

WELWYN HATFIELD BOROUGH COUNCIL  
COUNCIL – 23 NOVEMBER 2020  
REPORT OF THE CHIEF EXECUTIVE

MEMBERS' ALLOWANCE SCHEME

**1 Executive Summary**

- 1.1 This report considers the recommendations of the Independent Remuneration Panel (IRP) at their meeting on the 29th September 2020.
- 1.2 The minutes and recommendations of the IRP meeting on 29 September 2020 are set out as background papers to this report (Appendix A).
- 1.3 These recommendations concern the Members' Allowance Scheme for 2020/2021

**2 Recommendation(s)**

- 2.1 That Council agrees the recommendation of the Independent Remuneration Panel and approves the proposed level of Members' Basic and Special Responsibility Allowances (SRAs) as set out in Appendix B, retrospectively payable with effect from 1 July 2020.
- 2.2 That Council agrees the recommendation of the Independent Remuneration Panel and approves the proposed increase to the Care Allowance Payments.
- 2.3 That Council notes a full review of the Members' Allowance Scheme by the Independent Remuneration Panel is now underway, with its recommendations aimed to be presented to a future Council meeting, and if agreed, be applied to 2021/2022 and subsequent years.

**3 Explanation**

- 3.1 In January the Council agreed to the Panel's recommendation to undertake a more comprehensive review of the Members' Allowances Scheme. However given the need to prioritise more urgent activities in response to the Covid-19 pandemic, there was a delay in recruiting new members and re-convening the Panel. The Panel therefore decided, given this delay, to make recommendations for Members' Allowances in 2020/21 in time for the November 2020 Council meeting. In parallel the Panel would carry out a full review of all special responsibility allowances (SRAs) with the intention to submit further recommendations to a future Council meeting covering the four year period 1 July 2021 – 30 June 2025.

- 3.2 For this current year (2020-21) the Panel's recommendations are for Members' allowances to increase in line with the national agreement for staff salary increases (an increase of 2.75%). The only exception being to the allowances payable to the Opposition Group Leaders and Chair of the Audit Committee.
- 3.3 Special consideration was given in 2019/20 to the level of allowances payable to Opposition Group Leaders in order to more fairly reflect political balance of the parties. It is proposed that this revised methodology will continue unchanged, where each Opposition Group Leader receives an allowance calculated from 50% of the basic allowance plus £225 for each group member. This methodology will incorporate the proposed 2.75% increase to the basic allowance. It is also proposed that the additional supplement introduced to reflect the additional work currently undertaken by the opposition leaders will also continue. The supplement is calculated as being 10% of the basic allowance.
- 3.4 The Panel noted an anomaly with the allowance provided to the Chair of the Audit Committee, which had been slightly out of line with comparable allowances for other Committee Chairs since 2015/16. The Panel recommended that this allowance be increased by more than the proposed 2.75% in order to bring it in line with the allowance for other comparable Committee Chairs.

### **Implications**

#### **4 Legal Implications**

- 4.1 The council must set members' allowances in accordance with the Local Government and Housing Act 1989 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.
- 4.2 The IRP must form at least three members, none of whom is a councillor of the authority nor would be so disqualified from being a councillor. The Council approved the appointment of three new Panel members at the Council meeting on 17 September 2020, bringing the total membership of the IRP to five.
- 4.3 The council must ensure that any IRP recommendations and agreed members' allowance schemes are duly publicised in accordance with the statutory requirements.

#### **5 Financial Implications**

- 5.1 It is proposed that the level of basic allowance and special responsibility allowances (SRAs) are increased by 2.75%, in line with the national agreement for staff salary increases. The only exceptions being the allowance provided to the Chair of the Audit Committee, which will increase by more than 5% for the reasons given above and the Opposition Group Leaders' allowances.
- 5.2 An equivalent increase of 2.75% is proposed for the Care Allowance.

- 5.3 The Opposition Group Leaders' allowances will be recalculated using the method introduced in 2019/20 and include the additional supplement. With no changes to group numbers, this will result in each of the allowances to be approximately £80 less than if a simple 2.75% increase was applied. This is due to no uplift being applied to the £225 allowance payable for each group member.
- 5.4 As in previous years, some members hold more than one office: the scheme provides that they only receive the highest of the allowances due.
- 5.5 If the proposed increases are agreed this will be covered from current budgets.

## **6 Risk Management Implications**

- 6.1 No material risks have been identified with the proposal.

## **7 Procurement Implication(s)**

- 7.1 None

## **8 Climate Change Implication(s)**

- 8.1 None

## **9 Human Resources Implication(s)**

- 9.1 None

## **10 Health and Wellbeing Implication(s)**

- 10.1 None

## **11 Communication and Engagement Implication(s)**

- 11.1 None

## **12 Link to Corporate Priorities**

- 12.1 The subject of this report is linked to the Council's Corporate Priority "Our Council", and specifically to the achievement of promoting equality and fairness; supporting our councillors with their professional development so they may better work for, and represent, local communities.

## **13 Equality and Diversity**

- 13.1 An Equality Impact Assessment was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies. However retention of the carer allowances should help encourage potential Members from across the community to put themselves forward even if they require support with any carer's duty they may have.

## **BACKGROUND PAPERS**

1. Minutes of the IRP meeting held on 29 September 2020 (Appendix A).
2. Proposed changes to the Members' Allowances Scheme and Care Allowances (Appendix B)

Ka Ng  
Chief Executive  
November 2020