

**Stevenage Borough Council**

# **Members' Allowances Scheme**

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**The report of the Independent Remuneration Panel**

**December 2015**

## **Introduction**

**The Members' Allowances Scheme for Stevenage Borough Council was last fully reviewed in 2011. There was a further review in 2013 to consider minor organisational changes. There is a statutory requirement for the scheme to be subject to independent review every four years. For this purpose an Independent Panel was convened in October 2015 by the Chief Executive.**

## **Membership of the Panel**

- **Stephen Hollingsworth MA FRSA, Management Consultant.**
- **Nicholas Moss JP Independent Person, North Hertfordshire District Council.**
- **Bill Welch ACIS, Former Corporate Director, Stevenage Borough Council.**

## **Terms of Reference**

The Panel is required to make recommendations to Stevenage Borough Council on the following matters:

- The amounts for Basic and Special Responsibility Allowances
- Allowances for Independent (Co-opted) persons for Standards and Audit Committees
- Allowances for the Mayor and Deputy Mayor (the Panel were asked to consider these allowances although they are outside the scope of the Scheme)
- Travelling and Subsistence Allowances
- Allowances in respect of expenses incurred in arranging care for children and dependents
- Annual adjustments to the scheme
- Pensions

## **Context of the Report**

Stevenage Council is once again in a period of transition. The new Chief Executive Scott Crudginton is anticipating restructuring in the coming year against a background of further cuts to government grants moving the Council further towards self-sufficiency.

The major programme is Town Centre regeneration with plans to create a mixed retail, business and residential environment linked to a development of the railway station.

The Council have around 700 employees covering about 120 services or functions. The Council are also landlord to 8,200 homes with plans for a further 300 new homes over the next 5 years.

The town is economically diverse leading to a complex service environment. Life expectancy in the town is seven years less than other parts of Hertfordshire. There are high levels of smoking and

personal debt. Some residents have complex needs that require support from Council Staff and Councillors and the Council are seeking to tackle this dependency by encouraging people to help themselves more than they have been accustomed to in the past.

## **Process of the Review**

The Panel met on three occasions between October and December 2015.

We were briefed by the Chief Executive and provided with relevant documentation for consideration.

We met with the Leader of the Council and the Leaders of the opposition parties.

All other councillors were invited to meet with us or make written representation. None chose to do so.

We were supported by Council Officers and in particular Maureen Nicholson who coordinated our requirements and provided excellent support.

## **Determining Levels of Allowances and Expenses**

We were advised by the Chief Executive and the Leader that the structure of the Council will change radically in the next year or two due to changes in regulation and budget constraints.

**The Panel's view is that such changes will require a new allowance scheme. We recommend a further, in depth, review once the new structure has been agreed.**

With this in mind, the Panel's approach has been one of ensuring that the existing scheme remains fit for purpose within the current structure.

We had regard to the Local Authorities (Members' Allowances) (England) Regulations 2003 and New Council Constitutions: Guidance on Regulation for Local Authority Allowances.

From our meetings with the Leaders and Officers and from the reports provided we were able to assess the scope and time commitments that could reasonably be expected from councillors.

We also reviewed earlier reports on the scheme from 2001 to the current arrangements to ensure that the principles that form the basis of the present Allowance regime remains sound. We were satisfied that they did.

## **Basic and Special Responsibility Allowances**

The Panel noted that the Basic Allowance paid to members of SBC continues to be generally higher than the Basic Allowance paid to members of other Councils in Hertfordshire. We considered the Allowance in terms of the amount of effort and commitment required and the salary scale

benchmark which was set some years ago at the Principal Officer 1 level which is broadly similar today. We noted the importance of the long-established principle that some element of the work should continue to be voluntary. Having considered these points we concluded that the level of the Basic Allowance continues to be justified.

The Special Responsibility Allowances have been the subject of more frequent review in the past, most recently in August 2013. The Panel noted that since then the number of Overview and Scrutiny Panels had been reduced and we saw evidence that they are working effectively.

The Leader told us that she now gives each member of the executive annually a set of objectives linked to the relevant officers' objectives. There is not yet a process for assessing whether or not the members have met their objectives.

We also noted that the workload of the Licensing Committee has significantly reduced and we considered the matter of the Chair's allowance. However, we also noted that the workload fluctuates and the Panel considers the role to have considerable personal responsibility. Therefore we recommend that the allowance should remain unchanged.

#### ***Consideration of a request for an SRA for a Minority Group Leader***

The Leader of the Minority Opposition Party has made a comprehensive submission that his post should receive a special responsibility allowance. He gave the panel a number of examples of his activities which, in his view, warranted an SRA. The Panel considered these examples and concluded that many were activities undertaken in his role as a ward member. However we noted that as a minority opposition party leader he is invited to briefings with the Chief Executive and other Senior Officers and effectively treated in the same way as the Leader of the Opposition for which a special responsibility is paid. He also advised us that he was invited to participate in civic events in his role as Party Leader.

We sought to clarify the nature of the additional meetings and briefings he attends and we were advised that the invitation to attend was extended as a courtesy and attendance was not a requirement.

Taking account of the Councillor's submissions the panel noted that the Council is fulfilling its obligations under the regulations that a special responsibility allowance shall be paid to at least one member not in the controlling group. However the Panel also noted, as it has done previously, that the position of leader of a minority party falls within the regulations as eligible for consideration for a special responsibility allowance.

When the issue of an SRA for this position has been considered in the past, previous panels have taken into account the guidance on the regulations that states: "These special responsibilities must be related to the discharge of the authority's functions". Hence the panels have taken the view that SRAs are payable for posts that are defined in the constitution of the Council and require a significant level of commitment over and above that required of a councillor receiving just a basic allowance.

As a point of reference we have also looked at the arrangements adopted in the nine other District Councils in Hertfordshire. Five of the District Councils make provision for an allowance for the Leader of the Minority Opposition and five do not. Of the five that do make provision two grant a small fixed allowance and three make a small allowance depending on the number of members in the minority group. This evidence is inconclusive for the purposes of this report.

There is no doubt that the Leader of the Minority Party works particularly hard and is very experienced. However it is important to distinguish between duties which might rank for a special responsibility allowance and those which are compensated for by the basic allowance.

In our opinion many of the examples we were given were covered by the basic allowance. We noted also that political activities fall outside the scheme. Further, the position of Minority Group Leader does not feature in the Council's Constitution and as such has no formal position, "... related to the discharge of the authority's functions."

We conclude on balance that the position or positions of Leader of Minority Opposition Group or Groups should not at this point rank for an SRA.

However we have referred earlier in this report to the fact that it is anticipated that the Council will be restructured in due course. This will provide the Council with the opportunity to formalise the position of Leader of the Minority Opposition in the constitution. At that point the panel would be pleased to consider this matter again.

In all other respects we concluded that the remuneration for Special Responsibility Allowances continues to be appropriate within the current structure.

## **Basic and Special Responsibility Allowances**

Basic Allowance	Paid to all Members	£7,353
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### Special Responsibility Allowances

- (i) Leader of the Council - £20,644
- (ii) Executive Members - £10,111
- (iii) Chair of Planning and Development Committee - £10,111
- (iv) Chair of Overview & Scrutiny Committee - £9,078
- (iv) Chair of Licensing Committee - £7,226
- (v) Chairs of Select Committees - £5,161
- (vi) Chair of Audit Committee - £4,129
- (vii) Leader of the Opposition - £4,129

## **Allowances for Independent (Co-opted) Persons for Standards and Audit Committee**

These allowances as defined in the existing scheme should continue.

Independent Person for Standards Allowance	£1,249
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Independent Person for Audit Committee Allowance	£1,249
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## **Allowance for the Mayor and Deputy Mayor**

We note that the Mayor and Deputy Mayor perform an important and valued role within the community of Stevenage with a significant programme of duties. These allowances, as defined in the existing scheme, should continue.

Mayor	Scale (ii) £10,111 + clothing allowance £1,500
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Deputy Mayor	Scale (v) £5,161
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## **Travelling and Subsistence Allowances**

The existing arrangements where these allowances are the same as those fixed for employees of the Council should continue.

## **Allowances for expenses incurred in arranging care for children and other dependents**

The Panel notes that no claims have been made against this provision. However we recommend that it should continue to be available at existing rates:

Child Care                      Maximum of £7.00 per hour

Dependent Care                Maximum of £11.00 per hour

These allowances can be claimed by Councillors attending approved duties.

Payment to relatives will not be admissible and there will be a maximum allowance of 20 hours per month. Receipts will need to be provided.

## **Pensions**

With effect from 1st April 2014 access to the Local Government Pension Scheme for Councillors has been withdrawn.

## **Variations**

All allowances quoted are current figures which are index linked to any pay awards applicable to NJC staff.

## **Consolidation of allowances paid**

As noted in a previous report, the Panel recommends that, when Members' allowances are published in future, the basic allowance and any special responsibility allowances are presented as consolidated figures. This format will make it clear to the electorate the total amount that has been paid to each member. Where Members have agreed to take a voluntary reduction in their basic allowances we recommend that the reduced amount is also made clear.

We confirm that the foregoing views are those of the members of the Independent Remuneration Panel. We commend our recommendations to the Council for its consideration.

Stephen Hollingsworth

Nicholas Moss

William Welch