

**Committee:** Council

**Date:**

**Title:** Member Allowance Scheme Review 2023-24

Tuesday,  
6 December 2022

**Report Author:** The Independent Remuneration Panel:  
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## Summary

1. The Council is required to maintain an Independent Remuneration Panel to make annual recommendations as to the level of the Basic Allowance and the type and level of Special Responsibility Allowances (SRAs).
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.
3. This report sets out the recommendations of the Independent Remuneration Panel for the Members' Scheme of Allowances for the year 2023/24.

## Recommendations

That the Council:

- I. Adopts the recommended scheme of allowances for the year 2023/24 as set out in Appendix A to the report, effectively increasing the current level of basic allowance and all existing special responsibility allowances (SRAs) by 3.00%.
- II. Continues with the current individual SRAs for Portfolio Holders in 2023/24.
- III. Notes the importance of the Carers Allowance Scheme to encourage those with caring responsibilities to become Councillors.

## Financial Implications

4. There would be additional cost to the Council due to the 3% increase in the level of the basic and special responsibility allowances. The estimated cost of implementing this rise is an increase of £9677.36.

## Background Papers

5. [National census of local authority councillors 2022 | Local Government Association](#)

Census information from Uttlesford District Councillors

## Impact

Communication/Consultation	Members had the opportunity to complete the Census of local authority councillors 2022.
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

6. The Panel this year consists of, Diane Drury (Chair), Linda Riley and Brigid Dyson, who was recruited in the summer and joined the Panel for this review.
7. In conducting its appraisal, the Panel were mindful of the cost of living crisis and the extra financial burden this placed on members of the community, Councillors and the Council. The Panel felt their decision was particularly difficult this year due to the conflicting factors of wanting to increase the basic allowance, to ensure remuneration did not act as a disincentive to residents

from various backgrounds in becoming Councillors, and the understanding that many residents were struggling financially in the current economic climate and rising inflation.

### Summary of the Review

8. The IRP took into consideration information from the National Census 2022 which provided up to date national statistics as well as local data relating to Uttlesford District Council (UDC).

The total response rate for UDC was 25 out of 39 Councillors which equates to 64% of Councillors responding.

The Panel reviewed the Census and noted the largely comparative results between national and local data. The data was also consistent when compared with the results of the IRP's own survey conducted during the previous review.

The following data was noted: -

- a. Overall, the average number of hours spent on council work was consistent with the national average of approximately 22.5 hours per week.
  - b. The main reasons stated for why Councillors stood were comparable for both UDC respondents and the national data. The two main reasons given for standing were to serve the community and to change things within the district.
  - c. 36% of UDC respondents had caring responsibilities compared to 45.9% nationally.
9. The Panel also asked for a comparison of mileage rates. The mileage rate is set by HMRC and is therefore the same across all Councils, the current rate is 45p per mile.

- a. The total mileage claimed in each year from 2018 until 2022 is below, the year runs from May to April.

<b>Year</b>	<b>Total Mileage Claimed</b>	<b>No. of Councillors to Claim</b>
2021/22	£2,748.55	13
2020/21	£216.00	5
2019/20	£7,853.40	23
2018/19	£9,614.30	12

The Covid pandemic has an effect on each of the years apart from 2018/19.

10. The Carers allowance, which includes childcare, varied across local authorities, but UDC was the only authority which did not set an hourly rate or a maximum claim, although valid receipts are required. The Panel commended the generous nature of the scheme and requested that it be highlighted in the run-up to the election in May 2023.

## Basic Allowance

11. 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.
12. 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.
13. UDC's basic allowance is in the middle range of the Local Authorities that were used for the benchmarking exercise. For consistency, the same councils that have been used in previous reviews were selected:
  - a. Benchmarking for the basic allowance was undertaken.

<b>Authority</b>	<b>Basic Allowance</b>
Uttlesford	£5,346.49
Epping Forest	£4,300.00
South Cambridgeshire	£5,148.00
East Herts	£5,428.79
Braintree	£5,154.00
Stevenage	£8,160.00
Chelmsford	£6,111.00
Hertsmere	£6,287.00

14. The Local Government staff pay award is a helpful measure for the Panel to consider when setting the basic allowance, although the link to the staff pay award has not been formalised to maintain flexibility. The staff pay award for 2022-23 has been agreed and a one year increase of £1,925 on all spinal column points will be awarded. For the lowest paid staff, this means an increase of 9.4% and for the highest paid 1.6%.
15. The Panel is also mindful of inflation when considering their decision in respect of the basic allowance; the Consumer Prices Index (CPI) rose by 9.9% in the 12 months to August 2022.
16. After consideration the Panel decided that a rise of 3.00% was justified. The following factors contributed to their decision:
  - a. The economic climate is volatile and inflation has increased to 9.9% compared to the previous year's increase of 2.9%. The Panel were aware that they could not fall too far behind the rate of inflation in order to avoid larger increases in the future but, considering the financial struggles that many residents faced, they agreed it should not be raised any higher than the 3.00% proposed. The Panel were also

mindful of the provision for any individual to forego their allowance, partially or in full, during their deliberations.

- b. The Panel did not want the Basic Allowance to be a barrier or disincentive to people considering standing as Councillors, however they felt that if the generous care allowance was considered alongside the rise in basic allowance the overall package may encourage those with caring duties to consider becoming a Councillor. The Panel noted that with the 3% increase, the basic allowance would still be in the mid-range in comparison to benchmarked Local Authorities.
- c. The staff pay award was on a sliding scale with the lowest paid receiving the equivalent of a 9.4% increase. This contributed to the Panel's decision to propose raising the basic allowance by 3%.

### **Portfolio Holder's Special Responsibility Allowance (SRA)**

- 17. In 2019, the Cabinet increased from 5 members to the maximum 10. However, Cabinet members voluntarily agreed to a 45% reduction (£3,468,00 claimed, entitled to £6305.45).
- 18. In previous reviews the Panel considered that the voluntary reductions were potentially unsustainable in budgetary terms and a collective SRA should be explored in the lead up to the next scheduled district election in May 2023.
- 19. It should be noted that the collective allowance would not include the Leader or the Deputy Leader as they have a separate allowance and only one special responsibility allowance can be taken per person. This leaves a maximum of 8 Portfolio Holder allowances despite the fact that the Deputy Leader tends to have other portfolio responsibilities.
- 20. Further benchmarking data was requested by the IRP to assist with their recommendations:
  - a. The Panel was interested in the number of Cabinet Members in similar Local Authorities to see whether UDC was an outlier when it moved from 5 to 10 Cabinet Members and then to the current 9. The table below shows that other authorities have similar numbers.

<b>Authority</b>	<b>No. Cabinet Members</b>
Uttlesford	9
Epping Forest	10
South Cambridgeshire	8
East Herts	8
Braintree	9
Stevenage	8
Chelmsford	5 (+5 deputies)
Hertsmere	8

- b. Benchmarking for Portfolio Holders allowance was also carried out: -

Uttlesford	£6,415.80
Epping Forest	£6,450.00

South Cambridgeshire	£7,862.00
East Herts	£9,780.96
Braintree	£10,308.00
Stevenage	£11,218.00
Chelmsford 5 (+5 deputies)	£12,534 (£6,267)
Hertsmere	£13,906.00

21. The Panel considered the results of the benchmarking data and felt that, at a minimum, the collective pot would have to constitute 8 individual Portfolio Holder SRAs, or the Scheme could be at risk of becoming a disincentive.
22. The Panel discussed the introduction of a collective SRA for Portfolio Holders and decided that the individual SRA should be retained. On balance, the current scheme provided a degree of flexibility and autonomy to each Portfolio Holder, within the parameters of the regulations, which a collective pot may not afford.
- The Panel noted the provision to forgo an allowance, partially or in full, and felt that this decision should remain in the gift of individual members. Therefore, the Panel proposed that the individual Portfolio Holder allowance should be raised by 3%, in line with the basic allowance and all other SRAs.

### Looking forward

23. The Panel have requested that the Carers' Allowance be more widely advertised in the lead up to the 2023 local elections. It is proposed that the Members' Allowance Scheme, with specific attention paid to the Carers' Allowance, be shared with Group Leaders in the lead up to the nomination process, and that the scheme be highlighted at prospective councillor events.
24. Diane Drury, who has been an IRP member since 2018, has completed her term and will be leaving the Panel at the end of this review. The Democratic Services Manager would like to put on record his thanks to Mrs Drury for her commitment and dedication to each review and her excellent chairing of the Panel.

### Risk Analysis

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