the index, the Scheme shall not be deemed to be amended and thus the Council will not have to seek advice from its Independent Panel for a period of up to four years.

10.3 The proposals outlined within the draft Scheme recommended by the Panel (Appendix A) represent an overall budget for 2015/16 of £310,820 assuming all Members claim the full entitlement. There is provision within the scheme for Members to notify the Democratic Services Manager that they elect to forgo all or part of the allowance available. A provision has already been included in the draft 2014/15 base budget calculations of £324,550. Acceptance of the Panel's recommendations on allowances will require a decrease of £13,730 on the amount included in the draft budget calculations.

11. RISK IMPLICATIONS

11.1 None contained within this report.

12. EQUALITIES IMPLICATIONS

12.1 The contribution of the dependent carers allowance continues to facilitate councillor equity in access to fulfil their responsibilities and recompense for exceptional expense.

13. SOCIAL VALUE IMPLICATIONS

13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied.

14. HUMAN RESOURCE IMPLICATIONS

14.1 None contained within this report.

15. APPENDICES

15.1 Appendix A - The advice of the Independent Remuneration Panel.

15.2 Appendix B - Table of Comparable Data.

16. REPORT AUTHOR

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17. BACKGROUND PAPERS

17.1 Guidance on Consolidated Regulations, ODPM (2003).

APPENDIX

MEMBERS' ALLOWANCES SCHEME 2015/2016

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. The Independent Remuneration Panel currently consists of four members all of whom have been appointed by the Council to provide advice to the Council on the Scheme of Members' Allowances'.

All four Panellists live within the District and between them bring a broad range of experience from their working lives in both private and public sectors.

The Panel members are:-

Stephen Cooke, Edward Franklin, Hilary Oughton and Andrew Tough. Stephen Cooke was appointed chairman of the Panel for the year.

The Panel met on four occasions in October 2014 and were joined by the Leader of the Council at one meeting when the rationale behind Council's decision to decline the advice of the Panel in 2013 was explained. The advice of the Panel at that time being that there should be modest increases to the basic allowance paid to all members and the special responsibility allowances for the Leader of the Council, Cabinet Members and the Chairman of the Planning Committee for the 2014/15 financial year.

In giving consideration to the recommendations to be made for the financial year 2015/16 the Panel reviewed the level of Allowances paid to the members of authorities within both the Council's Audit Family Group and the other District and Borough Councils within Hertfordshire, including, at the request of the Leader, those of Watford Borough Council.

The Panel noted that there was little change to the allowances paid by the authorities in the two groups. Only one authority within the Audit Family Group had raised allowances, that increase being 3%. Three of the Hertfordshire authorities had raised the basic allowance by between 1% and 11%. Those authorities had also increased the special responsibility allowance for the Leader, and the Chairman of their Planning Committee by between 1% and 2%. The same authorities had increased allowances for Cabinet Members in two cases by 1% and in the third case by 16%.

2. The Basic Allowance paid to all Members

- 2.1 Whilst an 11% increase to the basic allowance paid to the members of Broxbourne Borough Council had caused the basic allowance for members of North Hertfordshire to become the lowest figure in Hertfordshire, the average figure paid by the Audit Family authorities at £4730 remained much in line with the figure of £4500 paid to members in North Hertfordshire.

- 2.2 The Panel was conscious of the continuing pressure on public expenditure, particularly within local government and given that the Council were content to make no change to the basic allowance when considering the matter in November 2013, felt that it would be inappropriate to make any recommendation for the figure to be increased for the next financial year.

3. Special Responsibility Allowances

- 3.1 The Leader of the Council, Cabinet Members and Chairman of the Planning Committee

- 3.2 For much the same reasons as for the basic allowance, the Panel felt that it would be inappropriate to recommend increases to the special responsibility allowance paid to the holders of these positions.

- 3.3 Chairmen of Area Committees
- 3.4 The Panel noted that in 2007/08 responsibility for planning matters had been removed from Area Committees and ceded to the Planning Control Committee. However as this had not been drawn to the Panel's attention at the time, the special responsibility allowance of the chairmen had not been adjusted. It was also noted that the number of programmed Area Committee meetings was to be reduced from 6 to 4 for the civic year 2015/2016. Although it was noted that additional meetings may be called, should the need arise, the Panel felt that the combination of the removal of Planning matters together with a reduction in the number of meetings was sufficient to justify an adjustment to this special responsibility allowance to £2205 from the existing £4410.
- 3.5 Chairman of Overview and Scrutiny
- 3.6 Again the Panel noted that the number of meetings of the Overview and Scrutiny had declined and that during the current year the time spent by the Chairman in meetings of the Committee together with formal briefing meetings was less than 30 hours in total. It was accepted that the Chairman would inevitably spend additional time in preparation for the meetings but nonetheless the Panel felt that this allowance should be adjusted to reflect the limited time involvement to £3420 from the current £4410.
- 3.7 Chairman of Finance Audit and Risk
- 3.8 The Panel noted that this Committee had met on only 5 occasions on each of the last two civic years and that the time spent in formal and briefing meetings was little more than 20 hours per year in total. Again it was understood that the Chairman would spend additional time in preparation for the meetings but the current allowance of £4,410 could no longer be justified and should be adjusted to £2,700.
- 3.9 Payment of more than one Special Responsibility Allowance
- 3.10 The Panel considered the question of payment of more than one special responsibility allowance to a member who held more than one post for which a special responsibility allowance was payable.
- 3.11 The Panel were made aware that the Members' Allowances' Regulations did not preclude the payment of more than one such allowance to a single member and felt that the matter was one for the Council to determine.
- 4 Travelling Allowances
- 4.1 The Panel has in the past made recommendations that, in common with many other authorities, the travelling allowance should be reduced to a standard figure of 45p per mile irrespective of car engine size. That figure being the de minimus payment under current HM Revenue and Customs tax arrangements. However the Panel were advised that plans had been made by the appropriate government department to exclude from taxation all mileage payments made to councillors whilst carrying out their duties. These arrangements were anticipated to commence in July 2015.
- 4.2 The Panel were aware that past recommendations were resisted by the Council and the Panel were content to make no recommendation concerning change to the level of this allowance.
- 4.3 Once again the Panel wished to see the inclusion within the Scheme of Allowances of a reward for those members who, where possible, shared journeys to meetings. For that reason it is recommended that an additional allowance of 5p per member per passenger mile be paid to the Member sharing their car when undertaking approved duties.
- 4.4 The Panel was advised that payment of a cycle allowance would be met, were any

member to make a claim. This allowance was not however included within the Scheme of Allowances. The Panel felt that this omission from the Scheme should be rectified with the allowance being set at the rate of 20p per mile or at the rate set from time to time by the NJC for Local Government.

5 Subsistence Allowances

- 5.1 The Panel considered that the existing allowances, being the same as those used for the payment of staff claims for meals taken away from home, continue to be paid at the rate set and from time to time amended by the NJC.

6 Childcare Allowance

- 6.1 The Panel felt that the current arrangements within the Scheme of Allowances, whereby a Member may claim an amount not exceeding £6.19 per hour, being the National Minimum Wage Rate for an employee aged over 21, was appropriate for childcare. It is recommended however that the current figure published by the Government of £6.50 should be the maximum hourly allowance for childcare as from 1 April 2015 and thereafter this Allowance should be linked and made equivalent to the prevailing National Minimum Wage Rate as set from time-to-time by Parliament.

7 Dependent Carers' Allowance

- 7.1 The Panel were content with the existing arrangements with the Scheme where specialist care is required for a dependent relative to enable a member to perform authorised duties.

8 Summary of Recommendations

8.1 Basic Allowance – no change

8.2 Special Responsibility Allowances

8.2.1 Leader of the Council – no change

8.2.2 Cabinet Members – no change

8.2.3 Chair of Planning Committee – no change

8.2.4 Chairmen of Area Committees – that the payment be amended to £2205

8.2.5 Chairman of Overview and Scrutiny - that the payment be amended to £3420

8.2.6 Chairman of Finance Audit and Risk - that the payment be amended to £2700

8.2.7 That the question as to payment of more than one special responsibility allowance to any member who holds more than one position for which there is provision for a special responsibility allowance be paid, be a matter for determination by the Council in the knowledge that such payments are allowable by the governing Regulations.

9 Mileage Allowances

- 9.1 That no change be made to the existing arrangements for the payment of mileage allowances.

- 9.2 That an additional allowance of 5p per passenger per car mile be paid when a Member takes other Members whilst carrying out approved duties.

- 9.3 That the omission of a cycle allowance from the travelling allowances section of the scheme be rectified and that the rate be at the current level of 20p per mile.

10 Subsistence Allowances

10.1 That subsistence allowances continue to be paid at the rate set and from time to time amended by the National Joint Council.

11 Childcare Allowance

11.1 That claims for childcare be increased to an amount of up to £6.50 per hour to equate with the National Minimum Wage Rate for an employee aged over 21; and thereafter be linked and made equivalent to the prevailing National Minimum Wage Rate as set from time-to-time by Parliament..

12 Dependent Carers' Allowance

12.1 That no change be made to the existing arrangements for the care of a dependent relative, where such care is necessary to enable a member to perform authorised duties.

MEMBERS' ALLOWANCES SCHEME 2015/16

1. Definitions

In this scheme:

"Council" means North Hertfordshire District Council;

"Councillor" means a Member of the Council who is a Councillor;

"year" means the 12 months ended 31 March;

*figures shown in brackets represent allowances for 2013/14.

2. Commencement and Duration

This scheme shall have effect for the year commencing 1 April 2015 and for subsequent years, save that the Council may amend the scheme at any time subject to the provisions of paragraph 8 hereunder.

3. Basic Allowance

Subject to paragraph 8, a basic allowance of £4,500(£4,500) shall be paid to each Councillor (x49) for each year.

4. Special Responsibility Allowance

For each year a special responsibility allowance in the amounts indicated below shall be paid to those Councillors who hold the following special responsibilities:-

Leader of the Council	£12,600 (£12,600)*
Deputy Leader of the Council	£1,260 (£1,260)
Cabinet Portfolio Members (x7)	£6,930 (£6,930)
Chairmen - Area Committees (x 5)	£2,205 (£4,410)
Chairman of Finance, Audit and Risk Cttee	£2,700 (£4,410)
Chairman – Overview and Scrutiny Cttee	£3,420 (£4,410)
Chairman - Planning Control Cttee	£5,670 (£5,670)
Leader of largest Opposition Group	£3,188** (£3,188)
Leader of 2 nd largest Opposition Group	£1,449** (£1,449)

*current allowance **variable

Such allowances shall be subject to the requirements of Paragraph 8 hereunder.

5. Travelling and Subsistence Allowances

Travelling and subsistence allowances are payable at the rates determined by the NJC for council staff:

Car Users

Engine Size (cc) Mileage rate (per mile)

451 – 999 46.9p (46.9p)

1000 – 1199 52.2p (52.2p)

1200 – 1450+ 65.0p (65.0p)

Cyclists 20.0p(20.0p)

Car Sharing

An additional allowance of 5p per passenger per mile be paid when a Member takes other Members whilst carrying out approved duties

and in the following circumstances

- (a) the Chairman and Vice-Chairman of the Council when engaged on official Council business;
- (b) the Chairman and Vice-Chairman of any Committee or Sub-Committee for attending pre-agenda and briefing meetings and opening tenders;
- (c) Cabinet Portfolio Members for attending meetings with officers in connection with their official duties as Spokesman;
- (d) attendance by Councillors at a meeting of the Council or any Committee or Sub Committee appointed thereby in accordance with the provisions of Section 102(1)(a) and (c) of the Local Government Act 1972 (including informal meetings of such bodies which have been arranged at the behest of the appropriate Chairman and to which all Members therefore have been invited to attend), of which he/she is a Member, or has been specifically requested to attend by the Chairman and such is recorded in the minutes of the meeting;
- (e) attendance by Councillors at a meeting of any Working Party or Panel to which he/she has been appointed by any of the bodies referred to in (d) above and comprising representatives of more than one political group;
- (f) attendance by Councillors at Seminars and other similar meetings arranged formally for the purpose of informing and/or training to which representatives of more than one political group have been invited;
- (g) attendance at meetings of external bodies to which the Councillor claiming is the Council's appointed representative;
- (h) attendance by Councillors at conferences, courses, seminars, etc;

(No such allowance shall be payable in respect of attendance at any conference or meeting in relation to which the Councillor is entitled to a payment in the nature of an allowance under Section 175 of the Local Government Act 1972.

No such allowance shall be payable if such a payment would be contrary to a provision made by or under any enactment.)

6. Renunciation

A Councillor may by notice in writing given to the Democratic Services Manager elect to forego any part of his/her entitlement to an allowance under this scheme.

7. Childcare and dependent Carers' Allowance

A care allowance will be paid to any Member who incurs expenditure on the care of young children and or dependent relatives in order to perform their duties as a Councillor, subject to:

- (a) the duty being one for which Travelling and Subsistence Allowance is payable under this Scheme of Members' Allowances; and
- (b) that each individual claim shall not exceed the actual sum paid or £6.50(£6.08) per hour, whichever is the lesser.
- (c) Consideration being given to an additional allowance for specialist care for a dependent, where this is known to be more expensive.

8. Part-Year Entitlements

If during the course of the year the Council amends the amounts payable in respect of basic or special responsibility allowance, then the entitlement to such allowance shall be adjusted pro-rata to the proportion of the year that such allowance is payable.

Where a Councillor (a) is not a Councillor for the whole of the year; or (b) during the course of the year takes up or relinquishes a position in respect of which a special responsibility allowance is payable, then the entitlement to basic or special responsibility allowance shall be adjusted pro-rata to the proportion of the year during which he/she was a Councillor or held such position.

9. Claims

A claim for travelling and/or subsistence allowance under this Scheme shall:

- a) be made in writing within three months of the end of the month in which the meeting/activity in respect of which the entitlement to the allowances arises;
- b) include or be accompanied by, a statement by the Councillor claiming the allowance that he or she is not entitled to receive remuneration in respect of the matter to which the claim relates otherwise than under the Scheme;
- c) be accompanied by receipts itemising VAT as appropriate.

A claim in respect of annual registration as Data Controller will be paid when accompanied by a receipt for payment of the fee.

Claims submitted later than three months after the relevant date shall be paid only in such exceptional circumstances as are approved by the Strategic Director of Finance, Policy and Governance.

The Panel was advised of the personal responsibility of every councillor accessing the personal data of others, to register with the Data Commissioner as a data controller and of the £35 registration fee.

10. Payments

Subject to the provisions of paragraph 8 payments of basic and special responsibility allowances shall be made in monthly instalments.

Payments in respect of travelling and subsistence allowance shall be made as soon as is practicable after submission of a claim.

11. External Conferences, Seminars, etc.

Travelling and subsistence Allowance at the same rate as that applying under the Members' Allowances Scheme are payable to those Members attending conferences, seminars, courses, etc., falling within the criteria specified in Section 175 of the Local Government Act, 1972 where such attendance has been previously approved by the Council.

12. Pensions

All elected Members under the age of 75 are entitled to pensions in accordance with a Scheme made under S99 of the Local Government Act 2000 and Regulations issued in 2003 (SI 2003/1022) as amended. Both BA and SRA will be treated as amounts in respect of which such pensions are payable.