

Committee: Council

Date:

Title: Proposals for Members' Scheme of Allowances 2020/21

Tuesday, 25
February 2020

Report Author: The Independent Remuneration Panel:
Stephanie Grace (Chair), Diane Drury and
Melissa Challinor, assisted by Ben Ferguson

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Summary

1. This report sets out the recommendations of the Independent Remuneration Panel for the Members' Scheme of Allowances for the year 2020/21.
2. In making a scheme of allowances, the Council is required to have regard to the recommendations of an independent panel but is not bound by them.

Recommendations

3. That the Council adopts:
 - a. the recommended scheme of allowances for the year 2020/21 as set out in Appendix 1 to the report, effectively increasing the current level of basic allowance and all existing special responsibility allowances (SRAs) by 1%.

Financial Implications

4. There would be additional cost to the Council due to the 1% increase in the level of the basic and special responsibility allowances. The estimated cost of implementing this rise is an increase of £3,026.99. A 2% uplift has been budgeted for within the General Fund but this will be amended subject to the Panel's recommendation being approved.
5. The budget provision for SRAs for Cabinet members is based on the overall historical Cabinet SRA total, which was not increased when the number of cabinet members was increased following the 2019 elections. This was kept within budget by Cabinet members accepting a reduction of 45% in individual the SRA payable. The budget assumes that this will continue for 2020/21. In future (if the Council continues with the Cabinet system) it may make sense to allocate an overall total for Cabinet SRA payments, with individual SRAs based on the number of Cabinet members. (Cabinet members are referred to as "portfolio holders" in the scheme,)

Background Papers

6. [Members' Allowance Scheme 2019/20](#)
7. [Census of Local Authority Councillors 2013](#)
8. [National Census of Local Authority Councillors 2018](#)

Impact

9.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	All wards
Workforce/Workplace	None

Situation

The Independent Remuneration Panel

10. The Panel this year consists of Stephanie Grace (Chair), Diane Drury and Melissa Challinor.

The General Position

11. In conducting its appraisal this year, the Panel paid special regard to the establishment of the Governance Review Working Group (GRWG), which has been created to review the council's current governance structure.

12. The GRWG has been tasked with ascertaining the best Governance model, modified as necessary, to suit the purposes of Uttlesford District Council. The review is ongoing. The GRWG intend to report their recommendations to Annual Council in May 2020.
13. The snap Parliamentary General Election, held on 12 December 2019, had a significant impact on the resources available to the GRWG and Members were informed that the review would be postponed until January 2020 ([minutes of meeting held on 4/11/19](#)). This rendered a full-scale change in governance model extremely unlikely due to the short time frame involved, although changes to the current model could be enacted to adapt the Cabinet and Leader system to reflect the desired principles of inclusivity, transparency and good governance.
14. Due to the prospective change in governance models, or the restructuring of the current model, the Panel felt that a thorough review of the Scheme of Members' Allowances was untimely and decided to focus efforts on reviewing the Basic Allowance, with particular regard paid to the financial constraints placed on Local Authorities in the current economic climate.
15. In light of the impact of the Governance Review, and the uncertainty of its subsequent recommendations, the Panel are committed to bringing forward the next review of the Scheme of Members' Allowances to the summer of 2020. The Panel feel real value can be attained from member consultation at this time, as councillors will be able to draw on their experiences following a full year in office.

Basic Allowance

16. The aim of the payment of the basic allowance is that some element of the work of members continues to be voluntary but that financial recompense is available to elected members to avoid a disincentive for anyone wishing to come forward to serve their local community.
17. The basic allowance takes account of the duties and responsibilities of a member of the Council. It also acts as the starting point for the calculation of all SRAs as these are expressed as multipliers of the basic allowance.
18. The Panel were interested to view the results of the 2018 national census of councillors, carried out by the Local Government Association, which was published in early 2019. The census estimated that councillors, on average, spend 22 hours per week on council business. The Panel noted this was an increase on the 20.8 hours estimated in the 2013 census.
19. The Panel has chosen not to recommend formally linking the employees' pay award and the basic allowance. The staff pay award for this year stands at 2%. As in previous years, the Panel considered whether to make a recommendation to commence linking the basic allowance to future local government pay awards. The Panel have decided against making this recommendation due to the flexibility allowed in determining the appropriate level of basic allowance.
20. Reference was made to the Scheme of Basic Allowances of neighbouring authorities. The basic allowance paid by other councils will have been

calculated in a variety of ways, so comparative data does not necessarily reflect a local “going rate”.

21. The Panel assessed what rates were paid in comparable authorities, using the same councils as last year to allow for consistent benchmarking. The exercise demonstrated that the Council’s basic allowance was around the average of that which was offered at the other authorities examined. The completed comparison is available at Appendix 2.
22. In respect of the calculation of the rate of basic allowance, the Panel are recommending that the allowance be increased by 1% for the upcoming municipal year, thereby increasing the rate of all SRAs by 1% as well.
23. The Panel’s reasoning, in line with the previous review, is that a 1% rise will maintain the recent pattern of modest rises in the level of the basic allowance that have been implemented in recent years. Regular modest increases are seen as preferable to proposing larger increases less often, as they are easier to forecast and to prepare for in budget work. The Panel felt that under the current economic and political climate, a 1 % uplift was in keeping with the fiscally conservative measures being implemented across the public sector. It was proposed that a modest increase would help build trust between the local community and council.
24. In making their decision, the Panel also referred to the September 2018 - September 2019 increase in the [Consumer Prices Index \(CPI\)](#) of 1.7% that is used to calculate the uplift in public service pensions.
25. The Panel notes that with the proposed 1% uplift the Council’s basic allowance would remain a rough average of neighbouring and other comparable authorities and should therefore continue to function adequately as financial recompense available to elected members to ensure that finance is not a disincentive to stand for election.

Looking Back to the Previous Review

26. The Panel were pleased to see that an expanded Members’ development programme had been delivered in relation to Member induction following the Local Governments elections in May. The Panel welcomed efforts to provide a schedule of dates at a prospective Member event in February, as the Panel had previously recommended that due notice be given to Members to increase the likelihood of attendance.
27. The Panel noted the use of the separate Planning substitute and Licensing Panel SRAs and were pleased that more Members were involved in the Licensing Panel process than in previous years.
28. The Panel noted that there had been no take up of the Carer’s Allowance since its modification last year.

Looking Forward to the Next Review

29. The Panel were mindful of the following in their discussions regarding the next review of Member Allowances.
 - Opposition Leaders SRA – The Panel noted that there had been an increase in the amount spent on the Group Leaders’ SRA due to the increase in the number of political groups within Council. It was agreed that this should be

kept under consideration, particularly in the lead up to the next scheduled Local Election in 2023.

- Portfolio Holders SRA – the Panel noted that there had been an increase in Portfolio Holders within Cabinet, although the total cost of this SRA had been offset by a voluntary reduction in the SRA as agreed by Cabinet Members.
- The relationship between the recruitment of councillors and the Scheme of Members’ Basic Allowance – the Panel would like to explore the views of Members in regard to the motivations that attract them to civic life. To what degree was the rate of pay a real consideration for prospective councillors?
- The Panel noted that the average number of committee, working group and outside bodies’ appointments for Uttlesford District councillors stood at six. The Panel were of the view that this level of commitment should be monitored and assessed during the next review.
- The Panel look forward to engaging with councillors over the summer following their first year in office and to reviewing the impact of any changes after the implementation of the GRWG’s recommendations.

Risk Analysis

30.

Risk	Likelihood	Impact	Mitigating actions
That member allowances do not continue to be set at a realistic level reflecting duties undertaken, which may deter future prospective councillors	2 – allowances paid to elected members do not reflect the time commitment and level of responsibility demanded	3 – the Council may not be able to attract a diverse range of councillors that reflect the makeup of the community they serve.	Adoption of suitable levels of allowances taking account of relevant commitment and responsibility of members

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.