

Committee: Council

Date:

Title: Member Allowance Scheme Review 2024-25

Tuesday,
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Report 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 municipal year 2024/25.

Recommendations

That the Council:

- I. Agrees to a rise of 4.00% to the current level of basic allowance.
- II. Adopts the changes to the individual SRAs as set out in Appendix A and detailed in the report, for the municipal year 2024/25.
- III. Notes the addition of details relating to the remuneration for Parish and Town Councils.

Financial Implications

4. There would be additional cost to the Council due to the 4% increase in the level of the basic allowance and the changes made to the special responsibility allowances. The estimated cost of implementing this rise is an increase of £18,764.86.

Background Papers

None.

Impact

Communication/Consultation	Members had the opportunity to complete a short survey circulated on behalf of the IRP regarding the average weekly hours undertaken in their role as a Councillor.
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

5. The Panel this year consists of Brigid Dyson (Chair), Steve Dale and James Dodson both of whom were recruited in the summer and joined the Panel for this review.
5. In conducting its appraisal, the Panel wanted to ensure that the increase to the basic allowance was proportionate without losing sight of the rate of inflation, as well as taking into account the rise in basic living costs and the financial difficulties facing residents in the district. The Panel were also mindful of the challenge within the Council to reduce the budget in order to maintain services. The Panel have attempted to balance these factors whilst trying to ensure that the remuneration did not act as a disincentive to residents from

different backgrounds in coming forward to be Councillors. Finally, consideration was given to simplifying existing payment formulas for certain SRA's where they were considered to be unduly complex, to provide greater transparency and clarity on amounts payable.

Summary of the Review

- The IRP requested that a survey was sent out to all Councillors with questions relating to how many hours on average they worked as a Councillor, specifically relating to meeting preparation, attendance at meetings and time engaging with their constituents. The full survey questions can be found in Appendix B.

17 out of 39 Councillors completed the survey, and whilst it was difficult for the Panel to draw definitive conclusions from an incomplete suite of data, it was noted that the total number of hours worked and workload remained high and some Councillors worked in excess of 30 hours a week. The Panel would like to thank those members who completed the survey as this data helped inform the review.

The IRP asked for data relating to the frequency and length of meetings. The data below shows a comparison of the municipal year of May 2018 to April 2019 and the most recent full year from May 2022 to April 2023. Please note that this does not include working group meetings.

	May 2018 to April 2019		May 2022 to April 2023	
	No. of meetings	Duration in hours	No. of meetings	Duration in hours
Council	8	21	9	17
Cabinet	9	10	8	10
GAP and Standards	8	9	6	11
Licensing and Environmental Health	6	6	3	3
Licensing Panels	14	48	7	9
Planning	14	42	18	76
Scrutiny	7	10	10	18
Total	66	146	61	144

The Panel noted that while most meetings have stayed roughly the same in terms of frequency and duration, Planning Committee stands out as having an increase in the number of meetings and their duration. This was due to the recent designation of the Planning Committee and the need to formally comment on Section 62a applications in a statutory timeframe.

Basic Allowance

- The aim of the basic allowance is to acknowledge that while some element of the Councillors role continues to be voluntary, there is financial recompense available in order to not discourage people coming forward to serve their local community.

9. The basic allowance takes account of the duties and responsibilities of an elected Councillor and acts as the starting point for the calculation of all SRAs. The SRA's are expressed as multiples of the basic allowance.
10. Uttlesford District Council's (UDC) 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.

Authority	Basic Allowance
Epping Forest	£4,300.00
Braintree	£5,154.00
South Cambridgeshire	£5,501.00
Uttlesford	£5,506.88
East Herts (Executive)	£5,678.79
Hertsmere (Executive)	£6,601.00
Chelmsford	£6,645.00
Stevenage (Executive)	£8,490.00

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 2023-24 has been agreed with an increase of £1,925 on spinal column points 7 to 43 and an increase of 3.88% from 44 to 63.

11. The Panel looked at data from the Office of National Statistics (ONS) regarding the cost of living when considering their decision in respect of the basic allowance. The Consumer Price Index (CPI) fell from August 2022 9.9% to 6.7% in August 2023 and there was a further fall to 4.7% in October. However the ONS data shows that although the price of food and non alcoholic beverages is easing it was still 12.2% in September 2023 and 10.1% in October 2023 and 50% of adults when asked In September 2023 said that they were spending more money on their normal shopping than usual.
12. After consideration the Panel decided that a rise of 4.00% was justified. The following factors contributed to their decision:
 - a. The economic climate remained volatile and 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. They also gave consideration to the financial struggles that many residents faced. Therefore, the Panel agreed the basic allowance should not be raised any higher than the 4.00% proposed.
 - b. The Panel did not want the Basic Allowance to be a barrier or disincentive to people considering standing as Councillors, therefore an uplift was required.

- c. The Panel noted that with the 4% increase, the basic allowance would still be in the mid-range in comparison to benchmarked Local Authorities.
- d. The proposed staff pay award differed from last year with the higher grades awarded 3.88% compared to last year's 1.6%.

Portfolio Holder's Special Responsibility Allowance (SRA)

- 13. After the elections in May 2023 the Cabinet was reduced to 6 members compared to the 9 and 10 it had been in the last administration. It was noted that the previous voluntary reduction of 45% no longer stood.
- 14. Further benchmarking data was requested by the IRP to assist with their recommendations:

- a. Benchmarking for the Portfolio Holders allowance was carried out: -

<u>Authority</u>	<u>Number of Portfolio Holders</u>	<u>Portfolio Holders Allowance</u>
Epping Forest	8	£6,450.00
Uttlesford	6	£6,608.27
South Cambridgeshire	8	£8,402.00
East Herts (Executive)	6	£9,780.96
Braintree	7 (+5 deputies)	£10,308 (£5,154)
Stevenage (Executive)	8	£11,671.00
Chelmsford	6 (+3 deputies)	£13,035 (£6,519)
Hertsmere (Executive)	8	£14,601.00

- 15. The Panel considered the results of the benchmarking data and noted that Uttlesford District Council (UDC) were one of the lowest allowances for Portfolio Holders and paid significantly less than all but one of the other Councils. It was also noted that all but East Herts had more Portfolio Holders than the 6 at UDC.
- 16. The Panel felt that in view of the benchmarking data and taking into account the extra workload Portfolio Holders carried out that their allowance should be raised by 6%.

Other Special Responsibility Allowances (SRA)

- 17. The Panel looked at the SRA's and came to the following conclusions:-
 - a. The Chair of Planning Committee would receive 100% of the basic allowance, in view of the increase in meetings and their duration as well as the amount of preparation required, including site visits. This should be reviewed next year and if the number of meetings decrease once the designation period has ended, it should be reconsidered.

- b. Members of Planning Committee had previously had a complicated calculation to do with the number of days worked, the Panel decided that to make it simpler and to give the Members of Planning Committee a similar raise to that of the Chair it was decided that they should have 20% of the basic allowance. This would also be reviewed next year along with the Chair.
- c. Substitutes of Planning Committee would receive the standard uplift to their allowance and again in order to simplify how it was calculated it would be calculated as a percentage of the basic allowance which equated to 2.31%. This allowance would only be received if a substitute attended 50% of the Planning Committee meetings or 5 meetings in the municipal year whichever threshold was reached first.
- d. The Chair of the Licensing and Environmental Committee would have a slight reduction to bring the payment in line with the other Committee Chair's but the payment for the Licensing Panels would be paid to the Chair if the threshold was met (see below). The panel note that both the number of Licensing Committee and Licensing Panel meetings had halved, which has contributed to their decision to reduce the Chair's allowance. It should be noted that the Chair of Licensing and Environmental Health Committee does not necessarily Chair the Panel meetings.
- e. The Licensing Panels are ad-hoc meetings which are called primarily when taxi and premises licences are considered or reviewed and are therefore separate from the Committee meetings. In order to differentiate the Panel felt that the payment should be given to all Members of the Panel including the Chair if the threshold was met. This will again become a percentage of the basic allowance, which equates to 4.62%. This allowance would be paid in addition to other SRA's but would only be paid if there were more than 10 Panels within the municipal year and a payment will be made to members attending at least 50% of those meetings.
- f. All other SRA's would receive the standard uplift in accordance with the basic allowance.

In summary, when making this recommendation the Panel stressed that the increases:-

- gave Councillors recompense for the work that they carried out;
- would not provide a disincentive for other people in the community to feel able to come forward and;
- for those Councillors who did not need or want the allowances they noted the provision to forgo an allowance, partially or in full, and felt that this decision remained in the gift of each individual member.

Parish and Town Councils Remuneration

18. The Local Authorities (Members' Allowances) (England) Regulations 2003, regulation 25 state that a Parish or Town Council is able to pay a basic

allowance for each year to its Chair only, or to each of its elected members. Regulation 27 further states that a parish remuneration panel may be established by a responsible authority which is defined as a district or unitary authority. It is the case that in some areas parish panels will not be set up as there is no duty to do so, rather a power. A Parish or Town Council must consider a Panel's recommendation before setting an Allowances Scheme. It should be noted that UDC are not responsible for any payments to Parish and Town Councils and any remuneration paid is taken from the Parish or Town Councils budget.

19. There are 53 Town and Parish councils in Uttlesford, of various size, scope, and budget.
20. Due to the variables involved, the Panel have provided a general recommendation that Parish and Town Councils could use as a starting point of their review. If a Parish or Town Council opt to formally review their Members Allowance Scheme the Panel will convene to provide a recommendation.

Please see Appendix C for the full report.

Looking forward

21. The Panel expressed interest in reviewing the SRAs relating to the Vice-Chair of Council and Opposition Leaders in next year's review. There was agreement that, in the example of the vice-chair, the number of hours required to deputise for the chair would change year-on-year and would be largely dependent on circumstance. Further information was required directly from members with relevant experience before an informed recommendation could be made. In regards to Opposition Leaders, there was a question as to whether the number of members in each leader's group had any correlation to the number of hours worked. Again, it was felt that direct qualitative and quantitative data would be required to make an informed recommendation to Council. This would likely take the form of interviews and targeted surveys of relevant members in order to provide a more comprehensive evidence base.
22. Linda Riley who had been an IRP member since 2019 took the decision to stand down for this review and the Democratic Services Manager would like to put on record his thanks to Linda for her commitment and dedication to the previous reviews she was involved with.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
<p>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>
<p>Member allowances are set too high causing strain on the budget and potentially bringing the public service discount into question.</p>	<p>2 – allowances paid to elected members are perceived to be too high for the public service they carry out.</p>	<p>2 – best value is not achieved and the issue is politicised; the role being mainly voluntary is no longer considered valid.</p>	<p>There must be a balance between remuneration for the work carried out by Councillors whilst still taking account of the public service discount expected of members.</p>

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.

Appendix A

PROPOSED MEMBERS' ALLOWANCE SCHEME 2024/25

All councillors receive the basic allowance unless they request otherwise. Special responsibility allowances are paid to those who hold responsibility for those positions.

Allowance	Amount
Basic Allowance	£5,727.16
Chair of the Council	£4,581.73 + civic expenses
Vice Chair of the Council	£2,290.86
Leader of the Council	£14,031.54
Deputy Leader of the Council	£7,445.31
Portfolio Holders	£7,004.89
Overview/Scrutiny and Ordinary Committee Chairs	£4,009.01
Chair of Licensing and Environmental Health Committee	£4,009.01
Licensing Panel*	£264.59 (to be paid in a municipal year when at least ten meetings of the Committee take place in a purely regulatory capacity; a payment will be made to members attending at least 50% of those meetings).
Chair of Planning Committee	£5,727.16
Members of Planning Committee	£1,145.43
Substitute Members of Planning Committee*	£132.30 subject to attending 5 meetings per municipal year, or 50% of meetings in a municipal year.
Main Opposition Group Leader	£4,009.01
Other Opposition Group Leaders	£2290.86
Independent representatives on the Standards Committee	£572.72
Independent representatives on the	£572.72

Statutory Officer Discipline and Dismissal Committee	
Panel members of Independent Remuneration Panel	£572.72

Explanatory notes about how the Special Responsibility Allowances are calculated:

Chair of the Council - 80% of the basic allowance

Vice-Chair – 40% of the basic allowance

Leader of the Council - 245% of the basic allowance

Deputy Leader of the Council - 130% of the basic allowance

Members of the Executive – 122.31% of the basic allowance

Chair of Overview, Scrutiny and Ordinary committees - 70% of the basic allowance

Chair of Licensing and Environmental Health Committee - 70% of the basic allowance

Licensing Panel Members – 4.62% of the basic allowance, to be paid in a municipal year when at least ten meetings of the Committee take place in a purely regulatory capacity; a payment will be made to members attending at least 50% of those meetings. *

Chair of Planning Committee - 100% of the basic allowance

Members of the Planning Committee – 20% of the basic allowance

Substitute Members of the Planning Committee – 2.31% of the basic allowance, subject to the substitute member attending 50% of Planning Committee meetings, or 5 meetings in the municipal year whichever threshold was reached first. *

Leader of the largest opposition group - 70% of the basic allowance

Leader of all other opposition groups - 40% of the basic allowance

Independent members of the Standards Committee - benchmarked to 10% of the basic allowance

Independent members of the Statutory Officer Discipline and Dismissal Committees - benchmarked to 10% of the basic allowance

Members of the Independent Remuneration Panel - benchmarked to 10% of the basic allowance (although this allowance is not reviewed by the Panel and is agreed independently by the Council)

* Paid in addition to other SRAs.

Appendix B

Copy of Survey sent to Councillors

Average weekly hours involved in carrying out your role as a District Councillor

Please can you answer the following questions based on an approximation of average weekly hours you spend carrying out your duties as a District Councillor.

- 1. Please list any special responsibility roles (i.e. Committee Chair, Opposition Group Leader) and your Committee Membership.

- 2. Please give an approximation of the weekly hours you spend in attendance at Council and Committee Meetings, splitting the hours into separate meetings if you can.

- 3. As above please give an approximation of the weekly hours you spend in preparation for those meetings, again splitting the hours by meeting if you can.

- 4. How many hours on average per week you spend engaging with Constituents.

- 5. How many hours on average per week you spend working with Community Groups including Parishes and Town Councils.

- 6. Any other comments that you wish to make.

Appendix C

Parish Remuneration Report

Background

1. A parish or town council is able to pay a parish basic allowance for each year to its chair only, or to each of its elected members ([The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003](#) regulation 25). The amount payable to the chair may differ from that of other members (i.e. a higher sum could be paid because of the extra duties that may be required of the chair) but otherwise the sum shall be the same for each member.
2. In order to establish a basic allowance, the parish or town council has to make reference to a **parish remuneration panel**. A parish remuneration panel will consist of those persons who are also members of the independent remuneration panel but cannot consist of parish or town councillors of councils in respect of which recommendations are to be made.
3. The Regulations (27) state that a parish remuneration panel may be established by a responsible authority which is defined as a district or unitary authority. It is the case that in some areas parish panels will not be set up as there is no duty to do so, rather a power. The implication is that the panel is established when a request to do so is made by an appropriate parish or town council.
4. The Panel must express its recommendation as to the level of parish basic allowance both as a percentage of the sum that the Independent Remuneration Panel has recommended to the district council (this figure can be one hundred per cent) and as a monetary figure.

Situation

5. The work of a parish councillor is mainly voluntary and it is not commonplace for them to receive remuneration. There is very little data locally or nationally to assist in the Panel's deliberations. The allowance, if set, is not a salary, but is a figure calculated to cover expenses, which are normally associated with the basic duties of being a Parish Councillor and would include stationery, IT and printing costs.

Recommendations

6. The Panel having reviewed the guidance and information that is available, are minded to recommend an annual Basic Allowance of £85.91 for the Chair of the Parish Council, in acknowledgement of their extra duties, and £57.27 for elected members. This equates to 1.5% and 1% of the proposed UDC members' allowance 2024-25, respectively.

7. The Panel recommend that subsistence claims should only be made in exceptional circumstances and are to be approved by the council in connection with the discharge of the functions of the authority, outside of the parish boundary. However, the Panel appreciate that parish councillors will be required to travel from time to time in order to fulfil their necessary duties and are minded to recommend setting travel expenses at the HMRC approved rate of 45p per mile for journeys outside of the Parish boundary. The approved duties list applicable for travel claims are:-
 - a. The attendance at a meeting of any association of authorities of which the council is a member, if held outside the Parish or Town Council's boundary.
 - b. The performance of duties in connection with a tender process which requires travel outside the Parish or Town Council's boundary.
 - c. The performance of any duty (outside the Parish or Town Council's boundary) which requires the inspection of any premises.
 - d. the carrying out of any other duty approved by the council, or any duty of a class so approved, or in connection with, the discharge of the functions of the authority or of any of its committees or sub committees.

8. Parish and Town Council's must consider the Panel's recommendations when considering the establishment of an Allowance Scheme, but they are not bound by the recommendation. They are able to accept the recommendations, in whole or in part, or approve an alternative scheme. In the event that a Basic Allowance scheme is established, it should be noted that individual Parish Councillors may forgo the basic allowance.

9. It should also be noted that the parish's administration of a scheme, if adopted, will need to adhere to [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003 \(legislation.gov.uk\)](#). This includes the conspicuous publication of reports, recommendations and established schemes in accordance with the legislation, as well as the administration of payments to members who are entitled to payments. Receipts will be required for all claims.

10. No expenses will be paid for subsistence except in exceptional circumstances, to be approved by the council, in connection with the discharge of the functions of the authority or of any of its committees or sub committees, outside the Parish or Town Council's boundary.