

Independent Remuneration Panel
3 December 2021

WELWYN HATFIELD BOROUGH COUNCIL

Minutes of a meeting of the INDEPENDENT REMUNERATION PANEL* held on Friday 3 December 2021.

* Reporting to Council

PRESENT: R Atterton
K Cole
P Legood
P.Raynsford
D.Tabraham-Palmer

OFFICIALS Head of Law and Administration (M.Martinus)
PRESENT: Principal Governance Officer (J.Anthony)
Information Governance and Member Support Officer (K.Houston)

1. **PROPOSED BASIC ALLOWANCE 2021/22 – 2024/25**

The Panel noted the Council's request in January 2020 that officers undertook a full review of the Member Allowance Scheme. The Panel also noted Member's strong support, as expressed in the Member Survey conducted in January 2021, for a four-year scheme to be adopted, with annual adjustments applied using an agreed index.

The Panel noted that research undertaken by officers did not uncover any model which were deemed appropriate for Welwyn Hatfield to base its scheme on. The Panel therefore decided to propose its own model, using its own analysis but taking into account the preferences shared by Members through the survey.

The first step was to identify a building block on which all allowances could be based on. The Panel therefore decided to use an appropriate hourly rate as a starting point. However, given that the Member Allowance scheme is not a salary but an allowance to assist Members with expenses they incur whilst they undertake this voluntary role, any hourly rate chosen would need to be discounted.

The Panel recognised that they would not be able to design an allowance scheme which fairly reflected each individual councillors' commitments and efforts and would need to take a broad brush approach when making assumptions, such as on hours worked per week on constituency duties and technical skill and ability required for different positions.

The Panel discussed the following variables, and options, making the following considerations for the proposed Member Allowance Scheme.

Hourly rate

The Panel considered a number of hourly rates, including:

- the statutory national living wage for those 23 and over (£8.81)
- the minimum hourly rate recommended by the Living Wage Foundation (£9.90)
- hourly rate for Local Government pay (£9.25 - £24.28)
- the average Welwyn Hatfield hourly rate (based on ONS figures), (£20.06)
- the average Herefordshire hourly rate (based on ONS figures), (£18.19)

The Panel concluded that the allowance scheme should reflect the financial circumstances and living costs associated with the borough and its community.

CONSIDERATION 1

To use the calculated Welwyn Hatfield hourly rate (£20.06 per hour) as the building block for the Member Allowance model.

Average hourly workload

The Panel recognised that no two councillors would undertake the same level of workload in any given week. However, in order to set a basic allowance, it was important to reflect the average working week for a councillor. Following the Member Survey the Panel calculated that councillors spent on average ten hours a week on direct Council business (ward business, community work, preparing and attending meetings and representing the council at external events), with two and a half additional hours spent on non-specific council activities (such as wider preparation, training, development and travelling) and a further two hours spent on party and group business.

The Panel determined that all activities, except the party/group business should be considered when calculating the average hourly workload of councillors.

CONSIDERATION 2

That the average hourly workload of a councillor should be assumed to be 12.5 hours a week.

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Working year

Again, the Panel recognised that whilst different councillors would undertake their duties at different times of the year, it was important to assume an average working year in order to set the basic allowance. The Panel acknowledged that whilst public meetings were usually held in school term time, many councillors would undertake their duties throughout the year, including attending non-public meetings with constituents, community groups and officers. However, the Panel wanted to ensure the councillors took appropriate breaks and did not want to encourage year-round working.

CONSIDERATION 3

That the average working year should be assumed to be 46 weeks (52 weeks minus 6 weeks to reflect statutory holiday for workers).

Discount

The Panel was keen to ensure the allowance was not seen as a wage, and that the voluntary aspect of the councillor role was reflected in the calculations made for the basic allowance. The example of Guildford Council was noted, where a discount rate of 35% was applied to Councillor allowances to reflect the voluntary nature of a Councillor's role. The Panel determined that the discount should be for greater than half.

CONSIDERATION 4

That the allowance rate applied should be discounted by 51%.

RESOLVED

The IRP recommends an annual Basic Allowance of £5,651.72 for each Member.

Index

The Panel considered the following index options:

- Retail Price Index
- Consumer Price Index

- Consumer Price Index + Housing Cost
- National Joint Council Paypoint 1
- National Joint Council Paypoint 2
- Housing Price Index
- Percentage change to Welwyn Hatfield Borough Council Annual Gross Expenditure
- Regular Pay Growth
- Percentage change to average East of England income

The Panel noted the responses to the Member Survey which showed strong support for applying an index adjustment to Member Allowances for a four-year period. The Panel also noted the strong preference for using the national staff pay award as the index, which follows the example of previous years which had adjusted the Members Allowance rates in line with the national staff pay awards. However, the national staff pay awards was subject to political pressures and was not very well known by the public. The second preference expressed in the Member Survey was the Consumer Price Index (CPI). The Panel determined that this would be a preferable option given its independence from political influence and was easily recognisable and understood by the public.

However, the Panel recognised the forecast for CPI in the next few years was unpredictable and there was a risk it could rise significantly. The Panel therefore advised that an upper limit be put on any increase to Member Allowances, with an upper limit of 4% suggested.

RESOLVED

The IRP recommended that the Member Allowance be adjusted on an annual basis in line with the Consumer Price Index, capped at 4% in any one year.

2. PROPOSED SPECIAL RESPONSIBILITY ALLOWANCE (SRA) 2021/22 – 2024/25

The Panel noted the results of the Member Survey, in particular that Members believed the current allowance system to be broadly fair. The only additional special responsibility allowance proposed by a number of Members was for Vice Chairs if they were required to take on the duty of the Chair. However, research showed that this only happened occasionally and would add a high level of complexity to the allowance scheme. The IRP therefore chose not to pursue this particular suggestion.

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The IRP discussion subsequently focused on the level of each SRA. Members had been asked, as part of the survey, to rank the key considerations for setting Special Responsibility Allowances. It was noted that the top three considerations to be (in order of importance):

1. Strategic importance to the Council
2. Technical knowledge and expertise
3. Frequency and length of meeting

This was reflected in Member comments which highlighted the increased workload of the Leader and Cabinet Members, and the level of technical expertise required to Chair the Development Management Committee.

It was proposed that, with the exception the Group Leaders and the Mayor and Deputy Mayor, SRAs should fall into one of three categories: Strategic, Technical and Standard. Using 10% of the basic allowance as a building block, the IRP determined the SRA for each of three categories by multiplying the base amount by different factors, as shown below:

CONSIDERATION A

SRA Category	Multiplier	Amount
Strategic	18	£10,173.10
Technical	10	£5,651.72
Standard	7	£3,956.20

Following discussions, it was agreed that Cabinet Members should be categorised as being Strategic, the Chair of the Development Management Committee should be categorised as being Technical, and all other Chairs should be categorised as being Standard.

CONSIDERATION B

For Group Leaders it was agreed that their SRA should reflect the role they played and the number of Members they were responsible for. It was determined that the Leader of the Council should be categorised as Strategic to reflect the role they played at the Council; and the Group Leaders for the opposition should be categorised as Standard when there is majority control of the Council, and Technical when there is no overall control, to reflect the additional responsibility they incur when there is no overall control. The IRP recognised the responsibility of the Deputy Leader of the Council and determined that they too should receive an SRA which reflected the Strategic nature of the role and the size of the group they are responsible for. However, this later point should not be to the same extent as the Leader of the Council and a figure of 20% of the group size was deemed to be sufficient.

CONSIDERATION C

The work of the Mayor and Deputy Mayor was recognised. Whilst the roles were not viewed as Strategic, they played a vital role in connecting the Council to the community. The work of the Deputy Mayor was identified by Members in the survey of needing to be reviewed given the increased expectation and workload on the Deputy Mayor over the last few years. A figure of 50% of the Mayor's Allowance was deemed to be sufficient

RESOLVED

The IRP recommended that the SRAs should be set as follows:

Position	SRA
Leader of the Council	£15,711.78
Deputy Leader	£11,280.84
Cabinet Member	£10,173.10
Chair of Overview and Scrutiny Committees	£3,956.20
Chairman of Cabinet Panel	£3,956.20
Chairman of Audit Committee	£3,956.20
Chairman of Licensing Committee	£3,956.20
Chairman of Standards Committee	£3,956.20
Chair of Development Management Committee	£5,651.72
Leaders of First Opposition Groups	£6,132.12
Leader of Second Opposition Groups	£5,736.50
Mayor	£6,782.07
Deputy Mayor	£3,391.03

3. PROPOSED TRAVEL AND CARE ALLOWANCES 2021/22 – 2024/25

In line with Members' responses to the survey, no changes were proposed to the travel and care allowances currently in place.

Meeting ended 11.05am
JA