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|-------------------------|---|--------------|------------------------------|
| <b>Committee:</b>       | Council   | <b>Date:</b> | Tuesday, 23<br>February 2021 |
| <b>Title:</b>           | Proposals for Members' Scheme of Allowances 2020/21   |              |                              |
| <b>Report Author:</b>   | The Independent Remuneration Panel:<br>Diane Drury (Chair), Linda Riley 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 2021/22.
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 2021/22 as set out in Appendix 1 to the report, effectively retaining the current level of basic allowance and all existing special responsibility allowances (SRAs).

## Financial Implications

4. There would be no additional cost to the Council.
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. This was kept within budget by Cabinet members accepting a reduction of 45% in the SRA payable. The budget assumes that this will continue for 2021/22. 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. None.

## Impact

7.

|                                 |           |
|---------------------------------|-----------|
| 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**

8. The Panel this year consists of, Diane Drury (Chair), Linda Riley and Melissa Challinor.
9. In conducting its appraisal this year, the Panel paid special regard to the public health emergency and the impact it has had on Members and the democratic process more generally.

### **Basic Allowance**

10. 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.

11. 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.
12. As in previous years, 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".
13. 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.
14. In respect of calculating the rate of basic allowance, the Panel are recommending that the allowance be frozen for the upcoming municipal year, thereby freezing the rate of all SRAs as well.
15. The Panel agreed that in the current uncertain economic environment, a freeze in the rates of allowances was in keeping with the freeze applied to other public sector workers. Furthermore, the Panel were mindful of the wider economic impact of Covid-19, and how rates of unemployment had already begun to rise. The Panel agreed that it was important to build trust between the Council and the local community, and a show of solidarity should be reflected in the forthcoming year's allowances.
16. In making their decision, the Panel also referred to the September 2019 - September 2020 increase in the [Consumer Prices Index \(CPIH\)](#) of 0.7% that is used to calculate the uplift in public service pensions.
17. The Panel notes that with the proposed freeze, the Council's basic allowance would still 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 Year**

18. The Panel were pleased to see the high levels of attendance at virtual meetings and noted that substitute SRAs had not been widely utilised.
19. Furthermore, the inclusive nature of virtual meetings was also praised by the Panel. The point was made that by reducing travel time and distance, those with professional and caring duties were more easily able to attend public meetings.
20. The Panel noted that in this municipal year to date, only £392 of Member expenses' claims had been submitted (solely related to Planning site visits). This is due to the aforementioned drop in travel required by Members, owing to the introduction of virtual meetings. This is in contrast to 2019-20 when £8,597.22 was claimed and to 2018-19 when £9796.37 was claimed. Due to the current public health emergency and the provision that virtual meetings will continue until May 2021, expenses' claims are not anticipated to rise in a significant manner.

## Looking Forward to the Next Review

21. The Panel were mindful of the following in their discussions regarding the next review of Member Allowances.
22. Opposition Leaders SRA – The Panel noted that there had been an increase in the amount spent on the Opposition Leaders’ SRA due to the increase in the number of political groups within Council and it was suggested that minority opposition leaders could share a fixed ‘pot’. The Panel felt it would be unfair to change this SRA mid-Administration but the potential change should be signalled, with possible implementation in the lead up to the next scheduled Local Election in 2023. Group Leaders would be consulted during the next review.
23. 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. This would be kept under consideration in the next review.
24. The Panel acknowledged the great difficulties faced by the Council in the past year and recognised that councillors had risen to the challenge admirably.

## Risk Analysis

25.

| 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.