

**Committee:** Council

**Agenda Item**

**Date:** 8 December 2016

**4**

**Title:** Proposals for Members' Scheme of Allowances 2017/18

**Authors:** David Brunwin (Chairman), Steph Harding and Janet Pearson, assisted by Peter Snow and Rebecca Dobson

Item for decision:

## Summary

1. This report sets out the recommendations of the Independent Remuneration Panel for a Members' scheme of allowances for the year 2017/18.

## Recommendations

2. That the Council adopts the amendments to its scheme of allowances as set out below for the year 2017/18:

<b>Type of allowance</b>	<b>Existing £</b>	<b>Recommended £</b>
Basic allowance	5,050	5,100
Special Responsibility Allowances		As Special Responsibility Allowances are expressed as a multiplier of the Basic Allowance, the recommendation is that all would be adjusted to reflect the proposed 1% increase in the Basic Allowance.  The phrase "no change" used in this table below signifies there is no change to the multiplier, but that the 1% increase is to be applied.
Chairman	4,040	4,080 (no change other than as a consequence of the proposed increased Basic Allowance) + civic expenses

Vice-Chairman	2,020	2,040 (no change other than as a consequence of the proposed increased Basic Allowance)
Leader	12,372.50	12,496 (no change)
Deputy Leader	6,565	6,630 (no change)
Portfolio Holders	6,060	6,120 (no change)
Overview/Scrutiny Committee Chairmen	3,535	3, 570 (no change)
Planning Committee Chairman	3,787.50	3,825 (no change)
Planning Committee members	466.20	470 (no change)
Licensing & Environmental Health Committee Chairman	3,787.50	3,825 (no change)
Standards Committee Chairman	2,020	2,040 (no change)
Main opposition group leader	3,535	3,570 (no change)
Other opposition group leader(s)	2,020	2,040 (no change)
Independent members of Standards Committee	505	510 (no change)
Panel members of Independent Remuneration Panel	505	510 (no change)

All other elements of the scheme to remain unchanged. Only one special responsibility allowance may be claimed.

### Financial Implications

3. The recommendations have costs but these are already budgeted. The estimated cost of implementing the recommendations is £272,238 (increasing from £269,573 in 2016/17) and is already included within the General Fund Programme budget.

### Background Papers

4. None.

### Impact

- 5.

Communication/Consultation	Group Leaders were consulted
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

### Situation

#### The Independent Remuneration Panel

6. The Panel this year consists of David Brunwin (Chairman), Janet Pearson and Steph Grace-Harding. Janet Pearson is retiring after three years' service and one additional year as a shadow member. A new Panel member will be recruited before the next year's review commences.

#### General Position and the Basic Allowance

7. The Panel is recommending an increase of 1% in the basic allowance to reflect the local government pay award implemented in May 2016. A similar modest increase was recommended and agreed last year. This follows a long

period in which the basic allowance had been frozen in recognition of the dire state of public finances and the general constraints operating in local government. Although the state of public finances remains serious, the Panel feels that making regular small incremental increases in the basic allowance is the best way to maintain its relevance and validity as a mechanism to recognise the time and commitment demanded of elected councillors, without making unrealistic demands on the budget. It is infinitely preferable, in the Panel's view, to maintain the value of the allowance in this way without the necessity to consider larger increases less often which might be considered politically unpalatable, or difficult in setting budgets.

8. The basic allowance is still seen as the best available means to enable all sectors of society to serve their local community without significant disadvantage. The original basic allowance was set by reference to an hourly rate recommended by the Local Government Association and based on the presumption that the average commitment of councillors not performing special responsibility duties was ten hours per week, or 520 hours per annum. This figure was then offset by a 35% reduction to take account of public service commitment.
9. We have not challenged the assumptions behind this assessment of time commitment as it was checked against a survey of members only three years ago. However, one of the group leaders has suggested a thorough analysis of time commitment should be carried out and this possibility will be explored as a possible option for the 2018/19 review.
10. More recently, the LGA's daily rate was discontinued and the Panel decided to benchmark the hourly rate against the Annual Survey of Hours and Earnings (ASHE) for residents in the Uttlesford district. Successive years of keeping the rate at the same level gradually divorced the basic allowance from the hourly ASHE rate to the extent that we consider it is no longer feasible to maintain it and we have accordingly decided to discontinue that link.
11. At present therefore we do not consider it possible to benchmark the basic allowance at Uttlesford to a specific index and we will continue to explore a means of restoring indexing at some suitable point. However, we have continued to look at allowances paid by similar authorities both within and outside Essex and consider that the basic allowance remains both valid and reasonable. If our recommendation is accepted the hourly rate paid to councillors in 2017/18 will be £9.81.
12. We have decided at this stage not to recommend linking the allowance to future local government pay awards as we wish to maintain some flexibility in determining the appropriate level of basic allowance, but we will continue to look at the merits of recommending a linkage.
13. The annual cost of a 1% across the board increase in the allowances scheme is approximately £2,700. Of course, if the increase in basic allowance is accepted it will impact on each of the special responsibility allowances to the extent that all SRAs are benchmarked to that allowance.
14. We have consulted each of the group leaders about our thinking and have taken their comments into account in formulating this report.

15. The Panel has examined a number of other aspects of the allowances scheme and the following report sets out our thinking on each of these factors. In order of consideration, we have looked at: whether the scheme should provide for penalties for non-attendance at member workshops; whether the extra commitment involved in Licensing Committee membership should be recognised (as for the Planning Committee); and the role of executive members.

### **Member training and development and attendance at member briefings and workshops**

16. The Panel considered whether the scheme of allowances should provide for penalties for non-attendance at member workshops. The aim of the proposal would be to incorporate within the scheme an incentive to encourage better attendance at training events. The Panel in looking at this proposal looked at the current attendance levels at all-member training events, sought information on how such events were scheduled, and asked officers to obtain any relevant comparative data regarding practice at other local authorities. The Panel considered carefully the potential benefits and disadvantages of this proposal, endeavouring to balance the practicability of how it might work against the desirability of encouraging attendance at training. The Panel concluded it would not recommend a deduction from basic allowance for failure to attend training.

17. The position found at Uttlesford District Council was that member training events were generally not attended by a majority of members, and on some occasions fewer than a third of members had attended. In terms of scheduling, members tended to be invited to several all-member briefings during any given year, but a number of these sessions were not set far in advance or according to an annual programme, but would be called in response to forthcoming business.

18. Where in 2015-16 dates had been set within the committee system to provide upcoming quarterly briefings dates, data was not available as to whether advance scheduling had improved attendance levels. It was more likely to be the subject matter of a particular briefing session which played a part in whether members wished to attend or not. Without knowing the dates of required member training in advance, it would be unfair to expect all members to commit to coming to all such events.

19. The Panel took note of the fact that member attendance at briefings was not recorded. Introducing a penalty provision for non-attendance would be likely to require a well-publicised programme of briefings giving advance dates and possibly also topics, clear information about which briefings were categorised as mandatory, a means of applying deductions for varying levels of non-attendance, and a means of determining whether reasons for non-attendance could be treated as exceptions, for instance through absence because of illness or other events outside a member's control. For these reasons, the administration of such a scheme could be disproportionately onerous.

20. Finally the Panel expressed a view that for the great majority if not all, members, financial reward was irrelevant to them in carrying out their public duties, and that imposition of a penalty for councillors not attending specific events was unlikely to be an effective deterrent for not turning up.

21. We considered the view of the Leader of the Council that there is a strong case for a programme of member training and development and we are advised this was highlighted in the recent LGA Peer Review. However, before proper consideration can be given to structuring the allowances scheme to take account of member training needs and requirements, we consider it is first essential for the Council to articulate its expectations in terms of a structured approach to training and development. Once a programme is in place and the commitment expected of members is set out clearly, the Panel will feel better able to consider a sensible response.
22. We are advised that legislation requires the basic allowance to be the same for every member so careful consideration will have to be given to ways of incorporating incentives or penalties in terms of attendance or non-attendance at key training events.

### **Licensing and Environmental Health Committee**

23. The Panel also considered a proposal for remuneration of Licensing and Environmental Health Committee members who attended extraordinary meetings. This proposal initially was made as a response to a survey conducted for the Independent Remuneration Panel in 2015. The Panel had decided to consider this suggestion further, to permit time to undertake additional research and consider the implications of such a change. The suggestion was that a small SRA should be payable to members of the Licensing Committee, as they were called upon to attend extraordinary meetings fairly regularly. The extraordinary meetings of the Licensing Committee tended to comprise a panel of four members of that Committee, called at fairly short notice to determine matters such as premises licenses, or more commonly, private hire/hackney carriage drivers' licences.
24. The Independent Remuneration Panel considered data obtained about the number and composition of extraordinary licensing meetings. There were approximately 14 extraordinary licensing meetings during each of the three preceding years. It was likely this number of meetings would continue to be required. It was clear the majority of meetings were attended by two members in particular, as for some members of the Committee it was not possible for them to be available due to working and other commitments. Accordingly there was a significant disparity between the workload of members who frequently attended extraordinary meetings of the committee compared with those who did not. The Panel felt it was right to consider options for more equitably remunerating those licensing members' additional responsibility.
25. The Panel therefore explored whether a small SRA such as that paid to members of the Planning Committee could be paid to members of the Licensing Committee. The Planning Committee SRA is paid to all members of that committee. This reflects also the requirement for committee members to attend site meetings on a regular basis, often preceding meetings of the committee. By contrast, in the case of the Licensing Committee not all members attended every meeting, as only certain individuals tended to be available. The Panel therefore felt it would not be equitable to pay all members of the licensing committee an SRA.
26. The Panel also looked at research regarding other authorities' licensing committee arrangements. It was apparent that in some authorities there

existed a system of having licensing sub-committees. In such arrangements, the chairmanship of sub-committees was rotated between all members of each sub-committee, and an SRA was payable to the Chairmen. The Panel felt such a system might be rather administratively heavy, for Uttlesford. In addition other factors were likely to be relevant, such as the willingness of the members currently forming panels for licensing determinations to share duties of chairmanship.

27. We therefore concluded that, given the present structure of the Licensing Committee and the way that meetings of the committee meeting as a panel are arranged, a change in the allowances scheme to recognise the extra commitment involved is simply not possible. However, if the Council were to decide to change the structure of Licensing Committee panel meetings to ensure a more equitable sharing of the workload between all committee members then we would not rule out the payment of a SRA.

### **Executive Member Functions**

28. We looked at the workload and responsibility levels of executive members and decided these had not altered significantly in the last year. The one area in which time commitment has increased is in respect of the Local Plan but the Cabinet continues to operate as a collective body with a total lack of delegation to individual members. Therefore, only the Leader is presently able to make individual executive decisions and this happens comparatively rarely. Our predecessor panel decided three years ago not to recommend the final element of a three year plan to rebalance SRAs to reflect the change from a committee to an executive structure, principally on the grounds that collective rather than individual decision making was the norm at Uttlesford.
29. This is not intended as a criticism merely as an observation of the way that Cabinet decision making operates at Uttlesford, but, in these circumstances, we consider it is unlikely that we will reassess SRA payments to executive members in the absence of a major change in time and responsibility commitment.
30. Last year we considered the role of portfolio leads and concluded the role was insufficiently clear or well enough developed to justify the introduction of a new payment and that view remains unchanged.
31. Our report is presented for members' consideration.

### **Risk Analysis**

32.

Risk	Likelihood	Impact	Mitigating actions
That member allowances do not continue to be set at a realistic level reflecting duties undertaken,	2 – allowances paid to elected members do not reflect the time	3 – the Council may be less well governed if allowances are not set at	Adoption of suitable levels of allowances taking account of relevant commitment and responsibility of

which may deter future prospective councillors	commitment and level of responsibility demanded	a realistic level	members
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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.