

Meeting:	Council
Meeting date:	22 May 2015
Title of report:	Councillors' allowances scheme
Report by:	Assistant director governance

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To approve the councillors' allowances scheme, having regard to the recommendations of the independent remuneration panel.

Recommendations

THAT:

- a) **the independent remuneration panel be thanked for its report; and**
- b) **having regard to the report of the panel, the following recommendations be approved:**
 - 1) **that the current method of calculating basic allowance be retained;**
 - 2) **a lower rate basic allowance be payable to all members unless all relevant mandatory training has been completed by 1 September, as set out in the draft councillors' allowances scheme at appendix B;**
 - 3) **the lower rate basic allowance be calculated using the estimated monthly average hours worked of 90, less a public service discount of 50%, multiplied by the Herefordshire median hourly earnings, multiplied by 12 (months);**
 - 4) **the assistant director governance be requested to develop a report, following consultation with group leaders, on options for implementing a system of annual performance appraisal for elected members for consideration by the audit & governance committee;**

- 5) the special responsibility allowance for vice chairmen of overview and scrutiny committees be set at band 5;
 - 6) delegated authority be given to the assistant director governance, following consultation with the chairmen of general overview & scrutiny committee and health & social care overview and scrutiny committee, to establish and publicise a set of criteria against which eligibility for a special responsibility allowance of £500 for chairing a task and finish group would be assessed when the committee appoints any such chairman;
 - 7) the remaining special responsibility allowances, as set out at appendix B, continue unchanged;
 - 8) basic and special responsibility allowances be updated annually in line with the national joint council for local government services pay award for a period of not more than four years;
 - 9) the current schemes of travel and subsistence, and childcare and dependants' carers' allowances be retained;
 - 10) the current childcare and dependent carer allowance scheme be extended to parish councils if they wish to adopt such a scheme; and
- c) taking account of the above recommendations, the revised councillors' allowances scheme at appendix B be adopted.

Alternative options

1. The council relies on an index for the annual adjustment of allowances. Regulations state that where a council does rely on an index, it must not do so for more than four years before seeking a further recommendation from the independent remuneration panel on the application of the scheme. The panel could recommend:
 - the adoption of a different index – this is not recommended because other indices do not provide a natural link to local government pay restraints.
 - no index link at all – this is not recommended because it would require an annual assessment of the allowance levels in place of the automatic adjustment.
2. The single tier basic rate of allowance could be retained; however this would not provide any incentive for the completion of essential training.

Reasons for recommendations

3. To comply with the statutory requirement that, where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.
4. To consider whether it would be appropriate to amend any other elements of the scheme taking account of any issues that have been raised since the last review of the scheme.

Key considerations

5. The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations) require councils to appoint independent remuneration panels to make recommendations about the level of allowances for councillors. A local authority must have regard to the recommendations of the independent remuneration panel.
6. The Herefordshire panel, appointed in accordance with the decision of Council on 23 May 2014, currently comprises:
 - Will Lindesay – chief executive, Herefordshire Voluntary Organisation Support Service
 - Peter Brown – chief executive, Herefordshire Housing
 - Rob Garner – director, New Leaf Sustainable Development Ltd
7. The regulations require the panel to produce a report making recommendations as to:
 - The amount of basic allowance;
 - Whether special responsibility allowances should be paid, and if so, the duties to which they should apply and the amounts of those allowances;
 - Whether an allowance relating to the expense of arranging for the care of children or dependants should be available (carers' allowance) and, if so, the amount of that allowance;
 - Whether travelling and subsistence allowances should be paid, and, if so, the duties for which they should be payable and the amounts of those allowances;
 - Whether a basic allowance should be paid to co-opted members, and, if so, the amount of that allowance.
8. The councillors' allowances scheme was last reviewed in 2012.
9. Parish councils may decide to pay allowances to their members and, should they chose to adopt an allowance scheme must have regard to the recommendations of the independent remuneration panel in setting the level of any allowances. Since November 2005 parish councils have been able to adopt a travel and subsistence scheme using the same rates as Herefordshire Council elected members.
10. The report of the independent remuneration panel is attached at appendix A.
11. The mandatory training elements to be completed by 1 September are listed below. Where attendance at a session is a mandatory requirement more than one opportunity to attend will be provided.
 - Adult safeguarding - online training module
 - Code of conduct – attendance at session
 - Corporate parenting - attendance at session
 - Diversity and the public sector equality duty – online training module
 - Information governance – online training module
 - Planning & regulatory decision making – attendance at session
 - Safeguarding children – online training module

Community impact

12. The council's code of corporate governance seeks to ensure the council meets high ethical standards in everything it does; complies with legal requirements; serves the

people of Herefordshire well; and uses public money economically, efficiently and effectively, accounting fully for its actions. The adoption and publication of a scheme of allowances ensures there is transparency regarding the remuneration of elected members.

Equality duty

13. In support of delivery of the public sector equality duty the current childcare and dependants' carers' allowance scheme already seeks to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; the proposals within this report will enable parish councils to adopt such a scheme.

Financial implications

14. If adopted, the recommended allowances can be accommodated from within the available budget.

Legal implications

15. The council has a duty to appoint an independent remuneration panel who must make recommendations to the council in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003. Council is required to have regard to the recommendations of the panel but is not required to follow them. Members should give reasons for moving away from the recommendations if they take this course of action.
16. In addition, government guidance notes: "Regulations do not limit the number of special responsibility allowances which may be paid, nor do the regulations prohibit the payment of more than one special responsibility allowance to any one member. However, these are important considerations for local authorities. If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance."

Risk management

17. If allowances are not established in an open and transparent way the reputation of the council and public service in general may be brought into disrepute.
18. Failure to appropriately remunerate elected members for the responsibilities they take on and the expenses they incur may act as a disincentive to stand for public office.

Consultees

19. The views of the independent remuneration panel have informed the recommendations in this report.
20. Parish councils were surveyed in 2012 and 2014 and no interest was expressed in adopting schemes of allowances for their members other than having a continued ability to adopt the travel and subsistence allowance scheme and a request to have the option to adopt the childcare and dependants' carers' allowance scheme.

Appendices

Appendix A – Report of the independent remuneration panel: April 2015

Appendix B – Revised councillors' allowances scheme 2015/16

Background papers

- None identified.