

East Herts Council Report

Council

Date of meeting: Wednesday 18 October 2023

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

Report title: Independent Remuneration Panel 2023 - Review of Members' Allowances

Ward(s) affected: (All Wards);

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 FOR COUNCIL:

- a) **To approve the recommendations of the Independent Remuneration Panel as follows:**
 - i) **To increase the Basic Allowance by £250 from £5,428.79 to £5,678.79 for 2023/24;**
 - ii) **To increase the Dependants' Carers Allowance from £25.00 per hour to up to £30.00 per hour;**
 - iii) **To increase the Childcare Allowance from £12.50 per hour to up to £15.00 per hour;**
 - iv) **To increase the electric car mileage from 4p per mile to 45p per mile in line with HMRC guidance; and**
 - v) **To make no changes to the Members' current Allowance Scheme other than those listed in**

the recommendations above.

1.0 Proposal(s)

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

2.0 Background

2.1 At its meeting on 1 March 2023, Council agreed to extend the 2022/23 Members' Allowance Scheme until the meeting on 18 October 2023 to allow the District elections to take place and any new administration to settle into their roles.

2.2 The Independent Remuneration Panel for East Herts Council's review of Member Allowances in 2023 comprised Nicholas Moss (Chairman for 2023 review), Peter Raynsford and Glenn Sexton and were supported by the Democratic Services Manager and Democratic Services Officer.

2.3 The Panel has conducted a review of Members' allowances pursuant to the Local Authorities (Members' Allowances) (England) Regulations 2003. The Panel met three times: on 6th, 13th and 19th September 2023. It has considered the current allowances and whether or not it should recommend to Council a reduction, recommend no change, or recommend an increase for the 2023/24 Civic Year.

2.4 During its deliberations the Panel took evidence from:

- Deputy Leader, Councillor Mione Goldspink (Lib Dems),
- Labour group member, Councillor Carolyn Redfern,
- Conservative group member, Councillor Peter Boylan, and

- Executive Member, Councillor Carl Brittain (Green Party)

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

2.6 Their contributions were helpful in enabling the Panel to confirm its understanding 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 also conducted an online survey which all Members were encouraged to complete. Thirty-five Members did so, representing 70% 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.

2.7 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

2.8 Pursuant to Regulation 21(1)(b) - the Basic Allowance - the Panel took into account a number of factors. It acknowledged the date of the last increase of 1%, in May 2022. The Panel noted also that the 2022 staff pay award had been agreed of £1,950 increase to each spinal point and that there had been an offer of the same sum for the 2023/24 pay round.

- 2.9 The Panel took into account also the long-established principle across local government that a significant part of Councillors' work should be voluntary. Further, it drew on evidence from its four interviewees, noting their observation that the amount of the Basic Allowance had had no bearing on their decision to stand for election. Further, the Panel had regard to the results of the survey, which indicated that 62% of the Members who participated felt that the Basic Allowance was 'enough'.
- 2.10 Nevertheless, the panel was of the view that to recommend no increase to the Basic Allowance particularly at a time of high living costs would penalise those who put themselves forward to carry out an important civic duty.
- 2.11 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 7.9% at the time the Panel met - would be unrealistic. Instead, the Panel felt that a modest increase of £250 a year in the Basic Allowance would be appropriate to recognise that Members, like their constituents, were facing a very significant increase in their living costs; and that it would also maintain parity with the other rural authorities in Hertfordshire. For information, Appendix A shows the 2023/24 Basic Allowance payable to Members of the nine other District/Borough Councils in Hertfordshire.
- 2.12 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 recommendation to maintain the principle of the payment of SRAs the Panel had taken account of the additional responsibility or duties carried out by Members occupying these roles.

2.13 Pursuant to Regulation 21(1)(b), the amounts of SRAs – the Panel felt that there were no grounds for recommending any changes to the amounts of any of the SRAs listed in the Allowance Scheme. The Panel noted that there was a new administration following the District Council elections in May 2023 with a high number of new Councillors joining the Council. For that reason, the Panel decided that it would not be appropriate to recommend any change to the current amounts payable to Members receiving SRAs. New post holders were settling into their roles and it was not possible to assess the nature of their responsibilities. The Panel noted that it would revisit these allowances at their next review.

2.14 The Panel notes that the Civic Allowances for Chairman and Vice Chairman of the Council were outside the regulations. However, the Panel was invited to consider these allowances also and reached the same view that it reached in respect of the SRAs: that there should be no increase for the Civic Year 2023/24.

2.15 In the Panel's review in 2022, it recommended an allowance for Members of the Development Management Committee of £50 per meeting attended to reflect the level of work and

preparation required. The suggestion was raised again during the current review, but the Panel has recommended no change to the current arrangements. It has done so for two reasons. Firstly, because the Council rejected the recommendation last year, suggesting that it would not be favoured on this occasion, and secondly because Officers advising the Panel observed that within committees the business fluctuated significantly across the year. As a result, there were variations between committees that an attendance payment to only one committee's members might create an unfairness to another committee's members, which also had a heavy workload.

- 2.16 Pursuant to Regulation 21(1)(a)(ii) - Travel and Subsistence Allowance - the Panel recommended that the current schedule is updated for electric vehicles to be consistent with the HMRC rate of 45p per mile. 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 Members at the same level as that paid to staff.
- 2.17 Pursuant to Regulation 21(1)(c) - Dependents' Carers' Allowance - the Panel recommended that payments to Members to defray the costs of dependents' carers - adults and children - should continue to be available and that they should be increased to take into account increased costs.
- 2.18 The Panel recommends an increase in this allowance to take account of the concerns expressed by its witnesses

and survey responses that too low a sum could discourage potential candidates and might inhibit serving Members from undertaking additional responsibilities. In respect of the childcare allowance, the Panel took account also of survey respondents and felt that an increase was justified for the same reasons. In the light of this information, the Panel recommends an increase in the adult carer allowance of up to £30.00 per hour and up to £15.00 per hour for the childcare allowance.

2.19 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 index linked for the following four years. It came to that view on two grounds. Firstly, it felt there was merit in ensuring that allowances were subject to independent review more frequently than indexing would allow. Second, it considered that the volatility of current economic conditions would be likely to result in an indexed increase to allowances substantially outside the payments that would be warranted by the duties and responsibilities of a councillor.

2.20 On a separate but related point during its interviews with its witnesses, the Panel was surprised to learn that it is not general practice by political parties to advise potential candidates that allowances are payable to elected Members. The Panel considers that if local authorities are to be representative of the communities they serve, it is important that the availability of allowances is made known to those who may be interested in seeking election.

2.21 One of the Panel's interviewees drew attention to the lack of mileage allowance for Members travelling on ward business. The Panel considered the point but noted the current list of approved duties for which mileage claims can be made. It felt that the list was drawn sufficiently widely to ensure that mileage allowances were payable appropriately. However, it noted that as drafted, the list contained sufficient flexibility to enable further widening if agreed by the Executive.

3.0 Reason(s)

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 £250 a year is proposed, the Panel considered that this small variation would maintain the Basic Allowance within an equitable band; and that it would continue to be broadly on a par with the average for rural districts in Hertfordshire.

3.3 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 make no change to the allowances. This option is not recommended. For the reasons set out, the Panel considered it would be inequitable to make no change and that Members' allowances should 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 disadvantage (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 disadvantage. 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 Implications/Consultations

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 2022/23, a total of £412,915.50 was paid out for Members' allowances comprising: Basic Allowance £271,047.84, Special Responsibilities Allowances (SRA) £131,564.81, Civic Allowance £7,950.00 and £2,352.85 for travel and subsistence claims.

If approved, the cost to the Council in 2023/24 of an increase of £250 a year to the Basic Allowance for each Member, would be £12,500.

Cost implementations would also exist should the recommendations relating to the increase in the hourly rate of the Childcare Allowance (CA) be approved. These costs cannot be quantified as 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

7.0 Background papers, appendices, and other relevant material

7.1 Appendix A – Basic Allowances paid in Hertfordshire

7.2 Appendix B - Illustration of Section 20 of the Constitution should the Panel's recommendations be implemented.

7.3 Appendix C – Responses to the Members' Allowance Survey

Contact Member

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