

WELWYN HATFIELD BOROUGH COUNCIL
INDEPENDENT REMUNERATION PANEL – 7 SEPTEMBER 2011
REPORT OF THE CHIEF EXECUTIVE

WELWYN HATFIELD MEMBERS' ALLOWANCES SCHEME

1 Executive Summary

- 1.1 This report seeks the recommendations of the Independent Remuneration Panel on the level of allowances to be paid to Members for the financial year 2011/12 with effect from 1 July 2011.

2 Financial Implication(s)

- 2.1 An extract from the Members' Allowance Scheme providing information on the current level of payments is attached.
- 2.2 If the current allowance continues to be frozen at the 2008/09 rate there will be no effect on the budget.
- 2.3 In November 2010 the Council agreed to reduce the Members' mileage allowance to be in line with HM Revenue and Customs (HMRC) (Minute 49 refers). This was implemented with effect from 1 January 2011. In April 2011, the HMRC flat rate increased from 40p to 45p per mile. This still represents a saving of 13.7p per mile from the previous mileage scheme and it is estimated will save approximately £3,500 in the 2011/12 budget.

3 Background

- 3.1 The Panel last met on 2 February 2011 to review the level of allowances for the financial year 2010/11. At this meeting the Panel recommended that in view of the impact on the Council's budget preparations this year of the Comprehensive Spending Review, which outlined unprecedented cuts to local government funding resulting in a dramatic reduction in Government grant to the Council, Members' allowances for the financial year 2010/11 should again be frozen at the current rates and no further changes be made.
- 3.2 In October 2009 the Panel considered the recommendations of an independent Consultant who had reviewed the Members' Allowances Scheme. The Consultant's review highlighted a number of allowances which could be increased, such as the basic allowance and special responsibility allowances. However, the Panel felt that due to the general economic situation these increases could not be supported, but would be willing to review these in the future.

4 Level of Allowance

- 4.1 Basic Allowance – the current level of basic allowance payable to all Members is £4,758. This has been frozen since 2008/09. In 2009, the Consultant's review recommended a basic allowance of £5,000. Whilst sympathetic to this

recommendation, the Panel decided in 2010 and 2011 that it would not be appropriate to recommend any increases due to the general economic situation and budget challenges facing the Council, but would be willing to review this once the situation had improved.

- 4.2 Special Responsibility Allowances – The current allowances remain at the 2008/09 rate. The Panel recognised the heavy workloads of Councillors, especially the Leader and Deputy Leader, and were minded to review the remuneration of these two posts when the economic situation improved.
- 4.3 Leaders of the Opposition – In 2009, the Panel agreed that both Leaders of the Opposition, the Labour Group and the Liberal Democrat Group, should receive a special responsibility allowance each equivalent to that of a Cabinet Member. It was recommended that the Deputy Leader of the Labour Group no longer get a special responsibility allowance. No further changes were recommended for the 2010/11 financial year.
- 4.4 Co-opted Members' Allowance – The current allowance for co-opted Members on the Standards Committee remains the same as the 2008/09 rate. There has been no change to the Committee's workload and its future operation will be reviewed once the Localism Bill receives Royal Assent.
- 4.5 Deputy Mayor – In 2009, the Panel recommended that the allowance paid to the Deputy Mayor be set at 25% of the Mayor's allowance. No changes were recommended for the 2010/11 financial year.
- 4.6 Travel and Subsistence Allowances – In 2009, the Panel agreed to reimburse travel costs incurred by Councillors undertaking approved duties in line with the HMRC rate.
- 4.7 Care Allowance – In 2009, the Panel agreed with the recommendation by the Consultant's review to introduce this allowance at a rate of £6.00 per hour for children and £10.00 per hour for adults to be claimed by any Member of the Council where there is a child under 14 years residing at home or a dependent relative in need of special attention by reason of disability. This recommendation has not been taken up, but it remains open to the Council to do so.
- 4.8 Access to Pension – In 2009 it was agreed that it would not be appropriate to carry out a feasibility study at this stage.

5 Conclusion

- 5.1 In view of the impact on the Council's financial position of the Comprehensive Spending Review, which set out unprecedented cuts to the Government grant settlement for the next three years, and the added pressures on income streams, the Panel consider again freezing Members' allowances for the financial year 2011/12 at the current rates and recommend no further changes.

Michel Saminaden
Chief Executive
August 2011

WELWYN HATFIELD COUNCIL

MEMBERS' ALLOWANCES SCHEME

1. ENQUIRIES

- 1.1. Enquiries about allowances may be addressed to Graham Seal, Head of Committee Management (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 2010, basic allowance will be paid at the rate of £4,758 per annum. Payment will be made in monthly instalments of £396.50.

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>2010/11</u>	<u>2010/11</u>
Leader of the Council	9,207	767.25
Deputy Leader	6,444	537.00
Cabinet Member	5,520	460.00
Lead Member	3,690	307.50
Chairmen of Overview and Scrutiny Committees	3,894	324.50
Chairman of Planning Control Committee	3,690	307.50
Chairman of Hackney Carriage Committee	3,690	307.50
Chairman of Cabinet Panel	3,690	307.50
Chairman of Audit Committee	3,690	307.50
Chairman of Liquor & Regulated Entertainment Licensing Committee	3,690	307.50
Chairman of Appeals Committee	1,152	96.00
Leaders of Opposition Groups	5,520	460.00
Chairman of Standards Committee	5,520	460.00
Mayor	5,960	N/A
Deputy Mayor	1,490	N/A