

NHDC MEMBERS' ALLOWANCES SCHEME 2017 / 2018

REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. Introduction

- 1.1 The Independent Remuneration Panel consists of five members all of whom have been appointed by the Council to provide advice on the Scheme of Members' Allowances'.
- 1.2 The Panel members all reside 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: - Edward Franklin, Hilary Oughton, Andrew Tough and Michael Goddard. Ed Franklin was re-appointed chairman of the Panel.
- 1.3 In addition to meetings between September and November 2016, the Panel also conducted a survey of the views of Councillors. They were once again supported by David Miley, the Democratic Services Manager throughout their meetings, and are grateful to David for the invaluable support he provided throughout the review process.

2. Information requested

- 2.1 Prior to the first meeting of the year the Panel requested details of the allowances paid by other authorities within both the Audit Commission's Family Group (AFG) and the other Hertfordshire authorities (HA's). The Panel also reviewed the previous year's report and the minutes of the Council meeting where the previous year's vote was conducted.
- 2.2 In addition, the Panel also requested information on the number of candidates standing for election during the most recent local elections and bi-election.

3. Input from Councillors

- 3.1 Having met with various Councillors over the previous three years and attended the debate and vote on the recommendations in previous years, the Panel felt it was appropriate to gather the opinion from as many Councillors as possible.
- 3.2 In last year's report, the Panel had suggested that the logging of time spent by Councillors over a fixed period of time would aid recommendations on allowances, particularly Special Responsibility Allowances.
- 3.3 The Panel explored the possibility of such a study and discussed a previous exercise with David Miley. In addition, the Panel reviewed the responses to the 2007 survey of Councillors and concluded that an online survey on time spent and views on remuneration levels would be the most appropriate approach.

4. Survey of NHDC Councillors' view on Allowances

- 4.1 All current Councillors were invited to complete a brief survey on their time spent on Council business and their views on Allowances.
- 4.2 The Panel is grateful to the 16 Councillors who completed at least part of the survey, However while recognising the time pressure limitation of Councillors, the Panel are disappointed that more members did not complete the survey.
- 4.3 The survey was designed to give all Councillors the opportunity to have their view on allowances, and to share anything that they felt to be relevant to the Panel's deliberations. The Panel felt that giving everyone an equal opportunity to have their voice heard was a better approach than interviewing some Councillors face to face as in previous years.

- 4.4 If the exercise were to be repeated, the Panel hope more Councillors will contribute would take the time to share their opinions on Allowances.
- 4.5 The Panel would particularly like to get the views of Councillors who don't receive a Special Responsibility Allowance, as only four of the responses were from Councillors who only get the Basic Allowance.
- 4.6 References to the results to the relevant questions in the survey are contained in the following recommendations on Basic Allowance and SRAs. The full anonymised results of the survey are contained with the Appendix to this report.

5. The Basic Allowance paid to all Members

- 5.1 The Panel reviewed the level of Allowances paid to the members of authorities within the AFG as well as the other District and Borough Councils within the HAs.
- 5.2 The Panel noted that in central Government, the new Chancellor has moved away from the policy of austerity adopted by his predecessor. However, there was recognition that such changes centrally do not automatically filter down to public spending at a local authority level, and if they do there may be a delays before the impact is felt.
- 5.3 The Panel felt that while the Audit Family Groups (AFG) are no longer maintained, since the demise of the Audit Commission, that they still represent a valid group of authorities to compare allowance levels with and have more similarities with NHDC than some of the other Hertfordshire Authorities, particularly Stevenage and Watford Borough Council.
- 5.4 The Panel noted that the mean average Basic Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £4,936 for the 2016-17 financial year (£4,817 for the AFG and £5,055 for the HAs). The median payment is slightly lower at £4,798 per annum.
- 5.5 The Panel felt that with only four Councillors not paid a SRA responding to the survey it was difficult to get a real sense of the correlation between Basic Allowance and time spent on Council business. However, while the sample size makes conclusions hard, the Panel noted that, of those four respondents, the time spent ranged from three to 40 hours per week.
- 5.6 Responses to the survey question "At what level should the Basic Allowance be for 2017-18" gave a mean average of £5,539 and a median of £5,500. The spread of responses was £4,500-£9,000, with a relatively high standard deviation of £1,043 per annum.
- 5.7 Having carefully considered the information available the Panel felt that there should be an increase in the Basic Allowance paid to all members for the year 2016/17 and recommend that it is set at £5,000 per annum.

6. Special Responsibility Allowances

- 6.1 The panel was reminded that the Special Responsibility Allowance (SRA) was a payment made to reflect *significant* additional responsibilities and that not every additional responsibility need be so great as to warrant the payment of a SRA.
- 6.2 Bearing in mind this guidance issued by Government concerning SRAs, the Panel considered the positions for which a SRA was paid by authorities within both the AFG and the HAs, together with the value of that payment in both the current and previous financial years.

7. Leader

- 7.1 The role of Leader of the Council remains the lowest in the audit family and has been a topic of great consideration in each year of the proceeding three years for the current Panel. The

Panel had in fact recommended an increase to the role of Leader in the report for 2013, however these recommendations were not adopted by the Council.

- 7.2 The Panel noted that the mean average Leader's Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £16,095 for the 2016-17 financial year (£17,344 for the AFG and £14,847 for the HAs). The median payment across both is slightly lower at £15,064.
- 7.3 The panel also noted that of the 12 of the other 16 councils that make up the combined AFG and HA, have fewer cabinet members than NHDC, which in theory could mean greater support for the Leader and their workload.
- 7.4 The results of the survey suggested widespread agreement amongst Councillors that the Leader's Allowance was at too low a level. Over 50% of respondents said the current amount was much too low, and only 2 said the figure was "about right". The remainder answered that the figure was a little low.
- 7.5 Responses to the survey question "At what level should the Leader's Allowance be for 2017-18" gave a mean average of £16,353 and a median of £15,500. The spread of responses was £10,500-£24,850 with a standard deviation of £3,526.
- 7.6 Having carefully considered the information available, the Panel felt that there should be an increase in the SRA paid to the leader for the year 2016/17 and recommend that it is set at £15,000.

8 Deputy Leader

- 8.1 It was noted that half of the AFG authorities make no such payment to the Deputy Leader and only four of the nine HA's make such a payment.
- 8.2 However, payment to a deputy leader has been long established in NHDC and the results of the survey suggest that Councillors do not feel the current allowance is not substantially too high or too low. The average response is very narrowly pointing at "a little too low".
- 8.3 Noting the survey response, and that the role of Deputy Leader is closely linked to the Council Leader's own role, the panel are recommending that SRA for the role is set at 10% of the Leader's Allowance, meaning it would be £1,500 for 2016-17.

9 Cabinet

- 9.1 The Panel noted that the mean average Cabinet Allowance for the AFG Authorities and the HAs (excluding Watford and Stevenage) is £8,057 for the 2016-17 financial year (£7,989 for the AFG and £8,124 for the HAs). The median payment across both is £8,319.
- 9.2 However, with the other Authorities have an average of seven Cabinet Members, and the Panel felt that the lower Allowance per Cabinet Member in NHDC was a fair reflection of this.
- 9.3 Having carefully considered the information available, the Panel felt that there should be a slight increase in the SRA paid to Cabinet Members for the year 2016/17 and recommend that it is set at £7,000.
- 9.4 The Panel noted that, should the number of NHDC Cabinet Members be reduced, it would be appropriate to consider sharing the Allowance amongst the remaining roles.

10 Opposition Leader & Leader of the Third Party

- 10.1 The Panel considered the possibility of an allowance for opposition leaders linked to both the Basic Allowance and the number of currently elected Councillors for their parties.
- 10.2 Several other Authorities in the AFG and HA have a figure per Councillor, ranging from £100 per member up to £376.
- 10.3 Having considered all the information, including the results of the survey, the Panel recommends that the Leader of the opposition and Leader of the third party receive a Special Responsibility Allowance of £250 per annum per elected Councillor. This is also 5% of the new recommended Basic Allowance.
- 10.4 The Panel proposes that this rate is calculated from the current Council makeup and remains in place for the upcoming financial year, meaning an allowance of £3,000 for the Leader of the Opposition and an allowance of £750 per annum for the Leader of the Liberal Democrats.

11 Chairman of Planning Control, Overview and Scrutiny, and Finance, Audit and Risk

- 11.1 The Panel considered each of the other SRAs individually and reviewed the level of SRAs paid to members of authorities within the AFG as well as the other District and Borough Councils within the HAs.
- 11.2 The Panel also considered the responses to the survey, along with the recommendations for the other roles.
- 11.3 The recommendations for the Chairman roles are as follows:
 - a) Chairman of Planning Control: £6,000 per annum.
 - b) Chairman of Overview and Scrutiny: £3,500 per annum.
 - c) Chairman of Finance Audit and Risk: £3,000 per annum.

12 Area Committees

- 12.1 North Hertfordshire is now the only Council within either of the AFG or HA's to pay a SRA to the chairmen of Area Committees.
- 12.2 The Panel was informed that funds for the awarding of grants, one of the key roles of Area Committees, had been substantially cut, however the Panel recognised that this cut did not necessarily mean a reduction in the number of applications or grants being considered.
- 12.3 The Panel did give consideration to whether these roles still met the Government recommendation on Special Responsibility Allowances, particularly as they no longer consider planning issues and the reduction in the number of meetings being held annually.
- 12.4 However, after consideration the Panel is recommending that there is still an SRA for Area Committee Chairs and for the year 2016/17 this should be set at £2,000 p.a.

13. Travelling Allowances

- 13.1 The panel reviewed the recommendations made last year and the impact of their introduction.
- 13.2 The Panel was satisfied with the result of bringing Mileage Allowance Payments (MAP) in line with the HMRC approved amounts for cars, motorcycles and bicycles of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter.

13.3 The panel therefore recommends continuing the existing allowance of 45 pence per mile for cars for the first 10,000 miles and 25 pence per mile thereafter, along with a motorcycle allowance of 24 pence per mile and bike allowance of 20 pence per mile.

14. Subsistence Allowances

14.1 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.

15. Childcare Allowance

15.1 The Panel recommends no change to the current arrangements within the Scheme of Allowances, whereby a Member may claim an amount not exceeding the Living Wage as set and from time-to-time amended by the Government.

16. Dependent Carers' Allowance

16.1 The Panel was 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.

17. Summary of Recommendations

16.1 Basic Allowance: £5,000 per annum.

16.2 Special Responsibility Allowances (per annum):

- a) Leader: £15,000
- b) Deputy: £1,500
- c) Cabinet: £7,500
- d) Opposition & 3rd Party: £250 per Councillor
- e) Chairman of Planning Control: £6,000
- f) Chairman of Overview and Scrutiny: £3,500
- g) Chairman of Finance Audit and Risk: £3,000
- h) Chairmen of Area Committee: £2,000

16.3 **Mileage Allowances:** that all mileage continues to be paid at the HMRC approved mileage rate, currently 45p per mile for cars

16.4 **Subsistence Allowances:** that subsistence allowances continue to be paid at the rate set and from time to time amended by the National Joint Council.

16.5 **Childcare Allowance:** that claims for childcare be paid up to an amount but not exceeding the figure fixed by the Government for the Living Wage.

16.6 **Dependent Carers' Allowance:** that no change be made to the existing arrangements available to any Member who has the need to provide a carer for a dependent relative in order to be able to perform authorised duties.