

WELWYN HATFIELD BOROUGH COUNCIL
INDEPENDENT REMUNERATION PANEL – 21 OCTOBER 2013
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 2013/14 with effect from 1 July 2013.

2 Financial Implication(s)

- 2.1 An extract from the Members' Allowance Scheme providing information on the current level of payments is attached at Appendix A. The total cost of the scheme in 2012/13 was £342,076.59.
- 2.2 Current allowances have been frozen at the 2008/09 rate in line with the staff pay freeze and there was a saving on the 2012/13 budget of £5000. If the level of basic allowance and special responsibility allowances are increased by 1% in line with the National Joint Council for Local Government Services pay award this year there will be a total additional cost of £3460 in 2013/14 which will be contained within the budget.
- 2.3 Mileage is paid to Members at the HM Revenue and Customs (HMRC) flat rate of 45p per mile.

3 Background

- 3.1 The Panel last met on 7 September 2011 to review the level of allowances for the financial year 2011/12. At that meeting the Panel recommended that, in view of the unprecedented cuts to local government funding as part of the Government's deficit reduction programme and austerity regime, Members' allowances for the financial year 2011/12 should again be frozen at the current rates and no further changes made. The Panel did not meet in 2012.
- 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. However, the Panel felt that due to the general economic situation these increases could not be supported, but it would be willing to review these in the future. The report of the consultants is included as Appendix D.

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 at its last two meetings 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 – the Panel previously agreed that both Leaders of the Opposition, the Labour Group and the Liberal Democrat and Independent Group, should receive a special responsibility allowance each equivalent to that of a Cabinet Member and that the Deputy Leader of the Labour Group should no longer receive a special responsibility allowance.
- 4.4 Co-opted Members' Allowance – The current allowance for the Chairman of the Standards Committee is £5520. As the composition of the Committee has changed under the new regime brought in by the Localism Act 2011 the Chairman is no longer a co-opted Member. This role is currently taken by the Leader of the Council and therefore this allowance is not payable.
- 4.5 Deputy Mayor – the Panel previously recommended that the allowance paid to the Deputy Mayor be set at 25% of the Mayor's allowance.
- 4.6 Travel and Subsistence Allowances – the Panel has previously agreed to reimburse travel costs incurred by Councillors undertaking approved duties in line with the HMRC rate.
- 4.7 Care Allowance – the Panel previously 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 – it was previously agreed by the Panel that it would not be appropriate to carry out a feasibility study at this stage.
- 4.9 Comparative data for Members' allowances rates for 2013 is attached at Appendices B and C.

5 Conclusion

- 5.1 Members' allowances have been frozen at the current rates since July 2008 in line with the staff pay freeze. It has been the convention of the Panel when reviewing Members' allowances to recommend to the Council 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 is recommended therefore to increase Members' Allowances by this same amount for 2013/14 with effect from 1 July 2013 with no other changes. It is also recommended that this convention be adopted by the Panel as the protocol for reviewing the level of Members' allowances in future years.
- 5.2 These recommendations will be reported to the Council meeting on 11 November 2013.

Michel Saminaden
Chief Executive
October 2013

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 2012, 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>2012/13</u> | <u>2012/13</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 |