

**COUNCIL
25 JANUARY 2024**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVIEW OF MEMBERS' ALLOWANCES SCHEME

REPORT OF: DEMOCRATIC SERVICES MANAGER

EXECUTIVE MEMBER: Allowances - Non-Executive function.
(Democratic Services: Community and Partnerships)

COUNCIL PRIORITY: PEOPLE FIRST / SUSTAINABILITY / A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

- 1.1 To agree the Member's Allowances Scheme 2024/2025 having taken into account the recommendations of the Independent Remuneration Panel ('IRP').

2. RECOMMENDATIONS

That the Council:

- 2.1. Considers the report and recommendations of the IRP, as attached as Appendix A of the submitted report.
- 2.2. Agrees the Members' Allowances Scheme for 2024/2025 as set out in Appendix B¹ of the submitted report.
- 2.3. Express appreciation to the IRP for their work over the last year on this report.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To ensure that the Council meets its statutory requirements of an annual review and adoption of the scheme.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. None, as the Council is required to undertake an annual review prior to the beginning of the financial year and approve a Scheme of basic and other prescribed allowances for Members. In making or amending a Scheme the Council shall have regard to the recommendations made by the Panel. The Council can amend the Scheme as per the IRP recommendations either partly or wholly or to retain the current Scheme.

¹ Amended as per the tracked changes.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Panel invited the three Group Leaders to respond to a series of questions prior to attending a meeting on 6 September 2023 to discuss their views of the Scheme.
- 5.2. The Panel interviewed the Monitoring Officer on 7 September 2023 regarding the role of the Independent (and Reserve Independent) Persons of the Standards Committee.
- 5.3. The Panel invited the Chair and the Vice-Chair of the Council to a meeting on 1 September 2023 to understand this role and the level of engagement required.
- 5.4. A survey was circulated to all Members on 17 August 2023 and closed on 30 August 2023 which sought to understand Members opinions of the Scheme.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) to agree on an annual basis a Scheme of Allowances payable to Members' for the following financial year. Under the Regulations, when making or amending a Scheme, the Council 'shall have regard to the recommendations' of an IRP (Regulation 19). The Regulations state that before the beginning of each year the authority shall make a Scheme for the allowances for that year. The Members Allowance Scheme is comprehensive and includes Basic Allowances ('BA'), Special Responsibility Allowances ('SRA') (for posts which carry specific responsibilities) and other allowances and expenses that may be claimed.
- 7.2. A Scheme may make provision for an annual adjustment of allowances by reference to an indexation which can be used for up to four years before another review of allowances is required.
- 7.3. The Scheme was last approved by Council in January 2023. The current IRP was appointed as notified by delegated decision on 15 December 2022, for a 4-year term. The following people form the IRP:

Ms Margaret Waller
Ms Julie Byrom
Mr Tom Etheridge

8. RELEVANT CONSIDERATIONS

IRP considerations:

- 8.1 The IRP acknowledged that Members were very aware of the costs of the Scheme. A key role of the IRP is to recommend a Scheme which recognises Members' responsibilities and workloads, whilst being mindful of financial restraints, inflation and the cost of living.
- 8.2 Previously the IRP recommended that any increase in allowances for Members should not exceed that negotiated by the National Joint Council (NJC) for Local Government Services for Council Officers' pay or the annual rate of CPIH for the 12 months as measured by the rate published in October (whichever is the lowest). [As the headline

CPI rate was actually CPIH (including owner occupiers housing costs), this was the preferred rate]. The pay award for 2022 was unusual as a flat rate had been agreed of £1,925 on each scale point per annum, which was replicated again for the pay award in 2023, where a flat rate £1,925 had been agreed on each scale point per annum.

- 8.3 Therefore, the Panel looked at other ways to baseline the Basic Allowance, such as including average increases across all sectors, increases across the public sector, increases in line with inflation or increases in line with Council Officers. The Panel also considered the Basic Allowance of neighbouring Hertfordshire authorities (detailed in Appendix 2 of Appendix B). In conclusion the IRP have recommended an increase to the Basic Allowance of 6.6%. Resulting in a basic allowance for 2024/2025 of £5,763.
- 8.4 An increase of 5.72% (which represented the mean percentage increase in Council Officer pay award) has been recommended by the Panel to be applied to roles with a Special Responsibility Allowance (SRA), except for the Chairs of Area Forums and both the Chair and the Vice Chair of the Council. The Panel has recommended that these should not be increased and be reviewed again in the next Civic Year for the reasons as contained within the IRP report.
- 8.5 The Panel recommended that the allowances paid to the Independent Non-Voting Member on the Finance, Audit and Risk Committee, Independent Person and Reserve Independent Persons of the Standards Committee be retained at the current rate and considered within the next review.
- 8.6 The IRP noted the Council's preference to pay multiple SRAs and reviewed Members who were paid more than one SRA. They noted that the vast majority of Council's (85%) did not pay multiple SRAs. The Panel raised no concerns with the number of Members who were paid an SRA, which stood at 17 Members representing less than 50% of Members.
- 8.7 For each year, an SRA in the amounts indicated below, shall be paid to those Councillors who hold the following special responsibilities:

Role	Amount (£) (rounded to nearest pound)
Leader of the Council	16,003
Deputy Leader of the Council	2,858
Cabinet Executive Members (x7)	6,858
Chair - Area Forums (x 5)	1,081
Chair - Finance, Audit and Risk Committee	4,000
Chair - Overview and Scrutiny Committee	4,000
Chair - Planning Control Committee	6,858
Chair - Licensing and Appeals Committee	1,715
Leader of each Opposition Group	2,858*
	(*Subject to a minimum of 3 members)

- 8.8 There was some discussion regarding the appropriate level of allowance for the Chairs of the Area Forums, which were now constitutionally different to the previous Area Committees and were no longer decision making. The IRP had reflected on this change, as well as the information provided in the meeting with the Group Leaders, and it was

agreed that the current SRA for that role should remain unchanged to allow time for the commitment required for this role to be understood and considered as part of the review in the next Civic Year.

8.9 Childcare and Dependent Carers' Allowance

This was previously increased in line with the London Weighted Real Living Wage to reflect the actual cost of childcare, to encourage diversity in the composition of the Council and to be more reflective of the actual costs for using a suitably qualified and competent carer.

It is recommended that this continues to be increased in line with the London Weighted Real Living Wage 2023/2024 to £13.15 per hour.

All other aspects in relation to this part of the Scheme remain unchanged.

8.10 Chair and Vice Chair Allowances

The allowances for the Chair and Vice Chair of Council are covered by Sections 3(5) and 5(4) of the Local Government Act 1972 and are not a matter which the IRP are obliged to make recommendations on. Historically, the Chair and Vice Chair of Council have received an allowance which is expected to recompense for the additional costs associated with these roles. It is not clear how the allowance for the Chair and the Vice Chair was previously agreed.

Due to the nature of the role, and the differing level of involvement Members have as Chair or Vice Chair of the Council, the IRP did not feel it appropriate to raise the allowances for these roles, until further definition of the roles could be agreed, which could be considered as part of the next Review.

8.11 Independent Person (IP) and Reserve Independent Person

The allowance of the Independent Person (IP), the Reserve Independent Persons of the Standards Committee was not within the remit of the Local Authorities (Members' Allowances) (England) Regulations 2003. The IRP agreed to consider and incorporate these roles into the 2023/2024 Members' Allowances Scheme.

Initially it was felt that the payment was comparatively high for the role, but the IRP met with the Monitoring Officer to understand the role played by the IP and Reserve Independent Persons. Following this it was agreed that due to the large number of complaints received and the value these roles offered the Monitoring Officer, the allowances for these roles should remain at current levels.

8.12 Independent Non-Voting Member on the Finance, Audit and Risk Committee

The Chartered Institute of Public Finance and Accountancy (CIPFA) set the standards that local authorities should follow in relation to finance, accountancy, and related matters. CIPFA have issued guidance that it is best practice to have an independent (non-political) person on the audit committee. Council at its meeting on 11 November 2021 approved the appointment of this role as of the 2022/2023 civic year. Last year the IRP agreed to consider and recommend an allowance for the role and the current Panel agreed to do the same for this year.

The IRP recommends that the allowance for this role should remain at its current level.

8.13 Travel and Subsistence Allowances

The IRP agreed that these should continue to be linked directly to the payment of staff claims (at the rate set and from time to time amended by the HMRC).

The IRP recommends that the ability to claim for second class rail fare be included in the scheme, for journeys which commence within the North Hertfordshire District.

The Panel also noted that currently there are few expense claims made by Councillors, £801.11 across 49 Councillors in 2022/23. The Panel encourage Councillors to claim in accordance with the Scheme.

8.14 Frequency of Reviews and future considerations

The IRP were informed that the Council would move to all out elections in May 2024, where all Councillors would be elected at the same time, with the number of Members increased to 51.

Due to this change, the Panel did not want to create a scheme lasting for more than one year and therefore recommended that the scheme apply for 2024/25 only, effective from 1 April 2024.

The Panel would then commence a Review in the new civic year with a view to recommending a Scheme that would last longer than one financial year.

9. LEGAL IMPLICATIONS

- 9.1. The Local Government and Housing Act 1989, Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003/1021 (as amended) make provisions regarding the setting of Members Allowances.
- 9.2. Regulation 10(1)-(2) provides that before the beginning of each year, an authority shall make the Scheme required for payment of basic and other allowances.
- 9.3. Regulation 19 requires that before an authority makes or amends a scheme it must have regard to the recommendations made in relation to it by the IRP.
- 9.4. The function of making any Scheme authorised or required by regulations under section 18 (Schemes for basic, attendance and special responsibility allowances for local authority members) of the Local Government and Housing Act 1989, or of amending, revoking or replacing any such Scheme, is a Full Council responsibility, by virtue of The Local Authorities (Functions and Responsibilities) (England) Regulations 2000/2853. This is therefore detailed as a function and reserved to Full Council under section 4.4.1(i) of the Council's Constitution *'considering recommendations from the Independent Remuneration Panel and adopting an allowances scheme or assessing, revoking or replacing the whole or part of any such scheme'*.
- 9.5. The adopted Scheme must be published in at least one or more newspapers circulating in the district area under Regulation 16.

10. FINANCIAL IMPLICATIONS

- 10.1 Should the proposed Members' Allowances Scheme be approved, based on the 6.6% increase to the BA and increases to the SRA, as applicable, the additional budget required to fund the scheme would be £33,688 as detailed below:

	Current Allowances 2023/24			Proposed Allowances 2024/25			Increase
	No of roles	Annual Allowance	Total Allowance	No of roles	Annual Allowance	Total Allowances	
Members Allowance		£	£		£	£	£
Basic Allowance	49	5,406	264,894	51	5,763	293,913	29,019
Special Responsibility Allowances							
Leader	1	15,137	15,137	1	16,003	16,003	866
Deputy Leader	1	2,703	2,703	1	2,858	2,858	155
Cabinet Exec Members	7	6,487	45,409	7	6,858	48,006	2,597
Chair - Area Forums	5	1,081	5,405	5	1,081	5,405	0
Chair - Finance, Audit & Risk Committee	1	3,784	3,784	1	4,000	4,000	216
Chair - Overview & Scrutiny Committee	1	3,784	3,784	1	4,000	4,000	216
Chair - Planning & Control Committee	1	6,487	6,487	1	6,858	6,858	371
Chair - Licensing & Appeals Committee	1	1,622	1,622	1	1,715	1,715	93
Leader of the largest opposition group*	1	2,703	2,703	1	2,858	2,858	155
Total			351,928			385,616	33,688
Chair of Council	1	5,830	5,830	1	5,830	5,830	0
Vice Chair of Council	1	1,124	1,124	1	1,124	1,124	0
Total			6,954			6,954	0
Independents							
Independent Person	1	2,697	2,697	1	2,697	2,697	0
Reserve Independent Person	2	648	1,296	2	648	1,296	0
Finance Audit and Risk Committee – Non-Voting Member	1	1,060	1,060	1	1,060	1,060	0
Total			5,053			5,053	0
TOTAL			363,935			397,623	33,688
Budget			363,900				363,900
Additional Budget Required			0				33,700

*Assumes one opposition group but could be more in the future (subject to a minimum of 3 Members in each group). Budget would be adjusted accordingly.

Excludes provision for Childcare and Dependent Carers' Allowances for which there is a separate budget of £500.

10.2 The financial implication to the budget regarding the Childcare and Dependent Carers' Allowance is difficult to calculate as there are variables that will affect this i.e. the number of new Members elected in May who will need to make use of the allowance, number of meetings scheduled and personal circumstances as to whether it is required.

10.3 There is a requirement to advertise the Scheme in one or more local papers. The cost to advertise the Scheme following the last review in both the Royston Crow and The Comet was £700.56.

10.4 The amounts in the Members' Allowances Scheme are currently cumulative – it is possible for Members to be entitled to more than one SRA in addition to the BA.

11. RISK IMPLICATIONS

11.1. None contained within this report.

12. EQUALITIES IMPLICATIONS

12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

12.2. The inclusion of the dependent carers and childcare allowance continues to aid Councillors' to fulfil their responsibilities and provide recompense to them as noted at 8.9, which is important to avoid disadvantaging those with commitments.

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. ENVIRONMENTAL IMPLICATIONS

14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

15.1 Members allowances are paid by the payroll provider Liberata via the iTrent system and any changes need to be notified to the provider to ensure the correct rates are paid. Members are required to submit expenses via the self-service online portal. The Committee, Member and Scrutiny Team provide advice where needed and the Committee, Member and Scrutiny Manager reviews and approves the Councillors' allowance claims.

16. APPENDICES

16.1. Appendix A – Report and Recommendations by the IRP on the Members' Allowances Scheme.

16.2. Appendix B – Proposed Members' Allowances Scheme with tracked changes (2023/2024 with proposed Scheme highlighted)

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18. BACKGROUND PAPERS

18.1 [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#)

18.2 [Councillors' Allowance Council webpage](#)

18.3 [Delegated Decision – Appointment of IRP – 15 December 2022](#)

18.4 [Agenda for Council on Thursday 19 January 2023 – Minute No. 172 refers – Review of Members' Allowances Scheme](#)