

**NORTH HERTFORDSHIRE
DISTRICT COUNCIL**



REPORT AND RECOMMENDATIONS

BY THE INDEPENDENT REMUNERATION PANEL (IRP)

ON THE

MEMBERS' ALLOWANCES SCHEME 2020/21

Dr Hazel Bentall
Christopher Clark
Stephen Vinall

December 2019

**NORTH HERTFORDSHIRE
DISTRICT COUNCIL**



1. Introduction

- 1.1 The report presents the recommendations of the Independent Remuneration Panel (IRP) to Council for its consideration and approval.
- 1.2 The Panel was appointed under the delegated authority of the Service Director, Legal and Community as reported as a delegated decision on 5 February 2019.
- 1.3 The following people form the Independent Remuneration Panel:
- Dr Hazel Bentall
Christopher Clark
Stephen Vinall
- 1.4 The Panel convened on three separate occasions, plus communicated independently outside of the meetings.
- 1.5 The Panel was provided with a comprehensive information pack relating to the existing allowances scheme and general information on North Hertfordshire District Council (NHDC). This information pack also contained comparative data for the Members' Allowances Schemes of other Councils of a similar size and nature to NHDC locally.
- 1.6 The Panel was provided with the final report of the previous 2016 NHDC IRP, in addition to the amended Allowances Scheme which the Panel was consulted upon and subsequently agreed by Council on 22 November 2018. Additional information was provided, as requested by the Panel, such as indices of deprivation, a list of twin hatted Councillors, description of the role of the Deputy Executive Members.
- 1.7 The Panel were supported by the Service Director – Legal and Community/Monitoring Officer; Democratic Services Manager; Committee, Member and Scrutiny Manager with some assistance by the former PA to the Service Director – Legal and Community.
- 1.8 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. The Members that attended the meeting were:
- Cllr Helen Oliver
Cllr Paul Clark
Cllr David Levett
- 1.9 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. The IRP did not receive any representations from the Member Champions.

NORTH HERTFORDSHIRE
DISTRICT COUNCIL



2. IRP Conclusions

- 2.1 The newly convened IRP (comprising three members) has considered carefully a wide variety of relevant information, including the previous Panel's report, contributions from Members and officers, and comparators with adjoining and similar councils.
- 2.2 It notes that NHDC Members are very aware of the costs of the Scheme and that they have suggested economies for 2019/2020. This was achieved by a reduction from £7,000 to £6,000 of Executive Members' Special Responsibility Allowance (SRA) as the number increased from 6 to 7, and a reduction in the Leader's SRA from £15,000 to £14,000. However, the IRP has also considered the effect of allowances on Member retention and their willingness to take on extra responsibilities, which inevitably involves the possibility of greater absence from paid work.
- 2.3 In principle, the IRP considers that any increase in allowances for Members should not exceed that negotiated by the Local Government Association (LGA) 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.
- 2.4 The LGA settlement is not normally available for the current year in time for the Council's budget setting, so the previous year's settlement will be used for calculating the current year.
- 2.5 The Panel also recommends that SRAs in future be expressed as a multiplier of Basic Allowance (BA) for clarity and ease of calculation.
- 2.6 The Panel considered whether the level of Executive Member SRA remains appropriate considering the changes to portfolios.
- 2.7 Only one SRA (the highest) should be paid irrespective of whether a councillor has more than one role.
- 2.8 **Leader's SRA** - the Panel recognises the previous Panel's recommendation of Leader's SRA of £15,000 although this was reduced voluntarily to £14,000 for 2019/2020. The Panel recognises the significant extra responsibility of the Leader and future willingness of potential Leaders to undertake this role, and consider that 3xBA correctly recognises the responsibility of the role.
- 2.9 **Area Committee Chair SRA** - differing representations have been made to the Panel regarding the importance and activity of the Area Committees. Whilst recognising the ambition to further develop their function, the Panel does not consider at this time, especially with reference to the delivery of the Committee's Terms of Reference, that the current SRA genuinely reflects the responsibility and a reduction is recommended. Should the responsibilities change, the Panel will review this element of the Scheme.
- 2.10 **Licensing Chair SRA** – this is a new SRA to reflect the responsibility of the role.

**NORTH HERTFORDSHIRE
DISTRICT COUNCIL**



- 2.11 **Chair of Finance Audit and Risk** – this role is considered to be an equally important responsibility as Overview and Scrutiny and the recommendations reflect that.
- 2.12 **Group Leaders** - the Panel recommends a single amount payable to a Leader of an Opposition Group (subject to a group consisting of a minimum of 3 Members). It is not persuaded that the responsibility is related to the number of Members in the group, recognising that Opposition itself is an important part of checks and balances on the majority group.
- 2.13 **Chair and Vice Chair Allowance** - the Panel is not clear on what basis this allowance was originally introduced and seeks further clarification from the incumbents and the Council to assess what is included and what is additionally provided by the Council, and whether it remains an appropriate allowance. For the 2020/2021 year the Panel recommends no change.
- 2.14 **Childcare Allowance** – this was considered and it is recommended that this is increased to reflect the actual cost of childcare and to encourage diversity in the composition of the Council.

The childcare and dependent carers allowance is recoverable at the amount actually paid up to the limit specified. The current limit of £6.70 is 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 costs are 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.

3. IRP Recommendations

3.1 Basic Allowance

A basic allowance of £5,100 shall be paid to each Councillor (x49) for each year.

3.2 Special Responsibility Allowance

For each year a Special Responsibility Allowance in the amounts indicated below shall be paid to those Councillors who hold the following special responsibilities:-

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
Chair - 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

**NORTH HERTFORDSHIRE
DISTRICT COUNCIL**



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)

3.4 Chair and Vice Chair of the Council Allowance

Chair	£5,500
Vice Chair	£1,060

3.5 Childcare and dependent Carers' Allowance

A care allowance will be paid to any Member who incurs expenditure on the care of young children and or dependent relatives in order to perform their duties as a Councillor, subject to:

- (a) the duty being one for which Travelling and Subsistence Allowance is payable under this Scheme of Members' Allowances; and
- (b) that each individual claim shall not exceed the actual sum paid or £10.55 (London weighted Real Living Wage) per hour, whichever is the lesser.
- (c) Consideration being given to an additional allowance for specialist care for a dependent, where this is known to be more expensive.