

Stevenage Borough Council

Members' Allowances Scheme

The report of the Independent Remuneration Panel

December 2019

1. Introduction

The Members' Allowances Scheme for Stevenage Borough Council (the Council) was last reviewed in 2015. There is a statutory * requirement for the scheme to be based on recommendations of an independent review. For this purpose an Independent Panel was convened in August – November 2019 by the Council's Chief Executive.

*Local Authorities (Members' Allowances) (England) Regulations 2003

2. Membership of the Panel

- **Marian Hurle BEd, DMS, Former CEO Stevenage Citizens Advice Bureau (Panel Chair)**
- **Nicholas Moss JP, Independent Person, North Hertfordshire District Council.**
- **Bill Welch ACIS, Former Corporate Director, Stevenage Borough Council.**

3. Terms of Reference

The Panel was asked to review the Members' Allowances Scheme and to produce a report for the Council.

4. Context of the Report

The basic functions and Member decision-making structure of the Council have remained as they were in 2015.

The Council has around 700 employees covering about 120 services or functions. The Council is also landlord to 8,200 homes with plans for a further 350 new homes over the next few years. There are 39 Members of the Council.

The town continues to face unique challenges resulting, not least, from its diverse population. The town is also diverse economically. Life expectancy in the town is seven years less than in other parts of Hertfordshire. There are high levels of smoking and personal debt. Some residents have complex needs that require more support from Council staff and Councillors.

Additionally, the panel was conscious of a number of initiatives that the Council is undertaking. They include town centre regeneration, housing development, the co-operative neighbourhood management programme and its work on homelessness and rough-sleeping.

These challenges are made more difficult by the need for the Council to manage within a tight budget. Taken together they put substantial demands on both the Council's Members and on the services for which they are ultimately responsible.

5. Process of the Review

We met seven times between August and November 2019.

All Councillors were invited to meet us or to make written representations.

We met the Leader of the Council, the Deputy Leader, the Leaders of the Opposition parties, and the Mayor and Deputy Mayor.

We were briefed by the Chief Executive and a Senior Director and were provided with relevant documentation.

We were very ably supported by Jackie Cansick (Constitutional Services Manager) and her colleagues.

We express our thanks to them all.

In addition to our interviews with Members and Officers we reviewed the 2015 Independent Remuneration Panel report and other information about allowances from the Council and other Authorities in Hertfordshire and elsewhere. This research helped to inform our review.

6. Basis of our Recommendations

Our recommendations comply with the Local Authorities (Members' Allowances) (England) Regulations 2003. We also had regard to the associated guidance.

Subject to our recommendations, we concluded that the current scheme of allowances and expenses is sound.

7. Basic Allowances

We noted that the Basic Allowance paid to members of the Council continues to be higher than the Basic Allowance paid to members of other Councils in Hertfordshire.

We considered this Allowance in terms of Members' effort and commitment. We also took into account the long-established principle that some element of the work should be voluntary. Having balanced these points we concluded that the approach underpinning the Basic Allowance continues to be justified because of the particular demands on the Council, as summarised in the *Context of the Report* section. We concluded that the remuneration level for the Basic Allowance continues to be justified.

8. Special Responsibility Allowances (SRA)

General observations

We noted that the SRA paid to members of the Council's Executive and to other Members who occupy significant positions within the Council, as permitted by the regulations, continue to be among the highest in Hertfordshire.

We considered the SRA in terms of Members' effort and commitment. We took into account also the long- established principle that some element of the work should continue to be voluntary. Having balanced these points we concluded that special responsibility allowances continue to be justified because of the particular demands on the Council, as summarised in the *Context of the Report* section.

Specific considerations

Licensing Committee Chair

However, during our review, it became apparent that one position for which an SRA is paid warranted further consideration. The Licensing Committee has had little business to consider: it has met only once during the last two years. We understand that its work outside Committee meetings is also limited.

In these circumstances we cannot justify the current SRA payable. However, given that the committee is a statutory requirement under the Licensing Act 2003 it follows, first, that it needs a chair and, second, that the holder of that position can reasonably be regarded as having a special responsibility. In balancing these two considerations – statutory obligation, but limited work - we recommend a lower payment of £4382 from 1st April 2020 subject to any uprating as discussed below.

Minority group leader

The Panel's report of 2015 considered the appropriateness of an SRA for a Minority Group Leader. It did not recommend making such a payment, but suggested that the subject could be considered in the future.

The current Panel received representations from the leaders of the two Opposition Parties. Only one receives an SRA: the Leader of the Majority Opposition Group. We are persuaded that the position of the Minority Opposition Group Leader(s) is such that an SRA is also justified on the following grounds.

We have noted the powers available to the Council under the regulations to make such a payment. We have concluded that the roles of the group leaders are, and are likely to continue to be, similar. In these circumstances it is difficult to justify paying one, but not the other(s). However, we believe that the position of the majority Opposition Leader should continue to be acknowledged by a higher payment than to any other Minority Group Leader(s).

In recommending a figure we have taken into account the fact that any payments made by other Authorities in Herts are very modest. Accordingly, we recommend a payment of £1,500 from 1st April 2020 subject to any uprating as discussed below.

Allowances for Independent Persons for Standards and for the Audit Committee

These allowances as defined in the existing scheme should continue.

Allowance for the Mayor and Deputy Mayor

We noted that the Mayor and Deputy Mayor perform an important and valued role within the community of Stevenage with significant duties. On that basis we concluded that these allowances* should continue.

** These allowances are outside the formal Members' Allowances Scheme*

Travel and Subsistence Allowances

The existing arrangements for members' travel and subsistence allowances should continue.

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

The Panel was advised that no claims had been made against this provision. However, we recommend that it should continue to be available, consistent with the Council's policy on equality.

We recommend an increase to the rate applicable having noted that it has remained unchanged since at least 2015, during which time costs have risen. Having these allowances available could help reduce barriers to potential candidates seeking election as a Councillor. An increase would also be in line with the Council's policies on equality. The proposed allowances have regard for our understanding of current market rates.

Child Care up to a maximum of £11.00 per hour

Dependent Care up to a maximum of £25.00 per hour

These allowances can be claimed by Councillors attending approved duties.

There will be a maximum allowance of 20 hours per month. Receipts will need to be provided. The panel noted the current prohibition on payments to relatives. The Council may wish to reconsider this restriction and perhaps contemplate limiting any restriction to carers living in the same household as the person(s) requiring care.

Basis for Uplift

We recommend that all allowances should continue to be uprated in accordance with the percentage increase of any pay award made to officers under the NJC terms and conditions of service. Such uprating would be based on the allowances quoted below.

Summary of Allowance Recommendations

In summary the panel recommend that the following allowances are implemented from the 1st of April 2020 subject to any uprating as referred to above.

Basic and Special Allowances

Basic Allowance - Paid to all Members - £7,804

Special Responsibility Allowances

- (i) Leader of the Council -21,909
- (ii) Executive Members - £10,730
- (iii) Chair of Planning and Development Committee - 10,730
- (iv) Chair of Overview & Scrutiny Committee - £9635
- (v) Chair of Licensing Committee £4382
- (vi) Chairs of Select Committees - £5,477
- (vii) Chair of Audit Committee - £4,382
- (viii) Leader of the Opposition - £4,382

Leader of minority opposition party(ies). £1,500

Independent Person for Standards and for Audit Committee Allowances

Independent Person for Standards £1,325

Independent Person for Audit Committee £1,325

Deputy Mayor £5,477

Travel and Subsistence Allowances

The existing arrangements for members' travel and subsistence allowances should continue.

Child care and Dependent Care Allowances

Child Care up to a maximum of £11.00 per hour

Dependent Care up to a maximum of £25.00 per hour

Consolidation of allowances paid, as published

As noted in the 2015 report, we recommend that, when Members' allowances are published, the basic allowance, any special responsibility or other 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 any Member has elected to forgo his/her entitlement or any part of his/her entitlement to allowances that such election is made clear. 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.

Marian Hurle

Nicholas Moss

Bill Welch