

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: THRIVING COMMUNITIES/ACCESSIBLE SERVICES/RESPONSIBLE GROWTH/SUSTAINABILITY

1. EXECUTIVE SUMMARY

- 1.1 To agree the Member's Allowances Scheme 2025/2026 having taken into account the recommendations of the Independent Remuneration Panel ('IRP'). This IRP recommended scheme includes a recommendation to the application of an index for up to four years. If 2.2 is approved, this index will be applied in subsequent years 2026/27, 2027/28 and 2028/29, with an IRP review to be undertaken in 2028/29 for 2029/30.

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 2025/2026 as set out in Appendix B, amended as per tracked changes, of the submitted report, with specified indexation to be applied for up to the next four years, through to 31 March 2029.
- [N.B. Subject to 2.2, the next Review will be post the District Council elections in May 2028.]*
- 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.

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 8 and 15 November 2024 to discuss their views of the Scheme.
- 5.2. The Panel interviewed the Monitoring Officer and Independent Person of Standards on 22 October 2024 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 8 November 2024 to understand this role and the level of engagement required.
- 5.4. The Panel invited the Chairs of Community Forums to a meeting on 18 October 2024 to understand the role and the level of responsibility and engagement required.
- 5.5. A survey was circulated to all Members on 2 October 2024 and closed on 17 October 2024 which sought to understand Members opinions of the Scheme. There were 30 responses received from Members to this survey, including Members from all political groupings.

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 2024. 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 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 The IRP had previously recommended a 6.6% increase to the Basic Allowance in their 2024/25 review and suggested that future increases should be linked to the Council Staff Pay Award for the previous year.
- 8.3 For 2022, 2023 and 2024, the Council Staff Pay Award has been a flat amount for most grades (£1,925 in 2022 and 2023, and £1,290 in 2024), rather than a percentage increase as had been the case prior to 2022.
- 8.4 The Panel considered how the average increase percentage should therefore be calculated and agreed on the average increase over all posts, which for 2024 would be 4.1%. It is therefore recommended that the Basic Allowance be increased by this percentage for 2025/26 resulting in a Basic Allowance of £5,999.
- 8.5 The Panel considered and agreed that this calculation should be used for future increases to the Basic Allowances for the next three years (2026, 2027 and 2028) and should be indexed to the previous year's National Joint Council's Pay Award, pay grade 6.6.
- 8.6 The Panel reviewed the SRA payments in greater detail than in their last review. This included the roles of Chair and Vice Chair of the Council and Chairs of Community Forums.
- 8.7 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 five Members paid multiple SRAs had specialist responsibilities, as well as being Chair of their relevant Community Forum, and this was usual for Councils with established Community Forums.
- 8.8 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.
- 8.9 Effective from 1 April 2025 to 31 March 2026, 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 Indexed SRA	17,997
Deputy Leader of the Council Indexed SRA	2,523
Cabinet Executive Members (x7) Indexed SRA	8,999
Chair – Community Forums (x 5) Non-Indexed SRA	1,081
Chair - Finance, Audit and Risk Committee Indexed SRA	4,319
Chair - Overview and Scrutiny Committee Indexed SRA	4,319
Chair - Planning Control Committee Indexed SRA	8,999
Chair - Licensing and Appeals Committee Non-Indexed SRA	1,715
Leader of each Opposition Group Indexed SRA	4,319* (*Subject to a minimum of 3 members)

8.10 As per paragraph 6.5 of the IRP report (attached as Appendix A), the IRP have recommended that National Joint Council's Pay Award for pay grade 6.6 be applied as an indexation to SRAs, apart from situations where the IRP recommends that they be held at the current rate until the next full review of allowances. This would apply to the following roles: Chair of Licensing & Regulation Committee, Chair and Vice Chair of Council and Chairs of Community Forums.

8.11 The Panel reflected on the new role of the Community Forums (previously Area Forums), following the constitutional change from Area Committees in 2023, where decision making responsibility was removed. They acknowledged that these Forums provided an accessible way for local issues to be addressed and brought to the attention of the Council. However, they did not feel the role justified an increase in allowance and should remain at the current rate, without any indexation, until the next full review.

8.12 **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 is linked to the London Weighted Real Living Wage 2024/2025 to £13.85 per hour and should be indexed to this for future years, until the next report of the IRP.

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

8.13 **Chair and Vice Chair of the Council Allowances**

The Panel reviewed these roles and considered that the current allowance was the correct level of remuneration for the role and its associated responsibilities.

8.14 **Chair of Licensing and Regulation Committee**

The Panel considered that the allowance for this role appeared low when compared to neighbouring authorities. However, as there was only one scheduled meeting of this Committee per Civic Year, it was felt the allowance should be held at its current rate without indexation until the next full review.

8.15 **Independent Person (IP) and Reserve Independent Person**

The allowance of the Independent Person (IP) and 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 2024/2025 Members' Allowances Scheme.

This was reviewed and not increased in the last review for 2024/25. In respect of this review, 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, without indexation, until the next full review.

8.16 **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.

This had been reviewed in 2024/25 and not increased. In respect of this review, the Panel agreed to review the allowance for this role again and recommends that the allowance for this role should remain at its current level, without indexation, until the next full review.

8.17 **Travel and Subsistence Allowances**

The IRP agreed that these should continue for this year to be linked to and thereafter to be indexed 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 taxi fares should be included in the scheme, only where no public or private transport is available and upon the production of a receipt (gratuities/tips should not be claimed).

The Panel also noted that currently there are few expense claims made by Councillors, £2043.10 by 7 Councillors in 2023/24.

8.18 **Frequency of Reviews and future considerations**

The IRP considered that the changes proposed in their report for 2025/26 would place remuneration on a sustainable footing until the next all-out elections in May 2028. Therefore, they would not conduct a further full review ahead of this date, unless meaningful changes were made to the structure of responsibilities and would consider targeted recommendations for those changes.

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. As per Regulation 10(4)-(5) and Regulation 21(1)(e), the IRP may recommend a scheme that makes provision for an annual adjustment of allowances by reference to an index, as may be specified by the authority. Where this is approved and the only subsequent change made to a scheme in any year thereafter is effected by such annual adjustment in accordance with such index, the scheme shall be deemed not to have been amended. *This means that if in future years, if approved, the index is applied, and no further IRP review is required during those years, albeit that in approving this index, the Council cannot rely on that for longer than four years before seeking a further recommendation from the IRP.* Also note that if *other, non-indexation changes to the scheme/ revocation of the scheme are then proposed, before such changes are approved, the IRP should consider and make recommendations on the proposals, to be taken into account by the authority before approving any new scheme.*

- 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 £36,962 as detailed below. If these proposals are adopted, then the impact would be incorporated into the 2025/26 budget estimates. The budget does make a general provision for inflation, although this increase would be above that general provision:

	Current Allowances 2024/25			Proposed Allowances 2025/26			Increase
	No of roles	Annual Allowance	Total Allowance	No of roles	Annual Allowance	Total Allowances	
Members Allowance		£	£		£	£	£
Basic Allowance	51	5,763	293,913	51	5,999	305,949	12,036
Special Responsibility Allowances							
Leader	1	16,003	16,003	1	17,997	17,997	1,994
Deputy Leader	1	2,858	2,858	1	2,523	2,523	-335
Cabinet Exec Members	7	6,858	48,006	7	8,999	62,993	14,987
Chair - Area / Community Forums	5	1,081	5,405	5	1,081	5,405	0
Chair - Finance, Audit & Risk Committee	1	4,000	4,000	1	4,319	4,319	319
Chair - Overview & Scrutiny Committee	1	4,000	4,000	1	4,319	4,319	319
Chair - Planning & Control Committee	1	6,858	6,858	1	8,999	8,999	2,141
Chair - Licensing & Appeals Committee	1	1,715	1,715	1	1,715	1,715	0
Leader of the opposition groups*	2	2,858	5,716	2	4,319	8,638	2,922
Total			388,474			422,587	34,113
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			400,481			434,594	
Budget			397,600			397,600	
Additional Budget Required			Small in-year overspend			36,994	

*Assumes two 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. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

11.2. 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 (including appendices) and Recommendations by the IRP on the Members' Allowances Scheme.

16.2. Appendix B – Proposed Members' Allowances Scheme with tracked changes (2024/2025 with proposed Scheme highlighted)

17. CONTACT OFFICERS

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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, 25th January, 2024, 7.30 pm | North Herts Council](#)