

Stevenage Borough Council

Members' Allowances Scheme

The report of the Independent Remuneration Panel

December 2023

1. Introduction

There is a statutory * requirement for regular independent review of the Allowances Scheme for Members of Stevenage Borough Council (the Council). The scheme was last reviewed in 2019 and another review is now required. For this purpose, an Independent Remuneration Panel was convened by the Council's Chief Executive.

*Local Authorities (Members' Allowances) (England) Regulations 2003, as amended.

2. Panel members

- **Marian Hurle BEd, DMS, Former CEO Stevenage Citizens Advice Bureau (panel Chair)**
- **Nicholas Moss OBE, 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 produce a report for the Council making recommendations for a Members' Allowances Scheme for 2024-2025.

4. Conduct of the review

The panel met seven times between September and December 2023.

We met the Leader and the Deputy Leader of the Council, the Leaders of the Opposition parties, and two other Councillors who had asked to speak to us,

In addition, we were briefed by the Chief Executive and the Strategic Director of the Council.

We were supported very ably by Ian Gourlay (Senior Democratic Services Officer). Our thanks to him also for all the documentation that he provided so efficiently. We are most grateful not only to him, but also to other colleagues for their help.

In addition to interviews with Members and Officers we reviewed our 2019 report and other information about allowances payable to members of other authorities in Hertfordshire. This research helped to inform the review.

Our recommendations comply with the Local Authorities (Members' Allowances) (England) Regulations 2003.

5. Context

We have noted that the structure and functions of the Council have remained broadly the same since 2019. There are still 39 Members of the Council. The number of employees is slightly lower than it was in 2019 at 691. The Council is still landlord to just under 8,000 Council homes and 1,443 leasehold properties.

We have noted, also, that the Council continues to initiate and support new projects for the town. The *Future Town Future Council* strategic plan includes the ongoing regeneration of the town centre; providing homes for local people; and improving the neighbourhoods that make up the Council's area. Stevenage Councillors work with Officers and other partners to help to generate external funding for these projects.

6. Background to the Members' Allowances Scheme

In making our recommendations we have noted that the allowances currently paid to Members of Stevenage Council are significantly higher than the amounts paid to members of other borough and district councils in Hertfordshire (the comparator group).

Information sought by us shows that the total cost of the current Stevenage allowance scheme is £522,000. Expressed as a percentage, at 4.21% of the Council's revenue budget, it is the highest proportion of any other council in the comparator group.

That has resulted, for example, in the basic allowance – payable to all Members – being the highest in the comparator group. It was also 38% higher* than the average paid to members in the group. Many of the special responsibility allowances are also significantly higher than the amounts payable to those with similar roles in comparator group councils. [* See 7. below.]

Further, during our evidence-gathering from Stevenage Council Members and Officers, it became clear that the Council is facing substantial financial pressures and that, as a result, it has judged that it must make savings.

In the light of these points, we have reached the view that recommending further increases in the basic and special responsibility allowances for 2024/25 would cause them to continue to be out of step with the amounts paid to members of councils in the comparator group.

We have taken into account also a long-established principle underpinning the scheme that allowances are not salaries; and that a significant part of Councillors' work is expected to be voluntary.

As before, we have been highly impressed by Members' commitment to their Borough. Nothing in our report should be taken as diminishing that recognition. Nevertheless, for the reasons set out above we do not consider that it would be fair for the Council to continue to maintain the significant differences between allowances paid to Stevenage Borough Councillors and those paid to members of comparator group councils.

However, we do feel that the allowance payable to the leader of a minority opposition party should be determined more equitably, a measure that could be implemented without increasing the overall cost of the present scheme. Similarly, we believe that reimbursement for dependants' carers' allowances warrants uprating.

7. Recommendations

Basic Allowance

We have noted at 6. above that the Basic Allowance paid to members of Stevenage Council until April 2023 was £8,490*. Using like-for-like information, it is 38% higher than the average Basic Allowance paid to members of other Councils in the comparator group. [* An index-linked increased from April 2023 has taken it to £8,819.]

Special Responsibility Allowance (SRA)

In considering the existing SRAs we have looked at the amounts paid to the Leader and to Executive Members.

The allowance paid to the Leader is around 32% higher than the average for leaders in the comparator group, excluding Watford, which has no leader. It has an executive mayor.

The allowance paid to Executive Members on Stevenage Council is around 20% higher than the average for Executive Members in the comparator group.

This significant differential is broadly replicated across the other SRAs paid to Stevenage Councillors. For the reasons set out above, we do not believe that they warrant adjustment, save those noted below.

Minority group leader

In our report in 2019 we recommended making a modest SRA payment to all the group leaders. We are pleased to note this has since been implemented.

For the 2023 review we have received evidence from the Leader of the majority opposition party and from a Leader of a minority opposition party. As explained by them to us, it appears that the difference between the roles of the two group leaders is minimal. Therefore, we do not consider that it is equitable to maintain such a significant difference in the sums paid to these post holders. We recommend

that the arrangements for SRAs paid to the Leader of the majority opposition group and the Leader(s) of the minority opposition group(s) are amended so that:

- The allowance to the Leader of each group is paid pro rata to the number of members in that group.

This means that the money to be allocated for this purpose is the same as the total paid to those group leaders in 2023/4. An amendment would result in the following for the year 2024/5:

- Leader of the majority opposition group, 9 Members at present x £443.06 = £3,988
- Leader of the minority opposition group, 6 Members at present x £443.06 = £2,658

If accepted by the Council, this amendment would make no change to the total cost to the Council of this allowance.

Dependants' carers' allowance.

From evidence that we received, it became apparent to us that the allowance payable to Members with caring responsibilities – particularly for adults - warrants re-consideration.

The present scheme limits reimbursement for the care of [adult] dependants and for child care to 20 hours per month. Evidence indicates that a 20-hour limit is likely to be insufficient to meet the legitimate needs of Members with caring responsibilities, particularly, but not solely, for adults. We have noted also that the current system does not take into account the possibility of variations in care needs from month to month.

Given that this is reimbursement for cost incurred, we recommend:

- i) Changing to an annual allowance with a maximum of 360 hours. Moreover, we recognise that there may be special circumstances where even this may be insufficient. To accommodate that contingency, we recommend that the Leader should have discretion to increase the maximum allowance where demonstrably necessary.
- ii) Revising the form for Members to claim this allowance to enable it to be used for the purpose for which it is intended.

Travelling and Subsistence Allowance

This allowance provides for the re-imbursment of expenses incurred while on Council business as set out in the NJC terms and conditions of service for Officers. We recommend that the existing arrangements should continue. That is to say, any increase in sums payable under an Officers' scheme should be applied to Members.

Summary of Allowance Recommendations

We have noted in our report that the basic and SRA allowances for Stevenage Councillors are significantly out of step with amounts payable to members of councils in the comparator group. Therefore, we recommend that the basic and SRA remain unchanged for the year from 1st April 2024, other than for opposition and minority group leaders, as noted at 7. above.

They are:

Basic Allowance

- Payable to all Members: £8,819

Special Responsibility Allowance

- Leader of the Council: £24,756
- Executive Members: £12,124
- Chair of Planning and Development Committee: £12,124
- Chair of Overview & Scrutiny Committee: £10,888
- Chair of Licensing Committee: £4,952
- Chairs of Select Committees: £6,189
- Chair of Audit Committee: £4,952
- Leader of the Opposition: £443.06 per majority opposition group member (x 9 at present: £3,988)
- Leader of minority opposition party: £443.06 per minority opposition group member (x 6 at present: £2,658)

The formula set out in our recommendations to apply if there is more than one minority opposition group.

Travelling and Subsistence Allowance

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

Dependants' Carers' Allowance

Child care

Child Care: up to a maximum of £12.36 per hour

Adult care

Adult care: up to a maximum of £28.26 per hour

Both of these allowances to change from a monthly maximum of 20 hours to a maximum of 360 hours over the year, subject to Leader's limited discretion at 7. above.

The form for claiming these allowances should be revised so that it is fit for purpose.

Publication of allowances paid as consolidated amounts

In the 2019 report we recommended that, when Members' allowances are published, the basic allowance, any special responsibility or other allowances should be presented as consolidated figures as well as in the manner prescribed in the regulations.

We believed that such a formula would make clear to electors the total amount that had been paid to each Member. We recommended also that where any Member had elected to forgo her/his entitlement, or any part of it, that such election would be made clear. We recommended, also that any reduced amount paid to a member should be made clear. We repeat those recommendations in this report because we believe them still to be valid.

Existence of Allowances for Councillors

During our interviews with witnesses, we were surprised to learn that it is not political parties' practice routinely to advise potential candidates that allowances are available to elected Members.

We consider that if local authorities are to be representative of the communities they serve, it is important that the availability of allowances is made known to those who may be interested in seeking candidature.

We understand that the rationale for not doing so is to mitigate the risk of attracting potential candidates principally because of the allowances. In our view, this is a flawed argument because of the parties' vetting procedures which are designed to identify unsuitable candidates at an early stage.

We commend our recommendations to the Council for Members' consideration.

Marian Hurle

Nicholas Moss

Bill Welch

December 2023