

WELWYN HATFIELD BOROUGH COUNCIL
COUNCIL– 11 SEPTEMBER 2017
REPORT OF THE CHIEF EXECUTIVE

WELWYN HATFIELD MEMBERS' ALLOWANCES SCHEME

1 Executive Summary

- 1.1 This report considers the recommendations of the Independent Remuneration Panel (IRP) at their meeting on the 11 July 2017.
- 1.2 The Chief Executive's report and the minutes of the IRP meeting on the 11 July 2017 are set out as background papers to this report including Appendix B.

2 Recommendation

- 2.1 Council accepts the recommendation of the Independent Remuneration Panel and approves the proposed level of Members' Basic and Special Responsibility Allowances as set out in Appendix B, payable with effect from 1 July 2017.
- 2.2 Council authorises the Monitoring Officer to make any consequential amendments to the Constitution as are required.

3 Financial Implications

- 3.1 As set out in the background papers.

4 Legal Implications

- 4.1 The Council must set members' allowances in accordance with the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003. Before an authority makes or amends a scheme, it has a legal duty to have regard to the recommendations made by its IRP.

5 Explanation

- 5.1 As set out in the background papers.

6 Background papers:

1. Chief Executive's report to the IRP dated June 2017.
2. Minutes of the IRP meeting held on 11 July 2017.

Rob Bridge
Chief Executive
August 2017

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Independent Remuneration Panel
11 July 2017

WELWYN HATFIELD BOROUGH COUNCIL

Minutes of a meeting of the INDEPENDENT REMUNERATION PANEL* held on Tuesday 11 July 2017 at 3.00pm at the Council Offices, Welwyn Garden City.

* Reporting to Council

PRESENT: C. Novelli
P.Raynsford

OFFICIALS Chief Executive (Rob Bridge)
PRESENT: Executive Director (Public Protection, Planning and Governance) (Nick Long)
Head of Law and Administration and Monitoring Officer (Margaret Martinus)
Governance Services Manager (G.R.Seal)

1. APPOINTMENT OF CHAIRMAN:

The Panel continued with the previously agreed arrangement not to appoint a Chairman.

2. APOLOGY:

An apology for absence was received from D.Tabraham-Palmer.

3. WELWYN HATFIELD MEMBERS' ALLOWANCES SCHEME:

3.1. Review of the Scheme

The report of the Chief Executive sought a recommendation from the Panel on a review of the level of allowances to be paid to Members for 2017/18 with effect from 1 July 2017.

3.2 Financial Implications

The current level of payments set out in the Members' Allowance Scheme for 2016/17 is attached at Appendix A and the proposed level of payments for 2017/18 is attached at Appendix B.

There was a new Cabinet Panel this year as the former Cabinet Housing and Planning Panel had been replaced by a Cabinet Housing Panel and a Cabinet Planning and Parking Panel giving an additional special responsibility allowance for the Chairman of £3884, but this amount was offset by a reduction in Lead Members from three to two and there was a saving of £1,202 as the Appeals Committee had not been re-appointed.

The additional cost of an increase in the level of basic allowance and special responsibility allowances by 1% in line with the national agreement for staff was £3,640. This could be partially offset by the saving from the special responsibility

allowance for the Chairman of the Appeals Committee and the remaining additional cost could be contained within the current overall annual budget of £348,500.

3.3 Background

Since the review by the Panel of the level of allowances for 2013/14, the Panel had adopted the convention to recommend annual increases in line with the National Joint Council for Local Government Services annual employee pay award and this approach had been agreed by the Council.

Before then allowances had been frozen since 2008/09.

The Panel at the last meeting on 21 January 2016 agreed that it was appropriate for the increases in allowances recommended in the review previously undertaken by an independent consultant in 2009 to be revisited.

As part of last year's review the Panel noted from the comparative information provided for the Hertfordshire local authorities for 2014/15 that this Council had fallen behind these, paying almost the lowest level of allowances in the County to its Members.

Whilst remaining mindful of the future economic climate, the Panel had a discussion with a view to looking at aspiring to the "median" rate of basic and special responsibility allowances in the Hertfordshire authorities for Members of this Council as a general principle and to try to find an acceptable way of achieving this.

This discussion included a review of the special responsibility allowances for the Leaders of Opposition Groups. It was agreed that the allowance for Group Leaders, which had been the same as that for a Cabinet Member, be replaced by one which was calculated on the basis of 75% of basic allowance plus a per capita payment £125 for each Group Member for the first Opposition Group Leader and 25% of basic allowance and a per capita payment of £125 for each Group Member for the second Opposition Group Leader.

Following this discussion, the Panel considered that there could be an incremental increase over two years with effect from 1 July 2016, with the normal annual review by the Panel still taking place. The Panel took the view that this was a fair and reasonable way to move towards the Hertfordshire median, on a phased basis to take account of current financial circumstances whilst drawing closer to the spirit of the recommendations made in the consultant's report.

A slight amendment was made to the Panel's recommendations to make the special responsibility allowance for the Deputy Leader the same figure as previously recommended in the independent consultant's report of £10,500 rather than applying the Hertfordshire median rate of £7332 which created an anomaly making it less than the amount for a Cabinet Member.

The Panel's recommendations were considered at the Council meeting on 11 July 2016 when it was agreed that the changes to the allowances be brought in with

Independent Remuneration Panel
11 July 2017

immediate effect from 1 July 2016 rather than phased over two years in view of the long delay in implementing them.

3.4 Conclusion

When the Panel reviewed the level of Members' Allowance payments last year for 2016/17 it was agreed that the normal annual review by the Panel would still take place. This is on the basis that they be increased in line with the National Joint Council for Local Government Services annual pay award which for this year is 1%.

The Panel noted the Council's decision to bring in the changes to the allowances last year with immediate effect rather than phasing them over two years, as recommended by the Panel.

3.5 Recommendation

The Panel **RECOMMENDS** to the Council that the proposed level of Members' Basic and Special Responsibility Allowances to be paid with effect from 1 July 2017 be as set out in Appendix B attached.

Meeting ended 3.30pm
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WELWYN HATFIELD BOROUGH COUNCIL
INDEPENDENT REMUNERATION PANEL – 11 JULY 2017
REPORT OF THE CHIEF EXECUTIVE

WELWYN HATFIELD MEMBERS' ALLOWANCES SCHEME

1 Executive Summary

- 1.1 This report seeks a recommendation from the Independent Remuneration Panel on a review of the level of allowances to be paid to Members for 2017/18 with effect from 1 July 2017.

2 Financial Implications

- 2.1 The current level of payments set out in the Members' Allowance Scheme for 2016/17 is attached at Appendix A and the proposed level of payments for 2017/18 is attached at Appendix B.
- 2.2 There is a new Cabinet Panel this year as the former Cabinet Housing and Planning Panel, has been replaced by a Cabinet Housing Panel and a Cabinet Planning and Parking Panel giving an additional special responsibility allowance for the Chairman of £3884, but this amount is offset by a reduction in Lead Members from three to two and there is a saving of £1,202 as the Appeals Committee has not been re-appointed.
- 2.3 If the level of basic allowance and special responsibility allowances are increased by 1% as recommended in this report in line with the national agreement for staff, the additional cost will be £ 3,640. This can be partially offset by the saving from the special responsibility allowance for the Chairman of the Appeals Committee and the remaining additional cost can be contained within the current overall annual budget of £348,500.

3 Background

- 3.1 Since the review by the Panel of the level of allowances for 2013/14, the Panel had adopted the convention to recommend annual increases in line with the National Joint Council for Local Government Services annual employee pay award and this approach had been agreed by the Council.
- 3.2 Before then allowances had been frozen since 2008/09.
- 3.3 The Panel at the last meeting on 21 January 2016 agreed that it was appropriate for the increases in allowances recommended in the review previously undertaken by an independent consultant in 2009 to be revisited.
- 3.4 As part of last year's review the Panel noted from the comparative information provided for the Hertfordshire local authorities for 2014/15 that this Council had fallen behind these, paying almost the lowest level of allowances in the County to its Members.

- 3.5** Whilst remaining mindful of the future economic climate, the Panel had a discussion with a view to looking at aspiring to the “median” rate of basic and special responsibility allowances in the Hertfordshire authorities for Members of this Council as a general principle and to try to find an acceptable way of achieving this.
- 3.6** This discussion included a review of the special responsibility allowances for the Leaders of Opposition Groups. It was agreed that the allowance for Group Leaders, which had been the same as that for a Cabinet Member, be replaced by one which was calculated on the basis of 75% of basic allowance plus a per capita payment £125 for each Group Member for the first Opposition Group Leader and 25% of basic allowance and a per capita payment of £125 for each Group Member for the second Opposition Group Leader.
- 3.7** Following this discussion, the Panel considered that there could be an incremental increase over two years with effect from 1 July 2016, with the normal annual review by the Panel still taking place. The Panel took the view that this was a fair and reasonable way to move towards the Hertfordshire median, on a phased basis to take account of current financial circumstances whilst drawing closer to the spirit of the recommendations made in the consultant’s report.
- 3.8** A slight amendment was made to the Panel’s recommendations to make the special responsibility allowance for the Deputy Leader the same figure as previously recommended in the independent consultant’s report of £10, 500 rather than applying the Hertfordshire median rate of £7332 which created an anomaly making it less than the amount for a Cabinet Member.
- 3.9** The Panel’s recommendations were considered at the Council meeting on 11 July 2016 when it was agreed that the changes to the allowances be brought in with immediate effect from 1 July 2016 rather than phased over two years in view of the long delay in implementing them.

4 Conclusion

- 4.1** When the Panel reviewed the level of Members’ Allowance payments last year for 2016/17 it was agreed that the normal annual review by the Panel would still take place. This is on the basis that they be increased in line with the National Joint Council for Local Government Services annual pay award which for this year is 1%.
- 4.2** The Panel is recommended therefore to increase Members’ Allowances by 1% will effect from 1 July 2017 in line with this year’s national agreement for staff.
- 4.3** This recommendation will be reported for consideration to the Council meeting on 11 September 2017.

Rob Bridge
Chief Executive
June 2017

WELWYN HATFIELD COUNCIL

MEMBERS' ALLOWANCES SCHEME

1. ENQUIRIES

- 1.1. Enquiries about allowances may be addressed to Graham Seal, Governance Services Manager (01707) 357444.

2. BASIC ALLOWANCE

- 2.1. Basic allowance is payable at a flat rate to all elected Members of the Council.
- 2.2. If a councillor is elected to or leaves the Council during the year, basic allowance will be paid pro-rata for the proportion of the year during which the councillor has been a serving Member of the Council.
- 2.3. With effect from 1 July 2016, basic allowance will be paid at the rate of £5,001 per annum. Payment will be made in monthly instalments of £416.75.

3. SPECIAL RESPONSIBILITY ALLOWANCE (SRA)

- 3.1. The Council has authorised the following payments in addition to Members' basic allowance: -

	<u>Per Annum (£)</u>	<u>Monthly (£)</u>
	<u>2016/17</u>	<u>2016/17</u>
Leader of the Council	15,002	1,250.17
Deputy Leader	10,500	875.00
Cabinet Member	9,580	798.33
Lead Member	3,846	320.50
Chairmen of Overview and Scrutiny Committees	4,454	371.17
Chairman of Development Management Committee	5,001	416.75
Chairman of Hackney Carriage Committee	3,846	320.50
Chairman of Cabinet Panel	3,846	320.50
Chairman of Audit Committee	3,763	313.58
Chairman of Liquor and Regulated Entertainment Licensing Committee	3,846	320.50
Chairman of Appeals Committee	1,202	100.16
Leader of First Opposition Group	5,626	468.83
Leader of Second Opposition Group	1,875	156.25
Chairman of Standards Committee	2,020	168.33
Mayor	6,215	N/A
Deputy Mayor	1,554	N/A

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WELWYN HATFIELD COUNCIL**MEMBERS' ALLOWANCES SCHEME****1. ENQUIRIES**

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2. BASIC ALLOWANCE

- 2.1. Basic allowance is payable at a flat rate to all elected Members of the Council.
- 2.2. If a councillor is elected to or leaves the Council during the year, basic allowance will be paid pro-rata for the proportion of the year during which the councillor has been a serving Member of the Council.
- 2.3. With effect from 1 July 2017, basic allowance will be paid at the rate of £5,051 per annum. Payment will be made in monthly instalments of £420.92.

3. SPECIAL RESPONSIBILITY ALLOWANCE (SRA)

- 3.1. The Council has authorised the following payments in addition to Members' basic allowance: -

	<u>Per Annum (£)</u>	<u>Monthly (£)</u>
	<u>2017/18</u>	<u>2017/18</u>
Leader of the Council	15,152	1,262.66
Deputy Leader	10,605	883.75
Cabinet Member	9,676	806.33
Lead Member	3,884	323.66
Chairmen of Overview and Scrutiny Committees	4,499	374.92
Chairman of Development Management Committee	5,051	420.92
Chairman of Hackney Carriage Committee	3,884	323.66
Chairman of Cabinet Panel	3,884	323.66
Chairman of Audit Committee	3,801	316.75
Chairman of Liquor and Regulated Entertainment Licensing Committee	3,884	323.66
Leader of First Opposition Group	5,788	482.33
Leader of Second Opposition Group	1,888	157.33
Chairman of Standards Committee	2,040	170.00
Mayor	6,277	N/A
Deputy Mayor	1,570	N/A