

Scheme of Members' Allowances for
St Albans City and District Council:

Report of the
Independent Remuneration Panel

November 2017

Alex Bell (Chair);
Allen Challender;
Stephen Pryor.

Contents:

	<u>Pages</u>
Summary of Recommendations	3
1. Membership and Terms of Reference	6
2. Methodology of the Latest Review	6
3. Guiding Principles	8
4. Responses to the Council Resolution of 22 February 2017	9
5. Setting the Basic Allowance	11
6. Setting Special Responsibility Allowances	12
7. Travel and Subsistence Allowances	15
8. Child Care and Dependent Relatives' Allowances	17
9. Other Matters	18
10. Review Procedure	18
11. Financial Summary of Recommendations	20
 <u>Appendix 1</u>	
Council resolution of 22 February 2017 on a Scheme of Members' Allowances for 2017/18	23
 <u>Appendix 2</u>	
Basic Allowances in Hertfordshire District Councils	25
 <u>Appendix 3</u>	
Numerical responses to the Members' Questionnaire and responses shown by pie charts	26
 <u>Appendix 4</u>	
Documents submitted to the Panel	38

RECOMMENDATIONS OF THE PANEL FOR A SCHEME OF MEMBERS' ALLOWANCES FOR 2018/19

Generally

That the current Scheme of Members' Allowances for 2017/18 be changed for 2018/19 by increasing the level of the basic allowance by 1% and leaving all other allowances unchanged at their current levels. Where appropriate, the recommended levels of allowances have been rounded up or down to the nearest £5.00. The Panel also recommends clarifying the conditions attached to payments of child care and dependent relative allowances.

Specifically

- (i) That the basic allowance and all levels of special responsibility allowances (SRAs) identified as appropriate for each post should continue to be reduced by 40% to recognise the voluntary service principle (paragraph 3.6, page 9);
- (ii) **That the current level of the basic allowance for each Member of £5,535 per annum be increased by 1% to £5,590 per annum for 2018/19 (paragraph 5.5, page 12);**
- (iii) That the current SRA for all Cabinet members, except the Chair, of £9,485 per annum be unchanged for 2018/19 (paragraph 6.1.2, page 12);
- (iv) That the SRA for the Leader of the Council which post includes responsibility for chairing meetings of Cabinet and is currently set at £13,575 per annum be unchanged for 2018/19 (paragraph 6.2.2, page 13);
- (v) That the current SRA of £3,105 per annum for the Chair of each of the following Committees be unchanged for 2018/19:-

Planning (Development Control) Committees (x3);
Planning Referrals Committee

(paragraph 6.3.3, page 12)

- (vi) That the current SRA of £2,965 per annum for the Chair of each of the following Committees be unchanged for 2018/19:-

Overview and Scrutiny Committees (x2);
St Albans District Health & Wellbeing Partnership;
Audit Committee;
Licensing and Regulatory Committee.

(paragraph 6.4.1, page 14);

- (vii) That if a meeting of the Licensing Sub-Committee should start between the hours of 0900 and 1600, an allowance of £100 should be payable in 2018/19 for the Member who chairs it; £80 for each of the other two Members who serve on that Sub-Committee, and £80 for the substitute Member who attends each meeting in case they are needed (paragraph 6.5.2, page 14);

- (viii) That the current level of SRAs payable to the Group Leaders, i.e. £107 per Member in each political Group, be unchanged for 2018/19 (paragraph 6.6.2, page 14);

- (ix) That the current band levels for SRAs payable to Group Secretaries per annum should each be unchanged for 2018/19, as follows:-

Up to 10 Members in the Group, £370 per annum;
11-20 Members in the Group, £535 per annum;
21-30 Members in the Group, £640 per annum;
over 30 Members in the Group, £830 per annum

(paragraph 6.6.2, page 14);

- (x) That SRAs should not be reintroduced for the Vice-Chairs of Committees in 2018/19 (paragraph 6.7.2, page 15);

- (xi) That, with the exception of the Member who serves as Chair of Cabinet, no Member should receive more than one SRA (paragraph 6.9.1, page 15);

- (xii) That there should be no change to the current terms of the travel allowance, which relate to travel outside the District only on official business. (paragraph 7.5, page 16);

- (xiii) That Councillors with disabilities who choose to travel by taxi from home to any Council meeting within the District or to their home by taxi thereafter, irrespective of the starting or finishing times of meetings, should continue to be reimbursed the amount of the actual fare paid (paragraph 7.7, page 16);
- (xiv) That the rates of travel and subsistence allowances for Members who perform Council duties outside the District should remain unchanged in 2018/19, in line with the rates of such allowances that are currently available to Council officers in 2017/18 (paragraph 7.5, page 16);
- (xv) That claims for reimbursement of travelling and subsistence costs must be supported by receipts and that they must be submitted to the Council within three months of the expenditure being incurred (paragraph 7.7(vi), page 17). Any claim made after three months from when such expenditure was incurred should not be reimbursed;
- (xvi) That a Member should be eligible to apply, within three months of the expenditure being incurred by completing a form, giving appropriate details, for either a child care or a dependent relative allowance. The current rate of £8.45 per hour should be unchanged in 2018/19 (paragraph 8.3, page 18). This allowance seeks to recognise the costs incurred on an ongoing basis during the year, arising from attendance at meetings or other events in connection with Council business. Any claim made after three months from when such expenditure was incurred should not be reimbursed (paragraph 8.4, page 18);
- (xvii) **That a child care or dependent relative allowance should not be paid if the Councillor's spouse/partner/parent undertakes the care of the child/children/dependent relative while the Councillor is away from home on Council business (paragraph 8.4, page 18);**
- (xviii) That, from the estimated total training budget for 2018/19 of £10,830 (£10,720 in 2017/18) Members should be able to spend on skills training, or other activity designed to improve their ability to function as a Councillor, in line with a personal development plan (paragraph 9.2, page 18).

1. **MEMBERSHIP AND TERMS OF REFERENCE OF THE PANEL**

1.1 The current membership of the Independent Remuneration Panel on Members Allowances, as re-appointed by the Council at its meeting on 13 July 2016, is as follows:-

Alex Bell (Chair), retired Chief Estimator of a large construction company;

Allen Challender, former Company Director and retired local government officer;

Stephen Pryor, retired Financial Manager and start up Business Adviser/Partnership Manager; current Governor of Luton Sixth Form College.

1.2 The Panel has the following remit:

- to recommend an appropriate level of basic allowance for all Members of the Council;
- to determine which posts which should receive Special Responsibility Allowances and the level and reasons for these;
- to determine appropriate levels of allowances for co-opted members of the Council;
- to determine appropriate eligibility and levels of travel and subsistence allowances;
- to recommend appropriate levels of childcare and dependant relative allowances and the basis for payments of these allowances;
- to act as an independent review panel for any town or parish council which wishes to introduce payment of basic and travel/subsistence allowances and to make recommendations on the levels of these allowances.

1.3 Allowances of £335 for the Chair of the Panel and £280 for each of the other two members of the Panel are payable annually to compensate them for the time spent on their work.

2. **METHODOLOGY OF THE LATEST REVIEW**

2.1 Following the decision made by Council at its meeting on 22 February 2017 on a Scheme of Members' Allowances for 2017/18, the Panel held 6 meetings at the District Council Offices. Members of the Panel requested the first meeting on 6 March, when they gave early consideration to the terms of the Council resolution on a Scheme of Members' Allowances for 2017/18. That resolution is set out in Appendix 1 to this report.

- 2.2 The Panel asked officers to obtain various data in light of the Council resolution, and on 11 May a discussion was held with two invited Councillors who had expressed interest in meeting members of the Panel. At the subsequent meeting on 26 June it was agreed that the Chairman of the Panel would write to all Councillors, inviting them to complete and return a questionnaire on Members' allowances after reading certain background information provided. Councillors were also invited to meet individually with the Panel so that they would have an opportunity to express their views directly, and in confidence, on the current Scheme.
- 2.3 The questionnaire allowed Councillors to provide answers by ticking boxes but it also included space for them to add any supporting evidence and comments. The Panel agreed that the questionnaire should be available for completion by all Councillors via 'Survey Monkey'. This is a means of completing questionnaires and submitting them electronically which has been used for this purpose since 2014.
- 2.4 The questionnaire went 'live' to all Councillors on 10 August 2017 and remained available for completion and return electronically until 4 September. At its fourth meeting on 11 September, the Panel received collated data on responses to the questionnaire on Members' allowances and additional comments which 35 Councillors had completed and returned. A summary of responses to each of 9 questions is set out in Appendix 3.
- 2.5 During their fifth meeting on 16 October, members of the Panel had a confidential discussion with one Councillor who had chosen not to complete the questionnaire, in order to establish their views on the current Scheme. The Panel also discussed its conclusions from the review which it had conducted and the recommendations it would be making for a Scheme of Members' Allowances for 2018/19. This report was discussed and subsequently finalised by the Panel on 20 November, and forwarded to the Council for final decisions to be made at its meeting on 6 December 2017. Those information items which were submitted to the Panel during the course of its review are listed at Appendix 4 to this report.
- 2.6 As a general conclusion arising from the current review, the Panel noted that the majority of those Councillors who completed the questionnaire which sought their views on Members' allowances were broadly content with the current Scheme. The Panel reviewed the current Scheme and compared it with Schemes operated by other District Councils in Hertfordshire. The Panel also took account of the Council's decisions generally to freeze the level of Members' allowances since 2009/10 while the level of officers' pay has since been increased. The Panel concluded

that the existing level of the basic allowance should be increased, having regard to the factors outlined in paragraph 5.5 below.

- 2.7 The Panel would like to thank all Councillors who responded to the questionnaire, those Councillors who discussed their views with the Panel directly and the officers who supported this review.

3. **GUIDING PRINCIPLES**

- 3.1 The Panel has been guided by the “Guidance on Consolidated Regulations for Local Authority Allowances” issued by the Office of the Deputy Prime Minister in July 2003, responsibility for which now rests with the Department for Communities and Local Government.
- 3.2 The Panel recognised that allowances are not salaries but are essentially a contribution to Councillors for the work they undertake on behalf of the local community. This compensation needs to be set at reasonable levels, particularly as anecdotal evidence has previously been provided that some members of the community might be discouraged from putting themselves forward for election to the Council or from continuing as Members if elected.
- 3.3 The Panel noted that currently all payments of the basic allowance, special responsibility allowances and child care and dependent relative care allowances are liable to deductions of income tax. In addition, national insurance (NI) contributions are payable if the monthly payment of allowances to Councillors exceeds the monthly NI threshold of £680 in 2017/18. Such deductions do reduce substantially the amounts of allowances actually received by Members.
- 3.4 Levels of Member support and training, to equip Councillors to do their job, are also significant in this regard. These issues are covered in section 8 below.
- 3.5 However, a further factor is the importance of the voluntary service ethos i.e. the principle that a proportion of time given to service by Councillors should not be remunerated. This is set out in paragraph 68 of the Guidance, as follows:-

“It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.”

- 3.6 The present 40% deduction for the voluntary service element of a Councillor's work was carefully reviewed by a previous Panel in 2004/05 and has been applied to all Members' allowances since then. The 40% deduction was supported by almost three-quarters of all Councillors who answered this question during the current review. The Panel recommends that all levels of allowances identified as appropriate for each post which are presently reduced by 40% to recognise the voluntary service principle continue to be reduced by the same percentage in 2018/19.
- 3.7 Members of the Panel were mindful of the prevailing national economic conditions during their review. They noted that the level of all Members' allowances had remained largely unchanged since they were agreed by the Council for 2009/10. The only exceptions related to the termination of SRAs for Vice-Chairs of all Committees in 2012/13, the ending of the co-opted member's allowance in 2013/14; and the introduction of a new SRA for the Chair of Planning Referrals Committee in 2014/15.

4. **RESPONSES TO THE COUNCIL RESOLUTION (APPENDIX 1)**

4.1 *"Council notes that:*

- (a) *The forecast cost of the Scheme of Members' Allowances for 2016/17 is £420,455;"*

In relation to point (a) of the Council resolution, the forecast cost of the Scheme of Members' Allowances for 2016/17 of £420,455 was an estimate provided by Finance officers of the Council. The revised forecast reported to the Panel on 11 May 2017 was £419,831, which was not materially different from the forecast given at the Council meeting on 22 February.

4.2 *"Council notes that:*

- (b) *The forecast cost includes £321,030 for basic allowances, which is the highest amount spent on basic allowances by any district or borough council in Hertfordshire and 35% higher than the average amount spent by the ten district and borough councils in Hertfordshire;"*

In response, the Panel noted that at £321,030, this Council had the highest level of total expenditure on basic allowances in 2016/17 of any District Council in Hertfordshire (Appendix 2 refers). However, with 58 Councillors, St Albans has more elected Members than any other District Council in the County, ranging from 30 Members in Broxbourne to 51 Members in Dacorum. The Panel noted that St Albans' level of total expenditure on basic allowances in 2016/17 was 35% higher than the average level of such expenditure in all 10 Hertfordshire districts in that year (£238,033). However, St Albans Councillors are not entitled to claim for travelling expenses incurred within the District while on Council business, unlike 8 of 9 other District Councils in Hertfordshire.

4.3 *“Council notes that:*

- (c) *“The current Scheme is the 17th most expensive in the country out of 194 district and borough councils;”*

Using the 2014/15 data on Members' allowances in all non-metropolitan District Councils in England only, as compiled by the Taxpayers' Alliance, St Albans' position on the level of its basic allowance (£5,535) was the 26th highest. The Panel noted that St Albans had the third highest level of basic allowance of all Hertfordshire District Councils in 2014/15. However, the level of the basic allowance had remained unchanged in St Albans since then, while in some other District Councils there had been increases. The result is that for all 10 District Councils within Hertfordshire for 2017/18, St Albans now has the fourth highest level of basic allowance, whereas in 2014/15 it had been the third highest.

4.4 *“Council notes that:*

- (d) *“The average basic allowance paid by district and borough councils nationally is £4,521 per annum and in Hertfordshire is £4,997 per annum.”*

In 2016/17 amongst non-metropolitan districts in England, Finance officers of the Council confirmed to the Panel that the mean average basic allowance was £4,521. In Hertfordshire, excluding Stevenage and Watford, the average basic allowance for a District Council was £5,003. If those 2 Councils were included, the average basic allowance in Hertfordshire district councils in 2016/17 was £5,466, which St Albans exceeded by £69.

- 4.5 The Council resolution also asked the Panel to consider what alternative systems of calculating allowances lawfully exist and may be suitable for use by this Council (such as forms of allowances that take into account the number of meetings which members are required to attend and/or the number of Committees on which Members sit).
- 4.6 In response, the Panel established that Regulation 4 of The Local Authorities (Members' Allowances) (England) Regulations 2003 requires for each member of a Council to be paid an allowance each year (i.e. a basic allowance) and that "the amount of such an allowance shall be the same for each such member". The Council is advised that it has no power to pay a differential basic allowance to those Councillors who may attend more Committee meetings than others in any financial year.
- 4.7 The Panel learned from officers that in Dacorum Borough Council, following consideration of a report of its Independent Remuneration Panel dated December 2016, the basic allowance and SRAs were both increased for 2017/18. The 2.1% increase consisted of 1% from the CPI September 2016 inflation figure and 1.1% for an additional £55 (plus CPI linkage) increase every year for the 4 year duration of that Panel's report to bring the Dacorum basic allowance up to the average for Hertfordshire Borough Councils. The average Hertfordshire Borough Council basic allowance was calculated by the Dacorum IRP by removing the two highest and two lowest Hertfordshire Borough Council basic allowance figures for 2016/17 and calculating an average from the remaining six Borough Councils. The basic allowance for Dacorum Councillors increased from £4,951 per annum in 2016/17 to £5,055 for 2017/18
- 4.8 The Panel noted that SRAs in this Council in general appear to be set at lower levels than in most other District Councils in Hertfordshire. The Panel was also advised that in some other Councils the amount of each SRA is related to the level of the basic allowance using a multiplier. For example, the SRA for the Leader of a Council might be 3.5 x the basic allowance, while for the Chair of each major Committee the multiplier might be 1.25 x the basic allowance.

5. **SETTING THE BASIC ALLOWANCE**

- 5.1 The original basis of the calculation from the early 2000s was that Councillors spend an average of 13 hours per week on Council business. That level has remained unchanged ever since although it has been checked each year with Councillors via the questionnaire.
- 5.2 In the latest questionnaire, Councillors were asked by the Panel how many hours per week they spent on Council business. All Councillors who completed the questionnaire answered this question. Three quarters of all respondents considered that they worked 11-20 hours per week on

Council business. However, the remaining Councillors were almost equally divided between those who considered that they worked 10 hours a week or less on Council business while others considered that they worked 21 hours per week or more. Several respondents commented that their time commitment could fluctuate significantly from week to week.

- 5.3 The answers given to the subsequent question showed that of the hours spent on Council business, respondents spent most time meeting, speaking and responding to constituents. The second most time consuming task for them was attending Council and Committee meetings.
- 5.4 The questionnaire asked Members at what level the basic allowance should be set for 2018/19. While 44% of respondents considered that the level of £5,535 should remain unchanged, 47% advocated an increase, while 9% favoured a decrease.
- 5.5 Taking account of the following factors:
- the level of the basic allowance has been unchanged for the last 9 financial years at the rate of £5,535 per annum;
 - over the same period, but in different years, officers of the Council have experienced either a pay freeze or pay rises below the rate of inflation;
 - the rate of inflation as measured by the Consumer Prices Index was 3% in September 2017;

the Panel recommends that the basic allowance should be increased by 1% to £5,590 per annum for 2018/19.

6. **SETTING SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)**

6.1 **Cabinet Members (Portfolio Holders), excluding the Chair**

- 6.1.1 The Council's existing scheme provides for Members' allowances to be paid to 5 of the 6 Portfolio Holders, with a separate SRA being payable to the Chair of Cabinet (paragraph 6.2 below refers). The Panel noted that the number of Portfolio Holders was increased from 6 to 7 during the financial year 2017/18. The Panel recognises that the time commitment which can be expected of Portfolio Holders is of a substantially greater scale than for other posts of special responsibility and could in some circumstances be equivalent to a full-time job, i.e. up to 37 hours per week or 1,702 hours per year.
- 6.1.2 The Panel notes that 82% of Councillors who responded to the questionnaire considered the size of the current SRA to be fair. The Panel recommends that the SRA for all Members of Cabinet in 2017/18,

excluding the Chair, should remain unchanged at £9,485 per annum in 2018/19.

6.2 Chair of Cabinet / Leader of the Council

6.2.1 Since 2008/09, the SRA for the Chair of Cabinet has been a combined allowance in recognition that the postholder is both (a) a member of Cabinet and (b) the Chair of Cabinet. That Councillor is also the Leader of the Council with the power to appoint Members to Cabinet.

6.2.2 The Panel notes that 80% of Councillors who responded to the questionnaire considered the size of the current SRA to be fair, while 17% of respondents considered it to be too low. The Panel recommends that the SRA currently available to the Chair of Cabinet should remain unchanged at £13,710 per annum in 2018/19.

6.3 Chairs of the Planning (Development Control) Committees (3) and the Planning Referrals Committee

6.3.1 The Panel recognises that currently a SRA of £3,105 is payable to the Chairs of each of the 3 area-based Planning (Development Control) Committees and the Planning Referrals Committee. This is higher than the rate of £2,965 which is payable to each Chair of the other 5 Committees of the Council named in paragraph 5.4 below. The higher rate of SRA reflects the greater number of Planning meetings held per annum compared with other Committees and the amount of time and travel taken to undertake site visits.

6.3.2 The latest questionnaire asked Councillors to indicate whether they considered the size of the SRAs payable in 2017/18 to Committee Chairs was fair, too high or too low. In respect of all Committees named in this section and in paragraph 6.4 below, a clear majority of Councillors who responded indicated that they considered the size of the current SRAs to be fair.

6.3.3 The Panel recommends that the SRA currently available for each Chair of the Planning (Development Control) Committees and the Planning Referrals Committee should remain unchanged at £3,105 per annum in 2018/19.

6.4 **Chairs of the Overview and Scrutiny Committees (2); the Licensing and Regulatory Committee; St Albans District Health and Wellbeing Partnership; and the Audit Committee**

6.4.1 In response to the latest questionnaire a clear majority of Councillors who responded indicated that the current level of SRA paid to the Chairs of each of the above-named Committees was fair. The Panel recommends that the SRAs currently available for each Chair of the above Committees should remain unchanged at £2,995 per annum in 2018/19.

6.5 **Members of Licensing Sub-Committee**

6.5.1 For 2017/18, SRAs of £100 for the Chairman and £80 for each of the two Members and the substitute Member serving on a Licensing Sub-Committee are payable when a meeting of the Sub-Committee starts between the hours of 0900 and 1600. Meetings of the Sub-Committee are almost always held during those hours, at the request of the applicants. Of those Councillors who responded to the questionnaire 80% considered that the levels of both SRAs were justified.

6.5.2 The Panel recommends that the current levels of SRAs of £100 for the Chairman and £80 for each of the two Members and the substitute Member serving on a Licensing Sub-Committee should continue to be payable in 2018/19 when a meeting of the Sub-Committee starts between the hours of 0900 and 1600.

6.6 **Political Group Leaders and Group Secretaries**

6.6.1 The Panel notes that a majority of Councillors who completed the questionnaire considered that the levels of the SRAs payable in 2017/18 to each political Group Leader and Group Secretary were fair. The SRA for each Group Leader is currently £107 per member of their group. The SRA payable to Group Secretaries ranges between £370 and £830 per annum in 2017/18, depending on the size of each group.

6.6.2 The Panel recommends that the SRAs currently available for each Group Leader and the SRA bands for Group Secretaries in 2017/18 should remain unchanged in 2018/19. The sum of £107 per member for a Group Leader and the following sums for Group Secretaries should therefore continue:-

Up to 10 Members in the Group £375 per annum;
11-20 Members in the Group £540 per annum;
21-30 Members in the Group £645 per annum;
over 30 Members in the Group £840 per annum.

6.7 Vice-Chairs of Committees

- 6.7.1 The majority of respondents to the questionnaire did not identify posts or responsibilities held by Councillors which were not adequately reflected in the Scheme of Members' Allowances for 2017/18. However, 5 Councillors considered that some or all Vice-Chairs should be entitled to claim a SRA. The entitlement of all Vice-Chairs to SRAs was ended by the Council with effect from 1 April 2012.
- 6.7.2 In the light of the responses received the Panel is not persuaded that SRAs should be available for Vice-Chairs. Therefore, the Panel recommends that SRAs for the Vice-Chairs of Committees should not be re-introduced in a Scheme of Members' Allowances for 2018/19.

6.8 Payment of Special Responsibility Allowances

- 6.8.1 The Panel recommends continuation in 2018/19 of the current requirement of the Scheme that, with the exception of the Chair of Cabinet, no Member should be entitled to receive more than one SRA.

6.9 General Conclusions on SRAs

- 6.9.1 The Panel hereby gives notice to the Council that it intends to conduct a full review of all SRAs in any subsequent review.

7. TRAVEL AND SUBSISTENCE ALLOWANCES

- 7.1 The Panel noted that travel allowances are payable in respect of travel by a Councillor or a co-opted member to any function undertaken on behalf of the Council outside the District. These include meetings of local authorities or their Members, to which a Councillor or a co-opted member has been appointed as an official representative of the Council (including replacement membership), conferences and training activities. They also include meetings of the Local Government Association, its committees and forums.
- 7.2 In February 2008, Council accepted a recommendation of a previous Panel that Councillors with disabilities who choose to travel by taxi from home to any Council meeting within the District or to their home by taxi thereafter, irrespective of the starting or finishing times of meetings, shall be reimbursed by the amount of the actual fare paid. The Panel recommends no change in that arrangement for 2018/19.
- 7.3 The Panel recognised that there are no longer any maximum levels set by the Government for travel and subsistence allowances. However, HMRC has set maximum levels for car mileage and travel by motorcycle or

bicycle before such allowances are liable to be taxed. The Panel also noted that such expenditure may be claimed against tax as an allowable expense if a Member can demonstrate that they have to use their own home to undertake representative duties on behalf of the Council. Travel between home and the District Council Offices then counts as business mileage. In addition, the Panel noted that Councillors currently enjoy free car parking at the Council offices and in other Council car parks across the District throughout the week. They can also park on-street for free in residential parking zones, which is considered to be of benefit to them when performing their Councillor duties.

- 7.4 One respondent to the questionnaire advocated the introduction of a mileage allowance for Councillors travelling on Council business within the District. The Panel noted that in Hertfordshire only this Council and Watford Borough Council currently restrict travel claims to travel outside of the District/Borough.
- 7.5 The Panel understood that it takes Council officers an estimated 20 minutes to process each mileage claim submitted by a Councillor at a minimum estimated cost of £5.45. The estimated total cost to the Council in 2017/18 would have been nearly £6,000, had all Councillors claimed 45 pence per mile for attending meetings of forums of which they were members. That estimate was also based on the return distance by car from each Councillor's home address to the Civic Offices. Given the additional cost and the fact that only one Councillor expressed a wish for such an allowance to be introduced, the Panel recommends that there should be no change in 2018/19 to the current terms of the allowance which relate to travel outside the District only on official business.
- 7.6 The Panel noted that meal allowances for Councillors were last increased by the Council for 2009/10 and that they have not been increased since then.
- 7.7 The Panel recommends that current arrangements for reimbursing Councillors with disabilities who choose to travel by taxi to and from any Council meeting within the District, as set out in paragraph 6.2, above should be continued in 2016/17. The Panel also recommends that the rates of travel and subsistence allowances for Members should generally be equal to the levels currently available to officers of the Council, details of which are set out below:
 - (i) Actual costs of using public transport be reimbursed, i.e. second class train fare or bus fare but if Members choose to buy first class train fares they be reimbursed only at the second class rate.

- (ii) For car travel, an allowance of 45 pence per mile, irrespective of engine capacity, be payable (any higher rate would be subject to taxation).
- (iii) For travel by bicycle, an allowance of 20 pence per mile be available, while for travel by motorcycle, an allowance of 24 pence per mile be available (any higher rates would also be subject to taxation).
- (iv) Subsistence allowances, actual costs be reimbursed up to the maximum rates which would have been upgraded under the old system, although they are now determined by local agreement. The current rates and recommended rates for 2017/18 are set out below.

	<u>Current rate for officers (2017/18)</u>	<u>Allowances recommended by the Panel for 2018/19</u>
Breakfast	£6.88	£6.88
Lunch	£9.50	£9.50
Tea	£3.76	£3.76
Dinner	£11.77	£11.77

A dinner allowance be payable only if arrival at home is later than 8.30pm and tea and dinner allowances be not payable in respect of the same evening's claim.

- (v) Hotel expenses be reimbursed up to a maximum 24 hour rate of £130.00 per person in London or anywhere else outside the District irrespective of the type of conference being attended. (This would be a continuation of the current rate.)
- (vi) Claims for reimbursement of travelling and subsistence costs must be supported by receipts and must be submitted to the Council within three months of the expenditure being incurred. Any claim made after three months from when such expenditure was incurred should not be reimbursed. (This would be a continuation the Council's current rule.)

8. CHILD CARE AND DEPENDENT RELATIVES' ALLOWANCES

- 8.1 The Council has previously agreed that the need to provide babysitting for resident children under 14 or attendance for dependent relatives requiring special care could be a significant disincentive to people seeking office as

Councillors. It is also noted that state benefits and allowances are available for some classes of disability.

- 8.2 For 2017/18, the Council accepted the recommendation of the Panel that the sum of £7.50 per hour for Child Care and Dependent Relatives' Allowances should be increased to £8.45 per hour, and that such allowances should be payable only where actual costs are incurred. The Panel considered that there should be no upper limit on the total amount claimed for child care and dependent relatives allowances per annum but also considers that the requirement in the current scheme for no more than one such allowance to be payable per household should remain in place. The Panel was aware that there continues to be a very low uptake of this allowance by Councillors and that of those who responded to the questionnaire, over 75% were satisfied with the size of the allowance.
- 8.3 The Panel therefore recommends that the rate of £8.45 for Child Care and Dependent Relatives' Allowances should be unchanged in 2018/19.
- 8.4 The Panel also recommends that claims for child care and dependent relatives' allowances should continue to be supported by receipts wherever possible and should be submitted to the Council within three months of the expenditure being incurred, otherwise they should not be reimbursed. In addition, the Panel recommends that for the sake of clarity, a child care or dependent relative allowance should not be payable if the Councillor's spouse / partner / parent undertakes the care of the child / children / dependent relative who is the subject of the claim while the Councillor is away from home on Council business. This would bring the Council into line with the practice adopted in most other District Councils in Hertfordshire.

9. **OTHER MATTERS**

- 9.1 The Panel considered that Member training is essential, as Councillors need a wide variety of skills and competencies if they are to perform their duties adequately.
- 9.2 The Panel noted that the total draft estimated training budget for Councillors in 2018/19 is £10,~~830980~~ (£10,720 in 2017/18). This may be spent on skills training or other activities designed to improve their ability to function as Councillors in line with personal development plans.

10. **REVIEW PROCEDURE**

- 10.1 A number of Councils in Hertfordshire operate an annual review of Members' allowances conducted by an independent remuneration panel. This Panel recommends that the scheme of allowances should continue to

be subject to an annual review by the District Council, by means of an independent panel, which can assess the appropriateness of the scheme adopted by the Council and determine appropriate levels of allowances based on local remuneration rates. By this means, public confidence in the allowances scheme can best be safeguarded.

- 10.2 The period of operation of the new scheme should be until 31 March 2019. The Panel proposes that a further review of Members' allowances should start in late spring 2018. This should ensure that the Council can make budgetary provision for a revised scheme in its estimates for the 2019/20 financial year.

11. FINANCIAL SUMMARY OF RECOMMENDATIONS

<u>Comparison of Existing & Proposed Members' Allowances</u>	<u>No. of Members</u>	<u>Existing Allowance</u>	<u>Proposed Allowance</u>	<u>Total existing budget 2017/18</u>	<u>Total proposed budget 2018/19</u>	<u>Payable per Member including basic allowance</u>
		£	£	£	£	£
Basic Allowance	58	5,535	5,590	321,030	324,220	5,590
Leader	1	13,575	13,575	13,575	13,575	19,165
Cabinet member*	6	9,485	9,485	47,425	56,910	15,075
Chair O&S	2	2,965	2,965	5,930	5,930	8,555
Chair Planning (DC)	3	3,105	3,105	9,315	9,315	8,695
Chair Planning Referrals	1	3,105	3,105	3,105	3,105	8,695
Chair Licensing & Regulatory	1	2,965	2,965	2,965	2,965	8,555
Chair Health & Wellbeing	1	2,965	2,965	2,965	2,965	8,555
Chair Audit	1	2,965	2,965	2,965	2,965	8,555
Group Leader per member**	31 in Group	107	107	3,210	3,317	8,907
Group Leader per member**	17 in Group	107	107	1,819	1,819	7,409
Group Leader per member**	7 in Group	107	107	856	749	6,339
Group Leader per member**	3 in Group	107	107	321	321	5,911

<u>Comparison of Existing & Proposed Members' Allowances</u>	<u>No. of Members / Group/ Meetings</u>	<u>Existing Allowance</u>	<u>Proposed Allowance</u>	<u>Total existing budget 2017/18</u>	<u>Total proposed budget 2018/19</u>	<u>Payable per Member including basic allowance</u>
		£	£	£	£	£
Group Secretaries	1	370	370	370	370	5,960
Group Secretaries	1	535	535	535	535	6,125
Group Secretaries	1	830	830	830	830	6,420
Licensing Sub Chair	10	100	100	1,000	1,000	6,590
Licensing Sub Member (x3)	30	80	80	800 per member	800 per member	7,990
Total payable to Members				420,616	433,291	
National Insurance & other				9,424	9,519	
Total budget				430,040	442,810	

<u>THREE YEAR BUDGET COMPARISON</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19 estimates</u>
	£	£	£
Budget	430,040	427,300	442,810
Actual	419,823		
Forecast	420,455		
Underspend / Overspend	- 9,585		

Notes

- * The number of members of Cabinet was increased from 6 to 7 for the Municipal Year 2017/18. In the event of any further increase in 2018/19, this would be an additional cost to the Scheme.
 - ** With the exception of the Chair of Cabinet, this allowance is not payable if the Group Leader holds another position for which a Special Responsibility Allowance is payable.
1. The cost of child care/dependent relative allowances will depend on the number of claims assessed and accepted. (A sum of £780 has been included in the draft 2018/19 budget.)
 2. A sum of £10,830,980 has been included in the draft 2018/19 budget for Member training (~~approximately £189.31 per Member~~).

“COUNCIL DECISION

That in determining the Scheme of Members' Allowances for 2017/18, Council resolves that the Scheme remain the same as in 2016/17 except for the following change:

- (i) In line with recommendation xvi of the Independent Remuneration Panel's report, the hourly rate for child care and dependent relative allowance be increased from £7.50 per hour to £8.45 per hour to match the level of the Living Wage currently recommended by the Living Wage Foundation.

In addition, Council resolves:

- (ii) That the approved Scheme be advertised in the local area in accordance with Regulations;
- (iii) To formally ask the Independent Remuneration Panel to begin its next review of the Scheme of Members' Allowances no later than August 2017 and also no later than August in future years, in order to enable it to finalise its report and recommendations for consideration by the Council at its annual budget-making meetings in December; and
- (iv) To formally ask the Independent Remuneration Panel, to consider and take into account, as part of its next review:
 - The substantive motion, amendments and debate by the Council on 22 February 2017, including the information detailed in points (a) – (d) below; and
 - What alternative systems of calculating allowances lawfully exist and may be suitable for use by the Council (such as forms of allowances that take into account the number of meetings which members are required to attend and/or the number of Committees on which Members sit).

Council notes that:

- (a) The forecast cost of the Scheme of Members' Allowances for 2016/17 is £420,455;
- (b) The forecast cost includes £321,030 for basic allowances, which is the highest amount spent on basic allowances by any district or

borough council in Hertfordshire and 35% higher than the average amount spent by the ten district and borough councils in Hertfordshire;

- (c) The current Scheme is the 17th most expensive in the country out of 194 district and borough councils[1]; and
- (d) The average basic allowance paid by district and borough councils nationally is £4,521 per annum[1] and in Hertfordshire is £4,997 per annum[2].

[1] 2014/15 data for 194 district and borough councils for which data is available.

[2] 2016/17 data excluding the two outliers of Watford Borough Council and Stevenage Borough Council.”

BASIC ALLOWANCES IN HERTFORDSHIRE DISTRICT COUNCILS

APPENDIX 2

<u>2014/15</u>			<u>2016/17</u>		<u>2017/18</u>			
<u>Ranked position by size of Basic Allowance</u>	<u>Name of Council and Number of Members</u>	<u>Basic Allowance (£)</u>	<u>Basic Allowance (£)</u>	<u>Total sum payable in Basic Allowances (£)</u>	<u>Ranked position by size of Basic Allowance</u>	<u>Council</u>	<u>Basic Allowance (£)</u>	<u>Total sum payable in Basic Allowances (£)</u>
1.	Stevenage (39)	7,234	7,427	289,653	1.	Stevenage	7,427	289,653
2.	Watford (36)	7,209	7,209	259,524	2.	Watford	7,209	259,524
3.	St Albans (58)	5,535	5,535	321,030	3.	Hertsmere	5,695	222,105
4.	Hertsmere (39)	5,465	5,555	216,645	4.	St Albans	5,535	321,030
5.	East Herts (50)	5,218	5,218	260,900	5.	East Herts	5,270	263,500
6.	Dacorum (51)	4,951	4,951	252,501	6.	Dacorum	5,055	257,805
7.	Welwyn Hatfield (48)	4,811	5,001	240,048	7.	Welwyn Hatfield	5,001	240,048
8.	Three Rivers (39)	4,581	4,627	180,453	8.	North Herts	5,000	245,000
9.	Broxbourne (30)	4,500	4,636	139,080	9.	Broxbourne	4,681	140,430
10.	North Herts (49)	4,500	4,500	220,500	10.	Three Rivers	4,673	182,247
Herts averages	MEAN*	5,400	5,466	238,033			5,555	242,134
	MEDIAN**	5,085	5,110	246,275			5,163	251,403

*Mean average is calculated by adding the values and dividing the total by the number of values e.g. (2+3)/2=2.5.

**Median average is calculated by taking the middle value of a range of answers e.g. 1,2,3 – middle value is 2”

Q1 The Working Hours of a Councillor:

Approximately how many hours do you spend each week on Council business?

0-10 hours – 12%
11-20 hours – 73%
21-30 hours – 12%
31 hours or more – 3%

Responses - 34

Q2 The Working Hours of a Councillor (continued):

Of those hours, approximately how much time do you spend on the following?

Attending Council and Committee meetings – 28%
Meeting/speaking/responding to constituents – 37%
Preparing for Council and Committee meetings – 26%
Attending political group meetings – 9%
Other – 15 varied replies

Responses – 35

Q3 Voluntary Service Discount:

Statutory guidance from Government urges Councils to recognise that some element of the work of Councillors continues to be voluntary – i.e. that some hours are not remunerated. Historically, the calculation of both the basic and special responsibility allowances in this Council involved discounting the final figures by 40% in order to recognise that that percentage of each Councillor's assumed time commitment is given voluntarily. In past years the Council has mostly increased those allowances each year by flat-rate percentages in the Scheme of Members' Allowances, so that it is possible that the historic discount, although still implicit in the current Scheme, can be overlooked. Do you consider that the current 40% voluntary service discount is:

Satisfactory 25
Too High 4
Too Low 6

Responses – 35

Q4 Basic Allowance:

This is currently set at £5,535 per annum. At what level should the Basic Allowance be set for 2018/19?

Please set out an amount below and provide any comments or supporting evidence.

Remain at £5,535 – 44%
Increase – 47%

Decrease – 9%

Responses – 35

Q5 Special Responsibility Allowance (SRAs):

With the exception of the Cabinet Member who serves as Chair of Cabinet, no Councillor is entitled to receive more than one SRA. The posts shown overleaf attract SRAs. Please indicate whether you consider that the different SRAs are appropriate or not in each case:

	<u>Fair</u>	<u>Too High</u>	<u>Too Low</u>	<u>Total</u>
Executive Leader / Chair of Cabinet (£13,575)	80.00% 28	2.86% 1	17.14% 6	35
Cabinet Member (£9,485)	82.35% 28	8.82% 3	8.82% 3	34
Chairs of Overview & Scrutiny Committees (£2,965)	71.43% 25	28.57% 105	5.71% 2	35
Chair of the St Albans District Health & Wellbeing Partnership (£2,965)	65.71% 23	21.21% 7	6.06% 2	35
Chair of Audit Committee (£2,965)	74.29% 26	11.43% 4	14.29% 5	35
Chairs of Planning (Development Control) Committees (£3,105)	77.14% 27	8.57% 3	14.29% 5	35
Chair of Planning Referrals Committee (£3,105)	68.57% 24	17.14% 6	14.29% 5	35
Chair of Licensing & Regulatory Committee (£2,965)	68.57% 24	17.14% 6	14.29% 5	35
Chair of Licensing Sub-Committee (£100 per meeting if started between 9.00am and 4.00pm)	80.00% 28	8.57% 3	11.43% 4	35
Other Members and substitute Members of Licensing Sub-Committee (£80 per meeting if started between 9.00am and 4.00pm)	82.86% 29	5.71% 2	11.43% 4	35
Each Political Group Leader (£107 per Member)	70.59% 24	17.65% 6	11.76% 4	34
Each Political Group Secretary (£370 - £830 according to size of Group)	80.00% 28	11.43% 4	8.57% 3	35

Q6 Do you consider that there are any posts or responsibilities held by Councillors, which are not reflected adequately in the current scheme, i.e. any that you consider should attract a SRA?

Yes – 11

No – 24

Responses 35

Q7 Do you consider that there are any posts or responsibilities held by Councillors, which presently attract a SRA but which you consider should no longer do so?

Yes – 2

No – 31

Responses 33

Q8 Childcare and Dependent Relative Allowances:

The Council reimburses the costs of care under the current Scheme of Members' Allowances at a flat rate of £8.45 per hour without any restriction on the maximum amount which may be claimed during the year. Do you consider that the current scheme is:

Satisfactory – 27

Too generous – 4

Too low – 4

Responses – 33

Q9 Travel and Subsistence Allowances:

The current levels of these allowances are set out in pages U5-U7 of the Council's Constitution. Do you consider that the levels of these allowances generally are: -

Satisfactory – 32

Too Generous - 0

Too Low – 3

Responses – 35

Q10 Other Comments:

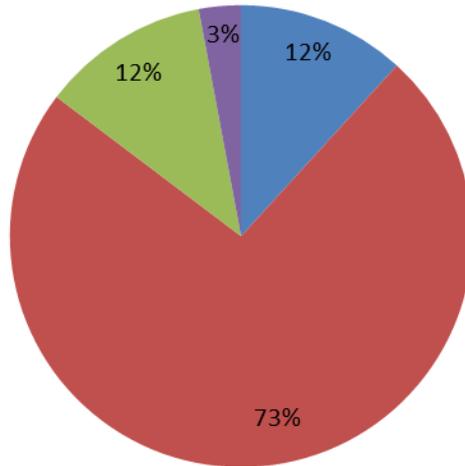
Please set out below details of any other aspects of the Members' Allowances Scheme which you would like to bring to the attention of the Independent Remuneration Panel.

Responses - 12

Members Allowances Questionnaire 2017

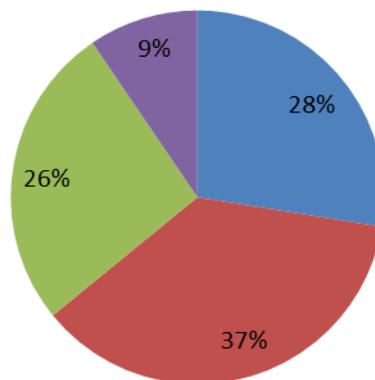
Q1. Approximately how many hours do you spend each week on Council business?

■ 0 to 10 ■ 11 to 20 ■ 21 to 30 ■ 31 or more



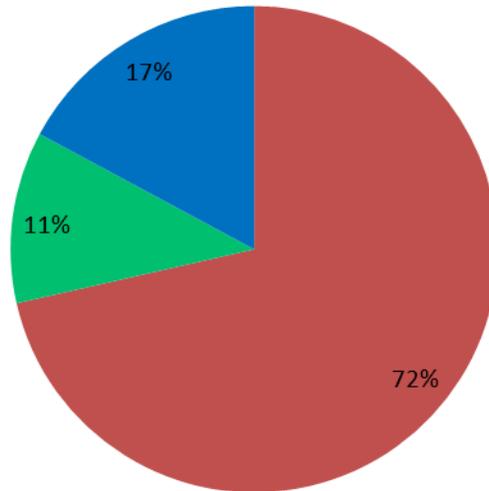
Q2. Of those hours, approximately how much time do you spend on the following?:-

■ Attending Council and Committee meetings (hours)
■ Meeting / speaking / responding to constituents (hours)
■ Preparing for Council and Committee meetings (hours)
■ Attending political group meetings (hours)



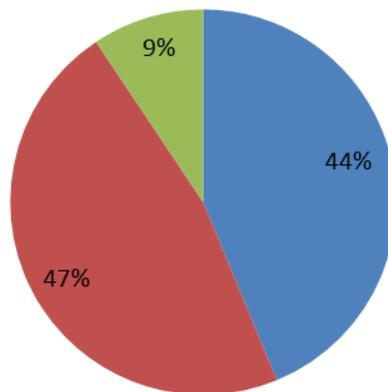
Q3. Do you consider that the current 40% voluntary service discount is:

■ Satisfactory ■ Too High ■ Too Low

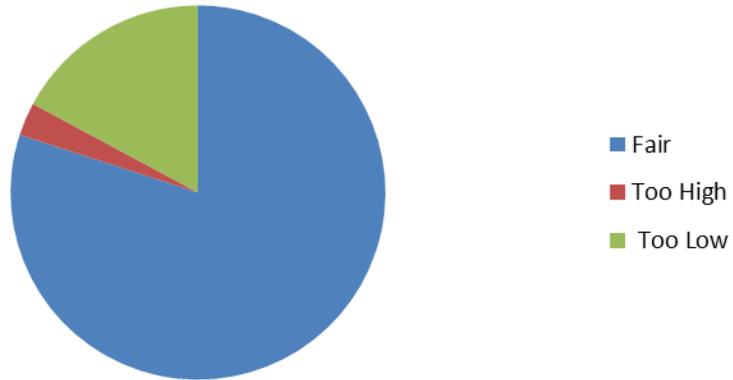


Q4. At what level should the Basic Allowance be set for 2018/19?

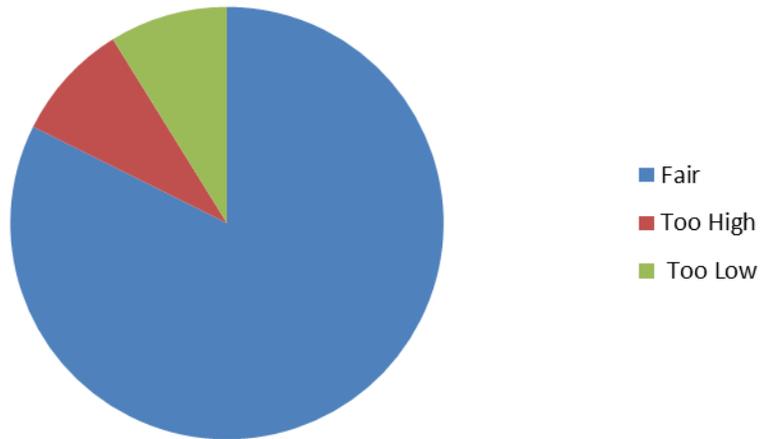
■ Remain at £5,535 ■ Increase ■ Decrease



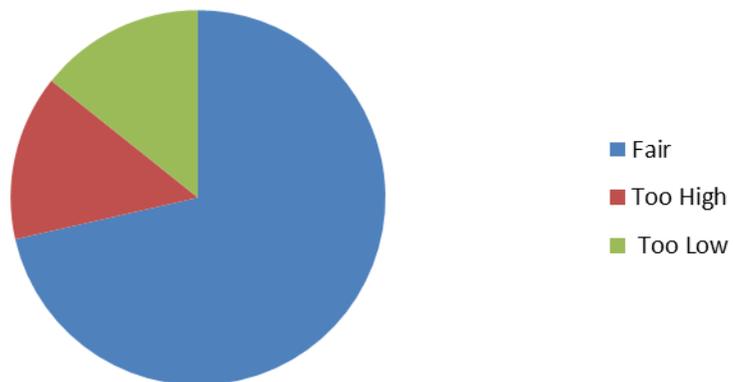
Q5a. Executive Leader / Chair of Cabinet (£13,575)



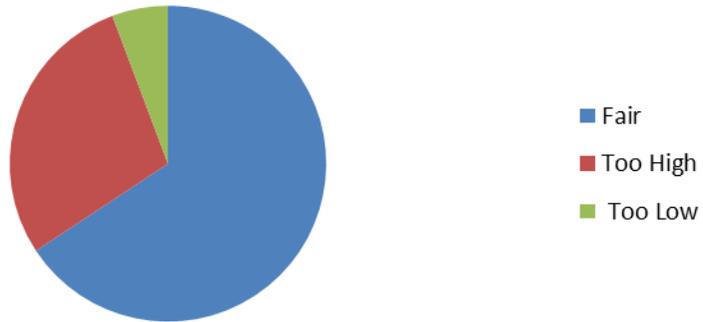
Q5b. Cabinet Member (£9,485)*



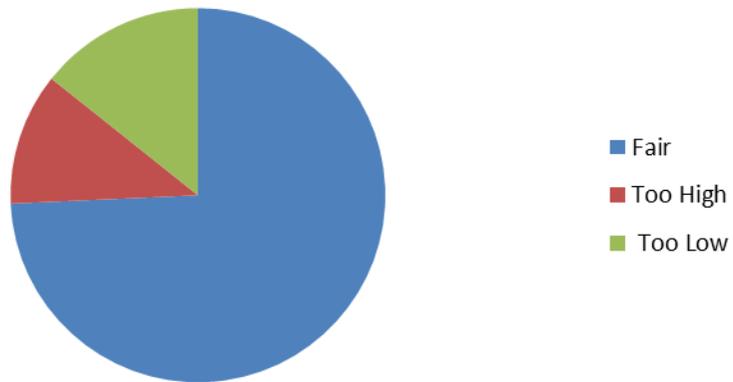
Q5c. Chairs of Overview & Scrutiny Committees (£2,965)



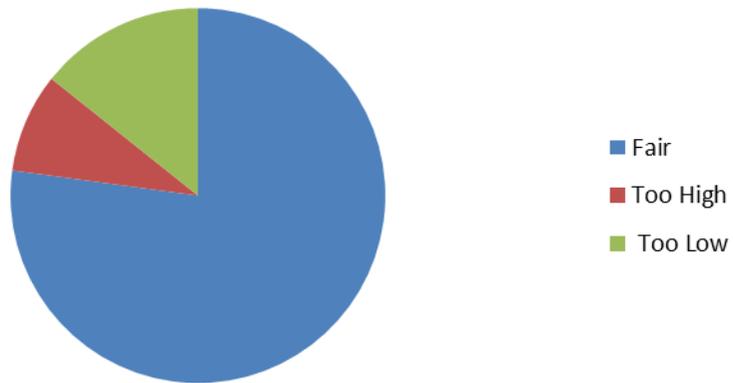
Q5d. Chair of the St Albans District Health & Wellbeing Partnership (£2,965)



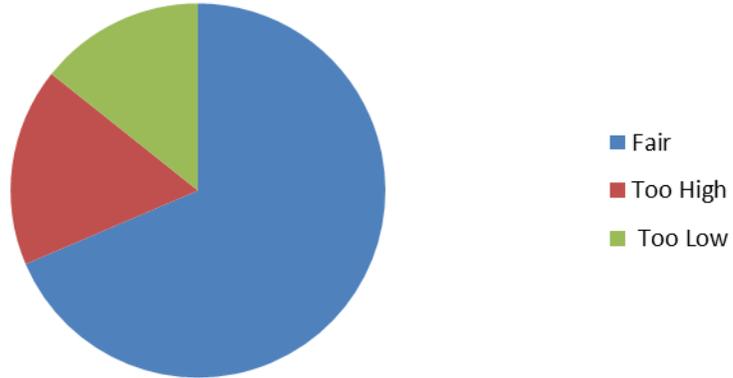
Q5e. Chair of Audit Committee (£2,965)



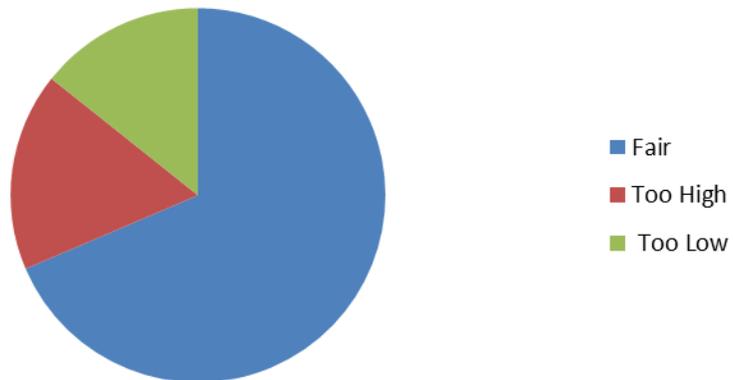
Q5f. Chairs of Planning (Development Control) Committees (£3,105)



Q5g. Chair of Planning Referrals Committee (£3,105)



Q5h. Chair of Licensing & Regulatory Committee (£2,965)



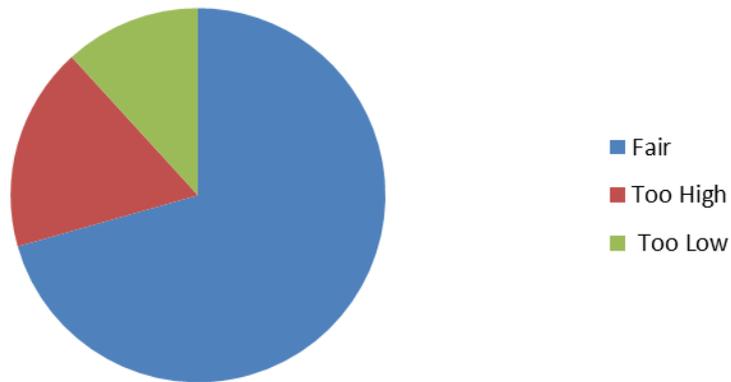
Q5i. Chair of Licensing Sub-Committee (£100 per meeting if started between 9.00am and 4.00pm)



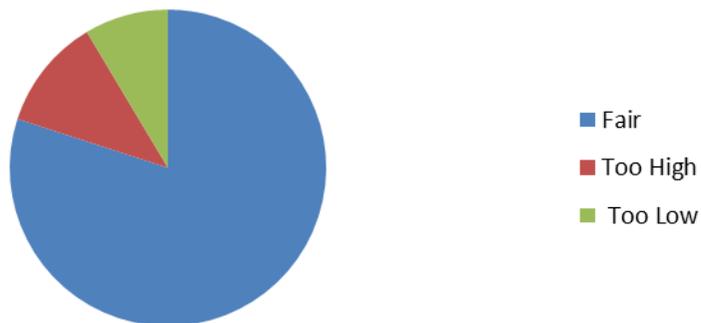
Q5j. Other Members and substitute Members of Licensing Sub-Committee (£80 per meeting if started between 9.00am and 4.00pm)



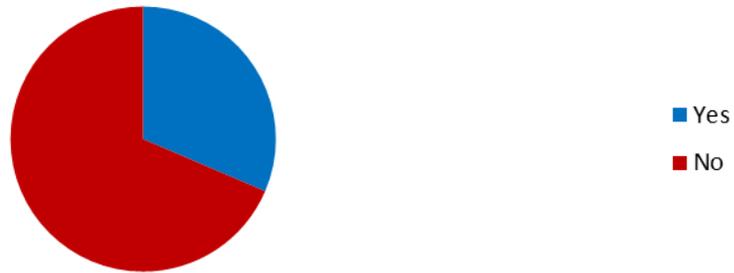
Q5k. Each Political Group Leader (£107 per Member)



Q5l. Each Political Group Secretary (£370 - £830 according to size of Group)

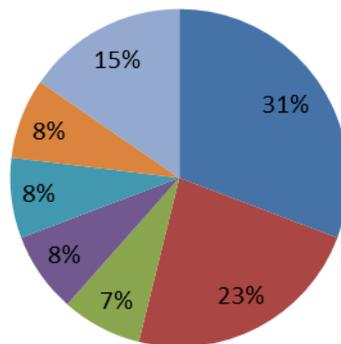


Q6a. Do you consider that there are any posts or responsibilities held by Councillors, which are not reflected adequately in the current scheme, i.e. any that you consider should attract a SRA?

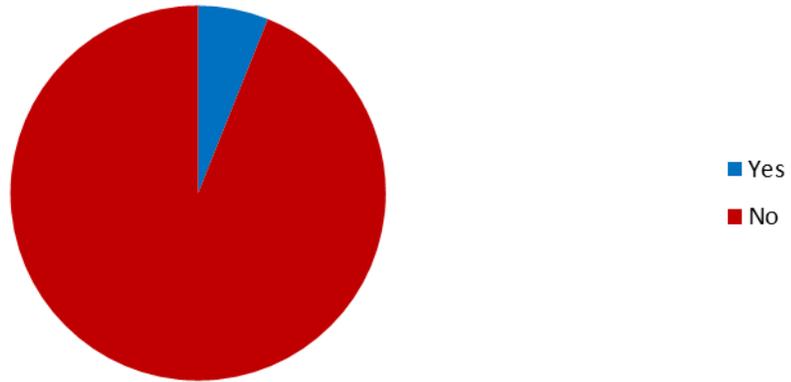


Q6b. Positions not reflected adequately in current scheme

- Vice Chairs
- Chair of CNC
- Employment Tribunals
- Appeals Committee
- Mental Health Champion
- Chair of Planning Policy.
- Vice-Chair of Planning Policy

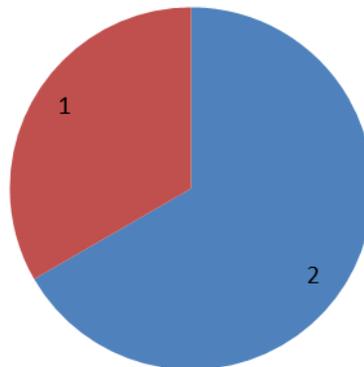


Q7a. Are there any posts or responsibilities held by Councillors which presently attract a SRA but which you consider should no longer do so?



Q7b. Posts that should not attract a SRA

■ Chair of Health and Well-being ■ Group Secretaries



Q8. Childcare and Dependent Relative Allowances at a flat rate of £8.45 per hour without any restriction on the maximum amount which may be claimed during the year. Do you consider that the current scheme is:



Q9. Travel and Subsistence Allowances The current levels of these allowances are set out in pages U5-U7 of the Council's Constitution. Do you consider that the levels of these allowances generally are: -



DOCUMENTS SUBMITTED TO THE PANEL

- Copy of the Council's decision, made at its meeting on 22 February 2017, on a Scheme of Members' Allowances for St Albans City and District Council for the period 1 April 2017 – 31 March 2018;
- Officer responses to each part of the Council's decision;
- Motion moved by Councillor Hodgson and seconded by Councillor Wright at that Council meeting
- Basic allowances for each Borough/District Council in Hertfordshire;
- Comparisons between Schemes of Members' Allowances operating in District Councils within Hertfordshire in 2017/18;
- Draft background information to accompany the questionnaire on the Scheme of Members' Allowances for 2017/18;
- Information regarding the Community Panel;
- Possible mileage and costs in relation to each Councillor attending meetings of forums of which they are members in the District Council Offices in 2017/18;
- Results of 35 questionnaires completed electronically by Councillors giving their views on the current Scheme of Members' Allowances, and made available to members of the Panel*.

(*Note: The submissions made by Councillors individually which were received by the Panel were made on a confidential basis. Copies of all other documents referred to in this Appendix are available on request to the Democratic Services Officer, email: paul.warne@stalbans.gov.uk or tel. 01727 819520.)