

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- 2.2** There is a new Cabinet Panel this year as the former Cabinet Housing and Planning Panel, has been replaced by a Cabinet Housing Panel and a Cabinet Planning and Parking Panel giving an additional special responsibility allowance for the Chairman of £3884, but this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