

COUNCIL

18 JANUARY 2018

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

6

TITLE OF REPORT: MEMBERS' ALLOWANCES SCHEME 2018/2019

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

1. EXECUTIVE SUMMARY

- 1.1 This report is to assist Council in agreeing a Members' Allowances Scheme (the scheme) for 2018/19. It describes the content a scheme may contain. A draft scheme for 2018/19, illustrating the impact of an adjustment for inflation, is included at Appendix A.

2. RECOMMENDATIONS

- 2.1 That the Council agrees a Members Allowances Scheme for financial year 2018/19.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council meets statutory requirements.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Standstill was considered.
- 4.2 Standstill has not been recommended. It is considered that an inflationary increase at this time will help to ensure that larger increases will not be necessary in future years.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 Allowances currently paid by comparable local authorities, and other Hertfordshire authorities are contained at Appendix B.

6. FORWARD PLAN

- 6.1 This item was first published in the Forward Plan on 10 November 2017.

7. BACKGROUND

- 7.1 Local authorities are required to make a Scheme each year and to seek recommendations regarding the Scheme from an independent panel at least once every four years. A panel last made recommendations to Council in January 2017. The Council accepted those recommendations which amounted to approximately £30,000. The recommendations of the Panel were based upon comparisons with other

local authority schemes (Appendix B). At the time that the last report was considered it was suggested at Council that unless there were substantial matters that required consideration an inflationary increase be considered for 2018/19. As only very minor changes have been made by those comparator authorities since the Panel's advice was last received in January 2017 and there have been no substantial changes made to the structure or responsibilities of committees at NHDC, it has not been considered necessary to consult the Panel on a scheme for the financial year 2018/19. Whilst the C.P.I inflationary index is currently at 3.1% per annum, a general local government staff pay increase of 2% has been recommended by the Local Government Employers' Organisation for application on 1 April 2018. Therefore, a general 2% increase to the Scale is considered appropriate.

- 7.2 In taking the option to provide for an annual adjustment to allowances by reference to a recognised inflationary index, the Council need not seek advice from its Independent Panel for up to four years.

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 £339,600 for members allowances. Should Council accept the recommendations an increase in resource of approximately £6,800 will be required.

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 - A draft scheme based upon a general 2% increase for inflation.

15.2 Appendix B – Comparator local authorities.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 Guidance on Consolidated Regulations, ODPM (2003).