

Agenda Item No.

**5B**

# Hertfordshire County Council

## **REPORT OF THE INDEPENDENT PANEL ON MEMBERS' ALLOWANCES**

*November 2019  
(for the 2020/21 Scheme of Allowances)*

# HERTFORDSHIRE COUNTY COUNCIL

## REPORT OF THE INDEPENDENT PANEL ON MEMBERS' ALLOWANCES FOR 2020/21

### **1. Introduction**

- 1.1 The Independent Panel on Members' Allowances comprised 4 independent members: Hazel Bentall, Christopher Clark, Michelle Drapeau and Stephen Vinall. Stephen Vinall chaired the meeting. The Panel met on 22 November 2019, and was supported by Steven Charteris, Head of Democratic & Statutory Services and Elaine Shell, Democratic Services Manager.
- 1.2 The Group Leaders on the Council had been invited to make submissions to the Panel regarding their groups' views on the content of the Members' Allowances Scheme.
- 1.3 At the meeting, David Williams, Leader of the Conservative Group attended on behalf of the Conservative Group (via video link), Stephen Giles-Medhurst, Leader of the Liberal Democrat Group attended on behalf of the Liberal Democrat Group and Judi Billing, Leader of the Labour Group attended on behalf of the Labour Group. The Panel greatly appreciated the attendance and the oral submissions of members.
- 1.4. The Panel compared current information on the allowances' schemes of 12 other county councils. They reviewed data from the 2018 National Census of Local Authority Councillors, Hertfordshire 'End of Term' survey of councillors (May 2017), synopsis of roles attracting Special Responsibility Allowances, inflation figures from the Consumer Price Index and Retail Prices Index, and national wage inflation rates.
- 1.5 The Panel considered submissions and reviewed benchmarking data regarding the level of Special Responsibility Allowances for Executive Members and Deputy Executive Members.

### **2 Summary of Recommendations**

- 2.1 The Panel recommends to Council that:
  - (a) The Basic Allowance (BA) for 2020/21 should be increased in line with the National Joint Council (NJC) for Local Government Employees settlement, to a maximum of 2%. Should the settlement exceed 2% then the Independent Panel on Members' Allowances will reconvene to consider.
  - (b) The posts qualifying for Special Responsibility Allowance (SRA) and the formula (multiplier of Basic Allowance) applying to each post to remain unchanged and be paid as set out in the Appendix to this report.
  - (c) Travel, Subsistence and Dependants' Carers' Allowance should continue to be payable to elected members and co-opted members of

the Council in respect of the duties set out in Appendix 1 to the Members' Allowances Scheme.

- (d) The maximum for Dependants' Carers' Allowance for child care to be increased in line with the London Living Wage to £10.75 per hour. (The sums claimed must not exceed the actual sums paid).
- (h) The maximum Dependants' Carers' Allowance for care of an adult to be increased to £20.24 per hour in line with HCC Adult Care fees. (The sums claimed must not exceed the actual sums paid).
- (i) Co-optees' Allowance for Parent Governor Representatives on the Overview & Scrutiny Committee to remain at £500 per annum.
- (j) Travel and Subsistence Allowance should continue to be paid at the same rates as the Council's Business Travelling and Subsistence Policy for Employees.

### **3. Submissions from Groups**

- 3.1 The Panel heard the views of David Williams, Leader of the Conservative Group, Stephen Giles-Medhurst, Leader of the Liberal Democrat Group, and Judi Billing, Leader of the Labour Group.
- 3.2 David Williams (DW) attended on behalf of the Conservative Group. He updated the Panel on the current priorities of the authority and in particular those extending beyond the delivery of a range of highly valued and well-regarded services. He noted the establishment of the Hertfordshire Growth Board and his election as Chair of the County Council Network (CCN). DW explained the role of group leader and leader of the council, in support of the written submission provided. DW also detailed the role of Deputy Executive Members.
- 3.3 The Panel asked DW if he considered that there is parity between the responsibilities between Deputy Executive Members and Opposition Spokespersons. DW considered that there is a significant difference in workload and responsibility between the two roles, in terms of time commitment and proactivity. He noted that Deputy Executive Members contribute to the formulation and presentation of the agenda of the administration, whereas Opposition Spokespersons respond to the agenda of the administration. He noted that Deputy Executive Members meet regularly with Executive Members and Senior Officers, are involved in the development of all policy and contribute and chair meetings. He noted they have significant responsibility and included the example of representing HCC on Local Strategic Partnerships.
- 3.4 The Panel asked if the range of responsibilities is equitable across all Deputy Executive Member roles. DW responded that there are differences between portfolios, including seasonal differences of workload depending on the portfolio. He noted that Deputy Executive Members must be fully conversant with their portfolios and be able to fully deputise for the Executive Member, including chairing briefings and Cabinet Panels, attending Cabinet and media commitments.

- 3.5 DW noted that with regards Special Responsibilities for Executive Members, the Panel should consider Essex, Kent and Buckinghamshire as comparative authorities. He noted that Buckinghamshire should be included in future benchmarking. He advocated that the current Executive Member Special Responsibility Allowance should be increased from 2 x Basic Allowance to 3 x Basic Allowance. He felt that this would better reflect the demands, responsibility and time commitment expected of the leaders of a well-regarded County Council such as HCC. He noted that allowances should be appropriate to incentivise and recognise the most able members to make the significant, multi-year commitment to become Executive Members of HCC.
- 3.6 The Panel thanked DW for attending the Panel.
- 3.7 Judi Billing (JB) attended on behalf of the Labour Group. JB gave the Panel an account of what an effective opposition member and particularly an Opposition Spokesperson does. She noted that she does not feel that fundamental changes are required to the current Allowances Scheme. JB noted that Deputy Executive Members receive higher Special Responsibility Allowances than Opposition Spokespersons, and that Opposition Spokespersons are at least equal in level of responsibility and duties to that of Deputy Executive Members. She acknowledged that the Deputy Executive Member role is a useful learning opportunity but questioned whether a Special Responsibility Allowance is appropriate.
- 3.8 The Panel asked what impact the level of allowances has on new members standing. JB expressed the opinion that the motivation for standing for election is about political passion and contribution to the community. She noted that it is very difficult to work full time and fulfil the duties of a County Councillor. She noted that the role of employers is key in acknowledging the commitments of being a County Councillor.
- 3.9 The Panel thanked JB for attending the Panel.
- 3.10 Stephen Giles-Medhurst (SGM) attended the Panel behalf of the Liberal Democrat Group. He reiterated in addition to his written submission that the disparity between the level of Special Responsibility Allowances for Deputy Executive Members and Opposition Spokespersons was inappropriate. The view of his Group was that there was an imbalance as Deputy Executive Members receive 1 x Basic Allowance and Opposition Spokespersons 0.5 x Basic Allowance. He noted that Opposition Spokespersons are responsible for two or more portfolios and attending the relevant Cabinet Panels. He also noted that the Chairman of the Council and Committee Chairmen receive the same allowance as Deputy Executive Members which did not seem to fairly reflect the responsibilities of the roles.
- 3.11 The Panel asked for his view on the role of Opposition Spokespersons. SGM noted that they are responsible for being fully briefed on the portfolio, meeting with relevant officers, contributing to Cabinet Panels,

updating their Group, dealing with media enquiries and holding the administration to account.

3.12 The Panel requested SGM's view of the role of Deputy Executive Members. SGM expressed the view that the role appears to have limited duties; rarely deputising for the Executive Member in Cabinet Panels or Council.

3.13 The Panel thanked SGM for attending the Panel.

#### **4. Basic Allowance**

4.1 The Panel noted that the Basic Allowance is £10,382 per annum and a 2% increase had been applied in 2019/20.

4.2 The Panel reviewed the formula for calculation of the Basic Allowance as devised in 2004. The Panel examined the latest National Census of Local Authority Councillors (2018) and examined the results of the 'End of Term' Survey of Councillors (May 2017) with regards hours spent on council business.

4.3 The Panel considered the Public Sector and Whole Economy National Wage Inflation Rate average for the three months up to August 2019 and the inflation figures for the Consumer Price Index (CPI) and Retail Prices Index (RPI) as at September 2019. The Panel noted that year on year average weekly earnings data showed that the whole economy achieved a 3.8% three month average increase and the Public Sector achieved a 3.5% three month average increase (August 2019). The Panel noted that 12 month inflation rates were CPI 1.7% and RPI 2.4% (September 2019).

4.4 The Panel noted that the pay settlement for local government employees had not been agreed currently.

4.5 The Panel reviewed the level of Basic Allowance of 12 comparative County Councils and noted that the average was £10,941 which remains consistent with Hertfordshire's allowance.

4.6 The Panel recommends that for 2020/21 Basic Allowance should be increased in line with National Joint Council (NJC) for Local Government Employees settlement, to a maximum of 2%. Should the settlement exceed 2% then the Independent Panel on Members' Allowances would reconvene to consider.

#### **5. Special Responsibility Allowance**

5.1 The Panel examined the synopsis of roles that qualify for a Special Responsibility Allowance, benchmarking data and considered the submissions made by Group Leaders. The Panel noted the level of responsibility, knowledge and time commitment of the roles and examined the level of Special Responsibility Allowances in the benchmarked authorities.

- 5.2 The Panel considers that the posts qualifying for Special Responsibility Allowances should remain as set out in the Appendix to this report and recommends no change to the listed posts which qualify.
- 5.3 The Panel specifically examined the role, benchmarking data and submissions regarding Executive Members and Deputy Executive Members.
- 5.4 The Panel noted that the level of Special Responsibility Allowance for Executive Members remains consistent with the benchmarking group. Hertfordshire pays a Special Responsibility Allowance of £20,764 (200% of Basic Allowance) and the average of the benchmarking group is £20,747 (189% of Basic Allowance).
- 5.5 The Panel noted that the level of Special Responsibility Allowance for Deputy Executive Members remains consistent with the benchmarking group. Hertfordshire pays a Special Responsibility Allowance of £10,382 (100% of Basic Allowance) and the average of the benchmarking group is £10,532 (96% of Basic Allowance). However, the Panel noted that six of the ten benchmarked authorities did not apply a Special Responsibility Allowance to the role.
- 5.6 The Panel recommends that the Special Responsibility Allowance for Executive Members remains at 2 x Basic Allowance.
- 5.7 The Panel recommends that the Special Responsibility Allowance for Deputy Executive Members remains at 1 x Basic Allowance.
- 5.8 The Panel considered the Special Responsibility Allowance for Group Leaders. The Panel examined the roles and considered responsibilities.
- 5.9 The Panel recommends that Special Responsibility Allowance for Leader of the majority Group remains at 3.5 x Basic Allowance divided by the total number of members, multiplied by the number of members within the Group.
- 5.10 The Panel recommends that Special Responsibility Allowance for Leader of the main opposition Group remains at 3.5 x Basic Allowance divided by the total number of members, multiplied by the number of members within the Group, with a minimum Special Responsibility Allowance of 0.75 x Basic Allowance.
- 5.11 The Panel recommends that Special Responsibility Allowance for Leader of the other opposition Groups remains at 3.5 x Basic Allowance divided by the total number of members, multiplied by the number of members within the Group, with a minimum Special Responsibility Allowance of 0.5 x Basic Allowance.
- 5.12 The Panel considered the current multiplier schedule for Special Responsibility Allowances and submissions regarding the respective responsibilities of Executive portfolios and recommends that the current multiplier remains appropriate.

5.13 As the amount of each Special Responsibility Allowance is specified as a multiplier of the Basic Allowance figure, the Panel's recommendation for increasing Basic Allowance would mean that each Special Responsibility Allowance also increases by the percentage increase to Basic Allowance as set out in Section 4 above.

5.14 The Panel suggests that consideration is given to providing definition of all roles which qualify for a Special Responsibility Allowance in the County Council's Constitution.

## **6. Dependants' Carers' Allowance**

6.1 The Panel considered the maximum levels of remuneration for Dependants' Carers' Allowance. The Panel recommends that Dependants' Carers' Allowance remain payable and that separate rates for childcare and adult care continue.

6.2 The Panel reviewed benchmarking data from 12 other County Councils.

6.3 The Panel considered the level of Dependants' Carers' Allowance for care of an adult in the context of the HCC Adult Care rate being £20.24 per hour.

6.4 The Panel considered the current maximum level of Dependants' Carers' Allowance payable for child care which is consistent with the National Minimum Wage rates and the National Living Wage. Both rates are set according to age:

6.5 The rates for National Living Wage (April 2020) will be:

- Under 18 - £4.55 per hour.
- 18 to 20 - £6.45 per hour.
- 21 – 24 - £8.20 per hour.
- 25 and over - £8.72 per hour.

6.6 The Panel considered the London Living Wage rate of £10.75 per hour.

6.7 The Panel recommends that:

Childcare – Dependants' Carers' Allowance up to a maximum hourly rate according to London Living Wage of £10.75 per hour.

Adult Care - Dependants' Carers' Allowance up to a maximum hourly rate of £20.24 per hour.

(In both cases the sums claimed must not exceed the actual sums paid.)

## **7. Co-optees' Allowance**

7.1 The Panel noted that Parent Governor Representatives are currently entitled to claim the Co-optees' Allowance of £500 per annum. They are also entitled to claim reasonable expenses for travel and subsistence in accordance with the scheme.

- 7.2 The Panel recommends that the Co-optees' Allowance remains at £500 per annum, with review ahead of the next Parent Governor Representative elections.

## **8. Travelling and Subsistence Allowance**

- 8.1 The Panel recommends maintaining the link with the local rates in the Council's Business Travelling and Subsistence Policy.

## **9. Costs**

- 9.1 The total cost of implementing the Panel's recommendations on Basic Allowances and Special Responsibility Allowances would be a percentage increase consistent with the settlement of the National Joint Council (NJC) for Local Government Employees up to a maximum of 2%.

## **10. Future meetings**

- 10.1 The Panel agreed the following date for their next meeting to consider the Scheme:
- Friday 20 November 2020 at 9.30am.
- 10.2 The Panel requested the following information for the next meeting:
- Inclusion of Buckinghamshire County Council in benchmarking data sets.
  - Details of the roles of Vice Chairmen of Overview & Scrutiny Committee and Vice Chairman of the Health Scrutiny Committee.
  - Details of developments of the County Council's Constitution regarding roles which qualify for a Special Responsibility Allowance.

**Hazel Bentall,  
Christopher Clark  
Michelle Drapeau  
Stephen Vinall**

NOVEMBER 2019



**SPECIAL RESPONSIBILITY ALLOWANCES 2020/21**

<b><u>Post</u></b>	<b><u>Formula</u></b>
Leader of the Council	4xBA
Deputy Leader of the Council	3xBA
Executive Member (8) <i>(Note: The Leader has the power to change the composition of his Cabinet and individual portfolios at any time subject to a maximum of 9 members of Cabinet)</i>	2xBA
Leader of the Majority Group	$3.5xBA / 78 \times \text{number of members in Group (50)}$
Leader of the Main Opposition Group <i>(Minimum 0.75xBA)</i>	$3.5xBA / 78 \times \text{number of members in Group (18)}$
Leader of the Other Groups <i>(Minimum 0.5xBA)</i>	$3.5xBA / 78 \times \text{number of members in Group (10)}$
Chairman of Overview & Scrutiny Committee	1.5xBA
Vice-Chairmen of Overview & Scrutiny Committee (2)	0.5xBA
Chairman of Health Scrutiny Committee	1.5xBA
Vice-Chairmen of Health Scrutiny Committee	0.75xBA
Liberal Democrat Spokesman (5)	0.5xBA
Labour Spokesman (3)	0.5xBA
Deputy Executive Member (8)	1xBA
Chairman of Audit Committee	1xBA
Chairman of Pensions Committee	1xBA
Chairman of Development Control Committee	1xBA
Chairman of the Council	1xBA
Vice-Chairman of the Council	0.25xBA

**NOTE: Members are restricted to one SRA each** (that of the highest value).