

<h1>COUNCIL</h1> <h2>19 JANUARY 2017</h2>
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<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>6</b>
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**TITLE OF REPORT: MEMBERS' ALLOWANCES SCHEME 2017/2018**

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

**1. SUMMARY**

1.1 This report is to assist Council in agreeing a Members' Allowances Scheme (the scheme) for 2017/18. It describes the content a scheme may contain and presents the advice of the Independent Remuneration Panel (the Panel) at Appendix A. A draft scheme for 2017/18, illustrating the impact of the advice of the Panel, is included at Appendix B.

**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 2017/18.

**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 noted allowances currently paid by comparable local authorities, other Hertfordshire authorities and the results of a recent survey of NHDC Councillors.

**6. FORWARD PLAN**

6.1 This item was first published in the Forward Plan on 4 November 2016.

**7. BACKGROUND**

7.1 Local authorities are required to make a Scheme 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;
- 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;
- 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 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 The current base budget includes provision of £311,500 for members allowances. The report of the Panel is currently being finalised and will be forwarded to Members. The draft conclusions of the Panel indicate that, should Council accept the advice of the Panel, an increase in resource of approximately £30,000 will be required.
- 10.2 There is an option for the agreed scheme to provide for an annual adjustment to allowances by reference to an index. Where the only change made is that caused by the annual impact of the index, the Council need not seek advice from its Independent Panel for up to four years.

## **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 – **TO FOLLOW**  
15.2 Appendix B - A draft scheme based upon the advice of the Panel – **TO FOLLOW**

## **16. REPORT AUTHOR**

- 16.1 David Miley (Democratic Services Manager)  
Tel. 01462 474208  
[david.miley@north-herts.gov.uk](mailto:david.miley@north-herts.gov.uk)

## **17. BACKGROUND PAPERS**

- 17.1 Guidance on Consolidated Regulations, ODPM (2003).