

East Herts Council Report

Council

Date of Meeting: 11 May 2022

Report by: James Ellis, Head of Legal and Democratic Services

Report title: Review of Scheme of Members' Allowances 2022

Ward(s) affected: All

Summary

The Council's Independent Remuneration Panel has made recommendations for adoption of a scheme of allowances to be paid to Members. The report below has been compiled by the Panel, and is presented by the Head of Legal and Democratic Services on the Panel's behalf.

RECOMMENDATIONS that Council approve:

- (a)** an increase of 1% from £5,375.04 to £5,428.79 in the Basic Allowance, as shown at Appendix A;
- (b)** an increase of 1% from £7,336.96 to £7,410.32 in the Special Responsibility Allowance for the Chairman of the Development Management Committee, as shown at Appendix A;
- (c)** an increase of 1% from £2,199.96 to £2,221.95 in the Special Responsibility Allowance for the Vice Chairman of the Development Management Committee, as shown at Appendix A;
- (d)** the implementation of a Special Responsibility Allowance of £50 payable to each member of the Development Management Committee for each meeting attended, as shown at Appendix A;
- (e)** a decrease from £6,464.04 to £5,250 in the Special Responsibility Allowance for the Chairman of the Audit

and Governance Committee on the formation of the proposed Standards Committee, as shown at Appendix A;

- (f) a Special Responsibility Allowance of £4,842 for the Chairman of the proposed Standards Committee, as shown at Appendix A;
- (g) an increase from £10.15 per hour to £25.00 per hour in Dependent Carer's Allowance;
- (h) an increase from £9.00 per hour to £12.50 per hour in Childcare Allowance; and
- (i) no other changes to the current Member's Allowance Scheme other than those listed in the recommendations above.

1.0 Proposals

- 1.1 The Panel has concluded that it is appropriate to recommend any changes to allowances for the reasons set out below.

2.0 Background

- 2.1 The Independent Remuneration Panel for East Herts Council's review of Member Allowances in 2022 comprised Nicholas Moss (Chairman for 2022 review), Christopher Leage, Peter Raynsford and Glenn Sexton and were supported by the Democratic Services Manager and Democratic Services Officer.
- 2.2 The Panel has conducted a review of Members' allowances pursuant to the Local Authorities (Members' Allowances) Regulations 2003. The Panel has met three times: on 17 February 2022, 3 March 2022 and 17 March 2022. It has considered the current allowances and whether or not it should recommend to the Council a reduction, recommend the status quo or recommend an increase for the forthcoming civic year.
- 2.3 During its deliberations the Panel took evidence from:
 - the Leader of the Council, Councillor Linda Haysey;
 - the Leader of the majority opposition Group, Councillor

Mione Goldspink;

- the Group Leader of the Green Party, Councillor Ben Crystall;
- the Group Leader of the Labour Party, Councillor Carolyn Redfern.

2.4 The Panel would like to express its appreciation to each of them for the time they gave to answer its questions so thoroughly.

2.5 Members' contributions were also helpful in enabling the Panel to establish afresh the nature of the work of all Members of the authority – backbench councillors as well as those holding positions of special responsibility. In addition, the Panel reviewed material provided by Officers setting out payments made to Members of other authorities in Hertfordshire. The Panel conducted an online survey which was open to all Members. The survey was completed by 25 Members in total, representing 50% of the Council. The Panel felt this enabled a suitably broad assessment of the allowances for Members of East Herts Council. The results of the survey are attached at Appendix C.

2.6 Based on the Regulations the Panel has set out below its recommendations and its rationale for them. In doing so, it would like to express its appreciation to the Democratic Services Manager, Katie Mogan, and Democratic Services Officer, Michele Aves, for their advice and help.

Recommendations

2.7 Pursuant to Regulation 21 (1) (b) - the Basic Allowance - the Panel had taken into account a number of factors. It had in mind the date of the last increase, of 2%, in July 2018 and that there had been no change since then. The Panel noted that the Council had decided, due to the impact of the pandemic on the District's residents, not to implement its recommendations in 2020 to increase the Basic Allowance and the Special Responsibility Allowances by 2.5%. The Panel noted also that the 2021 staff pay award had been agreed at 1.75%.

2.8 Conversely, the Panel had taken into account the long-established principle that a significant part of Councillors' work should be voluntary. They drew on evidence from two of the four Group Leaders that the amount of the Basic Allowance had no bearing on their decision to stand for election. Further, the Panel had regard to the results of the survey it commissioned and which indicated that 52% of the Members who participated felt that the Basic Allowance was enough, and that 8% thought that the Basic Allowance was too much.

Seeking to balance these diverse considerations, the Panel reached the view that to propose a rise to the Basic Allowance in line with inflation - around 7.5% at the time the Panel met - would be unfeasible. Instead, the Panel felt that a notional increase of 1% in the Basic Allowance would be appropriate as a small recognition that Members, like their constituents, were facing a very significant increase in their living costs. The Panel had noted also that such an increase would not affect the Council's average position compared with the Basic Allowance paid to Members of other councils in Hertfordshire.

2.9 Pursuant to Regulation 21(1) (a) (i) - eligibility for the Special Responsibility Allowance (SRA) - the Panel recommended that the roles currently attracting such payments should continue to do so. The Panel noted that there was a range of roles within this category: Leader, Deputy Leader, Executive Member and Committee Chairman, Committee Vice Chairman and Leader of a minority political group. Consistent with the regulations, in making its recommendations the Panel had taken account of the additional responsibility or duties carried out by Members occupying these roles.

2.10 Pursuant to Regulation 21(1) (b), the amounts of SRAs - the Panel felt that there was no reason to warrant any change to the amount for the Leader of the Council. This decision had taken into account that the current Boundary Commission Review had proposed that there should be no variation in the

number of elected Councillors which would make up the Council. This factor persuaded the Panel that it seemed unlikely that the duties of the Leader would increase such that an uplift would be necessary.

- 2.11 The Panel noted also that the current allowance payable to the Leader and Deputy Leader were at the higher end of allowances payable to these roles in other councils in Hertfordshire, taking into account populations.
- 2.12 Pursuant to Regulation 21(1) (b) the Panel further recommended that that amounts of the SRAs for the Deputy Leader and for the Executive Members should remain the same. In respect of the former, the Panel understood that under the current administration the Deputy Leader position requires the post holder to deputise for the Leader; and that there was an implicit seniority in the role and, therefore, concomitant duties. However, the Panel was not wholly convinced that this role automatically merits the extra allowance beyond that awarded to an Executive Member. The Panel suggested that a future administration may wish to review the responsibilities and duties of this position. It would be for a future Panel to consider its views on the role's eligibility for a separate SRA and, if so, the appropriate level of such allowance.
- 2.13 In respect of the latter - Executive Members - the Panel recognises the level of the post-holders' responsibilities but notes that the SRA these posts attract was already in the higher median when compared to similar roles within other Hertfordshire authorities.
- 2.14 Regarding the SRA for the Chairman and the Vice Chairman of the Development Management Committee (DMC) the Panel considered the increased frequency and duration of the DMC meetings, and their longer agendas. The Panel recognised the significant additional preparation (including

pre-meetings) required by these two post-holders. To acknowledge these extra demands the Panel recommended that they both warrant a nominal increase of 1% in their SRAs, to £7,410.32 and £2,221.95 respectively.

- 2.15 Regarding the members of the Development Management Committee, the Panel noted that the Committee's work puts greater demands on them, also. They included extra training requirements, longer and more complex meeting agendas, and the necessity for Members to carry out site visits. The Panel therefore felt that it would be appropriate to acknowledge their additional contributions by recommending a payment of £50 per member per meeting attended. The Panel was not recommending this payment for the Chairman and the Vice Chairman of the DMC in view of their current SRAs and the proposed uplift in these.
- 2.16 In respect of the SRA for the Chairman of the Licensing Committee, the Panel found no evidence to support a variation to the current payment.
- 2.17 The Panel has been advised of the Council's plans, following a review of the Constitution, to remove the standards function from the Audit and Governance Committee and to place it in a new Standards Committee.
- 2.18 In respect of the SRA for the Chairman of the new Audit and Governance Committee, subject to Council approval for that plan, the Panel recommended that to reflect its reduced responsibilities the SRA should be £5,250, instead of the current £6,464.04.
- 2.19 In respect of the proposed Standards Committee, the Panel had taken advice from Officers about its intended purpose, including the probable frequency of its meetings. It felt that

an SRA of £4,842 would reflect fairly its likely responsibilities. In the event that the Council does not establish a Standards Committee and that the standards function reverts to the Audit and Governance Committee, the Panel recommended that the SRA payable to the Chairman of the Audit and Governance Committee should revert to the current figure of £6,464.04.

2.20 In respect of the SRA awarded to a Leader of Minority Political Party, the Panel felt that there were no grounds for varying the current formula on which this SRA is based or, therefore, the sums payable to these post-holders.

2.21 Pursuant to Regulation 21(1) (a) (ii) - Travel and Subsistence Allowance - the Panel recommended that the current schedule is corrected for electric vehicles to set it at 4p per mile, in line with Council staff rates and consistent with HMRC rates. The Panel recommended that all other arrangements related to travel allowances should remain unchanged. In respect of subsistence, the Panel recommended that this continued to be available to claimants at the same level as that paid to staff.

2.22 Pursuant to Regulation 21(1) (c) - Dependants' Carers' Allowance - the Panel recommended that payments to dependent carers should continue to be available and that they should be increased to take into account increased costs. In coming to its view, the Panel had taken into account observations made by its witnesses; the responses from the Members' Survey; and information provided by Officers about general hourly wage rates. In the light of this material, the Panel recommended an increase in the adult carer allowance to £25.00 per hour and to £12.50 per hour for the child care allowance. It feels that if the Council agrees to its recommendation the option under the current scheme - to give the Leader discretion to increase the

current rate of £10.15 an hour for adult carers - would become unnecessary and should be removed.

2.23 Pursuant to Regulation 21(1) (e) - indexing allowances - the Panel decided that it would not be appropriate to recommend that the Member's Allowance Scheme is indexed linked for the following four years. It came to that view on the grounds of the volatility of current economic conditions and that any index recommended by the Panel would bear no relation to the duties and responsibilities under the regulations.

2.24 Regarding the SRA for the Civic Chairman and Civic Vice Chairman, the Panel recognised that these payments were outside the scheme under the Regulations but it agreed to give its views on their levels. The Panel felt that there were no grounds for varying the current payments and, therefore, that they should remain unchanged for the forthcoming civic year.

3.0 Reasons

3.1 In addition to the grounds for its recommendations as set out above, the Panel offers these further reasons.

3.2 On the basic allowance to which an increase of 1% is proposed, the Panel considered that this small variation would take into account the four years in which there has been no increase; that it would maintain the basic allowance within an equitable band; and that it would continue to be broadly on a par with the average in Hertfordshire.

3.3 On the proposed SRA increase for the Committee Chairman and Vice Chairman of the Development Management Committee, please see paragraph 2.14 of the report.

3.4 On the proposed increase to Dependent Carers' Allowance, the Panel felt it was important to take into account

prevailing market costs. The Panel felt that to maintain allowances in this category at their current levels risks causing claimants to be out of pocket; and risks, also, discouraging residents with caring responsibilities from standing for election.

4.0 Options

4.1 To recommend no change to the allowances. This option was REJECTED. For the reasons set out, the Panel considered it would be inequitable to make no change and that Members' allowances should begin to take account, in a limited way, of the increases to the cost of living as indicated in the Consumer Price Index current at the time of the Panel's deliberations.

5.0 Risks

5.1 It is in the public interest that elected representatives to a district council are not debarred from carrying out their duties through financial detriment (taking into account a public service discount applied when allowances are calculated). It is also in the public interest that members of the public should not be deterred from standing as councillors due to potential financial detriment. If an inadequate scheme of allowances were to be adopted, there would be a risk that Members or the public would not be willing or able to serve as elected representatives or to be potential candidates for local elections.

6.0 Background Papers

6.1 Appendix A - Table of current and proposed Member's Allowances.

6.2 Appendix B - Illustration of Part 6 of the constitution should the Panel's recommendations be implemented.

7.0 Implications/ Consultations

7.1 Please see the following:

Community Safety

No

Data Protection

No

Equalities

Yes, the recommendations include provision for ensuring reimbursement of reasonable expenses for dependants' carers, to avoid deterring individuals from standing for office, where they have caring commitments might otherwise prevent them from carrying out their duties as Members.

Environmental Sustainability

No

Financial

Yes - in 2020/21, a total of £399,146.36 (Basic Allowance £268,506.37, Special Responsibilities Allowances (SRA) £129,410.64 and Civic Allowance £5,962.50) was paid out for Members' allowances and £1,229.35 for Members' expenses.

The cost of implementation of the recommendations regarding the increase to the Basic Allowance would amount to £2,687.50. The cost of implementation of the recommendations relating to the Development Management Committee (DMC) would amount to £6095.35 (DMC Chairman £73.36, DMC Vice Chairman £21.99, and based on 10 DMC committee members, attending 12 meetings £6,000.)

There would be the further cost implication for the implementation of the recommended SRA for the Chairman of the proposed Standards Committee £4,842. This cost would be offset by a saving of £1214.04 upon the inception of the aforementioned Standards Committee should the recommendation to also reduce the SRA of the Chairman of the Audit and Governance Committee (from £6,464.04 to £5250) be followed.

Cost implementations would also exist should the recommendations relating to the increase in the hourly rates of Dependent Carer's Allowance (DCA) and Childcare Allowance (CA) be approved. These costs cannot be quantified as both DCA and CA are only claimed by those Members with such caring responsibilities when required.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Yes, the scheme of allowances must comply with the Local Government and Housing Act 1989 and The Local Authorities (Members' Allowances) (England) Regulations 2003. The regulations require the Council to have a scheme of allowances, and to have regard to the recommendations of an independent remuneration panel.

Specific Wards

No

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