

**COUNCIL
16 JANUARY 2020**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REVIEW OF MEMBERS' ALLOWANCES SCHEME

REPORT OF THE DEMOCRATIC SERVICES MANAGER

EXECUTIVE MEMBER: Allowances -Non-Executive function.
(Committee Member and Scrutiny Services: COMMUNITY ENGAGEMENT)

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

NEW COUNCIL PRIORITY: BE A MORE WELCOMING AND INCLUSIVE COUNCIL

1. EXECUTIVE SUMMARY

- 1.1 To agree the Member's Allowances Scheme 2020/2021 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 2020/2021 as set out in Appendix B¹ of the submitted 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 Leader of the Council and Group Leaders (or a nominated representative) to meet to discuss views and opinions on the Members' Allowances Scheme 2019/2020 and any considerations for the 2020/2021 Scheme, including the Special Responsibility Allowance and whether adjustments were required.
- 5.2. Following discussions at the Modern.Gov Member Champion meetings, the Panel invited comments from both the Modern.Gov and the Learning and Development Member Champions as to any considerations regarding the Members' Allowances Scheme, as Members were being required to work differently following the move to paperless meetings.

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 is required to 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. Since the 2019/20 Scheme was approved by Council in November 2018, a new Panel has been appointed as notified by delegated decision on 5 February 2019. The following people formed the IRP:

Dr Hazel Bentall
Christopher Clark
Stephen Vinall

- 7.3 The Members' Allowances Scheme was further amended by Council on 11 July 2019 to allow for an in-year review of Cabinet SRAs so that there was no additional cost from reverting to 7 Executive Members.

8. RELEVANT CONSIDERATIONS

IRP considerations:

- 8.1. As per paragraph 2.3 of the report, the IRP considered that any increase in allowances for Members should not exceed that negotiated by the Local Government Association for Council Officers' pay. It was noted that for 2019/2020 this was set at 2% and that this increase had not been applied to the 2019/2020 allowances.

8.2. That SRAs should be expressed as a multiplier of the BA for clarity and ease of calculation and that subject to the above, the level of SRA is appropriate, given the changes to portfolios.

8.3. The BA is recommended at £5,100 with SRAs as follows:

Leader of the Council	BA x 3	£15,300
Deputy Leader of the Council	BA x 0.3	£1,530
Cabinet Executive Members (x7)	BA x 1.2	£6,120
Chairs - Area Committees (x 5)	BA x 0.2	£1,020
Chair of Finance, Audit and Risk Committee	BA x 0.7	£3,570
Chair – Overview and Scrutiny Committee	BA x 0.7	£3,570
Chair - Planning Control Committee	BA x 1.2	£6,120
Chair of Licensing and Appeals Committee	BA x 0.3	£1,530
Leader of each Opposition Group	BA x 0.3	£1,530* (*Subject to a minimum of 3 members)

Child Care and Other Allowances:

8.4. This is recommended to increase as per paragraph 3.5 of the report in Appendix A. The remainder of the allowances, as per Appendix B, are unaltered.

It was noted that childcare and dependent carers allowance is recoverable at the amount actually paid up to the limit specified. The current limit of £6.70 was considered inadequate given that the National Minimum Wage is currently £8.21 an hour and likely to increase from April 2020. The increase proposed ensured childcare and dependent carers allowance was set at a reasonable level that accounts for Councillors needing to attend evening meetings when such costs were likely to be higher. The London Weighted Real Living Wage was used as a sensible benchmark and more likely to reflect the actual costs for using a suitably qualified and competent carer.

Chair and Vice Chair Allowances:

8.5. 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 current allowance of £5,500 for the Chair and £1,060 for the Vice Chair was agreed. However, for transparency the allowances have been incorporated into the Scheme as a recommendation by the IRP.

Further representations made to IRP:

- 8.6 The Administration, made further representations to the IRP on the recommendations, and the responses have been summarised below:
- i. In regards to the reduction in allowances to the Chairs of the Area Committees, the IRP was comfortable that the SRA for the Area Committee Chairs was suitable. However, the IRP would reconsider the SRA for the Area Committee Chairs during the next review, provided sufficient information was supplied in advance of any meeting.
 - ii. In regards that any increase in allowances should not exceed that negotiated by the Local Government Association (LGA) for Council Officers' pay, (for 2019/2020 this was set at 2%), and that some of the IRP recommendations would result in an increase higher than 2%. The IRP noted that they had fulfilled their brief to review members' allowance and that the Council could resolve to cap particular allowances. However, the IRP wished Members to be mindful of the financial implications as detailed in paragraph 10.1 of this report and the overall cost to the Council.
 - iii. In regards to the SRA for the Leader of the Opposition Group – this allowance was for a Leader who was not part of the administration – the SRA was for opposition group leader/s.
 - iv. The IRP emphasised that only one SRA (the highest) should be paid irrespective of whether the councillor had more than one role.

Other considerations:

- 8.7 The IRP were consulted on whether attendance by Councillors at Town or Parish Council meetings within their ward, to explain District Council business should be included as an approved duty within the Scheme. It was not unusual for a Parish/Town Council to expect a District Councillor to attend Parish Council meetings or for a District Councillor to wish to attend Parish/Town Council meetings within their ward. There being no objections on this matter by the IRP, it has been included within the Scheme and therefore would also apply to Paragraph 8 of the Scheme (Childcare and dependent Carers' Allowance).

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 amendments to the Basic Allowance and SRA, this would have a financial implication on the budget of an additional £490 per annum. The forecast Members allowances budget costs for 2019/20 are £330,500 and the proposed costs under the new Scheme £330,990. The budget provision for 2019/2020 for Members Allowances is £341,100, which includes allowances of £2,755 per annum paid to Independent Persons for the Standard Committee, which is outside of this scheme, and also provision for childcare and dependent carers' allowance. Therefore there is no additional budget provision required for the proposed scheme as this can be covered from the existing budget.
- 10.2 In regard to the childcare and dependent carers' allowance, looking back to January 2019 there has been minimal demand for this allowance, with two Members claiming this allowance. The financial implication to the budget regarding this allowance is more 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 The expenses allowance for the Chair and Vice Chair of Council is not an additional amount required to be identified within the budget as the allowance is already being made.
- 10.4 There is a requirement to advertise the Scheme in one or more local papers. The cost to advertise the amended Scheme in July 2019 in the Royston Crow and The Comet was £667.16.
- 10.5 The amounts in the Members' Allowances Scheme are currently cumulative – it is possible for Members to be entitled to more than one Special Responsibility Allowance in addition to the Basic Allowance. However, the IRP have proposed that where a Councillor holds more than one office of Special Responsibility they will receive only one SRA and this will be the highest of the allowances due. This would also apply to the Allowances included in Paragraph 5 of the Scheme (Chair and Vice Chair of Council Allowance). Therefore, depending on the allocation of roles this could mean that the cost of the scheme could be lower than the amounts referenced in paragraph 10.1 of this report.

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 provide assistance to Councillors' to fulfil their responsibilities and provide recompense to them.

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 Members allowances are paid by the payroll provider currently Serco and any changes need to be notified to the provider to ensure the correct rates are paid. However, as of 1 April 2020 the payroll provider is changing along with requirement for Members to submit expenses online. The Committee, Member and Scrutiny Services Team process Councillors' allowances.

15. APPENDICES

- 15.1. Appendix A - Report of IRP Panel for 2020/21 Members' Allowances.
- 15.2. Appendix B - Proposed Members' Allowances Scheme 2020/2021 with tracked changes (2019/2020 with proposed Scheme highlighted).

16. CONTACT OFFICERS

Melanie Stimpson, Democratic Services Manager,
melanie.stimpson@north-herts.gov.uk,

Jeanette Thompson, Service Director: Legal and Community (and Monitoring Officer)
jeanette.thompson@north-herts.gov.uk

Ian Couper, Service Director-Resources
ian.couper@north-herts.gov.uk

Kerry Shorrocks, Corporate Human Resources Manager
Kerry.shorrocks@north-herts.gov.uk

Tim Everitt, Performance Improvement Officer
Tim.everitt@north-herts.gov.uk

Reuben Ayavoo, Policy and Community Engagement Manager
Reuben.ayavoo@north-herts.gov.uk

17. BACKGROUND PAPERS

- 17.1 The Local Authorities (Members' Allowances) (England) Regulations 2003
<https://www.legislation.gov.uk/uksi/2003/1021/introduction/made>
- 17.2 Councillors' Allowance Council webpage
<https://www.north-herts.gov.uk/home/council-and-democracy/councillors/councillors-allowances>
- 17.3 Delegated Decision – Appointment of IRP – 5 February 2019
<https://www.north-herts.gov.uk/home/council-and-democracy/decisions/delegated-decisions-2019>
- 17.4 Council – 11 July 2019
<https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MId=2207&Ver=4>