

The Welland Partnership Members Remuneration Panel

Report to Melton Council Meeting

1. Purpose of Report

- 1.1 This Report has been prepared by the Independent Panel set up to make recommendations and provide guidance to the Council in respect of its scheme for Members' allowances.
- 1.2 The Report sets out the Panel's recommendations for the Council's consideration.

2. Framework

- 2.1 The Local Government (Members' Allowances) 2003 Regulations put in place a consolidated and simplified framework for allowances that covers Principal Councils and Parish and Town Councils.
- 2.2 Part 4 of the Regulations makes provision for the establishment of an Independent Panel to make recommendations concerning allowances, travel and subsistence and pension provision. The Welland Remuneration Panel, comprising John Cade (Chair), John Greenwood, Ian Davis and Gordon Wells, is compliant with the necessary arrangements.
- 2.3 A Council is unable to revoke or amend its scheme of allowances without first considering the recommendations of an Independent Panel. Whilst the Council is not bound by the recommendations of the Panel, there is a duty placed upon it to consider the recommendations, publish the Panel's recommendations and publish its Scheme.

2.4 Essentially, legislation provides that Local Authorities' Schemes of Allowances:

- Must make provision for a Basic Allowance, payable to all Members.
- May make provision for Special Responsibility Allowances.
- May include provision for payment of travel and subsistence expenses.
- May include provision for Co-optee Allowances

2.5 Government guidance on the scheme has generally become more relaxed. There are, however, three constraints on the Panel's work which it is important to highlight:

- Attendance Allowances are prohibited.
- The Basic Allowance has to be paid equally to all Members.
- Where one or more Groups on a Council form an Administration, a Special Responsibility Allowance must be paid to a Member of the Opposition – usually paid to the Leader of the Opposition.

2.6 Allowances can be backdated to the beginning of the financial year and can be withheld when a Councillor is suspended.

2.7 For the avoidance of doubt the Council has also adopted the good practice that only one Special Responsibility Allowance can be claimed.

3. Our way of working

3.1. As with our previous reviews for your Council, we are always keen to hear from as many Councillors as possible on the scope of the allowances scheme. There is rarely a consensus of view – some Councillors emphasising the voluntary nature of the role while others believe there is a need for better remunerations. We need to be aware of these opinions in conjunction with the comparative information we look at from neighbouring and similar sized Councils.

3.1 Our Panel met to take evidence at Parkside, Melton Mowbray on Tuesday 4th February 2020.

3.2 Over the course of the day we met with Councillor Joe Orson (Leader of the Council), Councillor Ronnie De Burle (Cabinet Portfolio Holder for Corporate Finances and Resources), Councillor Pat Cumbers (Scrutiny Chair), Councillor Rob Bindloss (Scrutiny Vice-Chair), Edd de Coverly (Chief Executive) and Adele Wylie (Monitoring Officer). We also had conference calls with Councillor Leigh Higgins (Deputy Leader and Portfolio Holder for Growth and Prosperity) and Councillor Elaine Holmes (Leader of the Opposition). We also received a written submission from Councillor Jacob Wilkinson (Vice-Chair Audit and Standards Committee). In addition to the conference call the Deputy Leader also provided us with a written submission.

3.3 We are very grateful to all those who gave us oral and written evidence.

3.4 The other key component to our work is to examine how Melton's allowances compare with neighbouring and similar sized Authorities.

3.5 We are very grateful here for the comparative information provided to us by Natasha Taylor (Democratic Services Manager). This was provided both in table and graph format which we found very helpful. The comparative Councils are: Babergh, Blaby, Charnwood, Hinckley and Bosworth, Mid Suffolk, N.W Leicestershire and Selby.

3.6 Natasha also provided us with excellent support throughout the process.

4. Context

4.1 There is an important context to our review. In anticipation of your move to an Executive/Scrutiny model of governance at your Annual General Meeting on 16th May 2019 you asked us to undertake a preliminary review. This was presented to your Council meeting on 13th February 2019.

4.2 This posed a challenge for us. Whilst there were certain matters already determined (i.e. the establishment of a Scrutiny Committee) other matters, understandably, were still in the course of being decided. So, whilst we felt confident enough to recommend new Special Responsibility Allowances (SRAs) for the Scrutiny Chair and Vice-Chair positions and an enhanced SRA for the Deputy Leader post, we took the view that we needed to see how other roles developed before making further recommendations. You agreed this approach at your Council meeting.

4.3 So essentially this review has been about examining the impact of your move from a Committee to an Executive/Scrutiny form of governance.

5. Findings

5.1 Basic Allowance

1.1.1. As with other Councils, this is a contentious area. For most Councils the genesis for this allowance will have been a factor of the mean non-manual salary for the locality with a significant discount for public service applied.

1.1.2. There is no doubt that this level of remuneration makes it difficult for younger people of working age with commitments such as mortgages to become Councillors. But to improve this

situation would require not marginal change but significant uplifts.

1.1.3. In the evidence we received, a thoughtful case for linking basic allowances to the national living wage was made. In our view, whilst this would provide for a slightly greater increase than your current model with index linking to your Officers' annual pay award, it would still not "bridge the gap". Moreover, we are mindful of the following 3 factors:

- a) Previously you have said that, in a sense of "One Council" you would want future increases to be in line with your Officers' increases.
- b) The move from a Committee system to an Executive/Scrutiny system of governance is essentially neutral in terms of time commitment of non-Executive Councillors. (Indeed, in other Councils it has been said that, with the removal of Committee work, time commitment reduces.)
- c) The statistics we were provided with show that for the basic allowance you are not out of step with comparator Councils.

5.1.4. For the above reasons we believe the basic allowance should remain unaltered at £4,900 pa with index linking to Officers' annual pay awards (with the next one imminent)

1.1. Special Responsibility Allowances

1.1.1. Leader

1.1.1.1. In our report to you of January 2019 we wrote that a move to an Executive model of governance can be expected to place increased responsibility on Executive Members. However, we needed to see the evidence for this before making any recommendations.

1.1.1.2. In the evidence given to us we were told of the inevitable “gravitational pull” to the Chair of the Cabinet – ie the Leader – in being the focal point for strategic policy decisions and contact by Partners.

1.1.1.3. We recommend that the Leader’s SRA should be set at a factor of 3 x Basic Allowance (£14,700 pa)

1.1.2. Deputy Leader

1.1.2.1. In our report to you of January 2019, we felt that there was sufficient information to determine that the role of the Deputy Leader would be augmented. The role would not only have a portfolio in its own right but would also have an important deputising role for the Leader. We therefore recommended that this SRA should be a factor of 1.85 of the Basic Allowance which your Council confirmed.

1.1.2.2. We believe from the evidence we received that there is a case for providing a further modest increase to a factor of 2 x Basic Allowance (£9,800 pa).

1.1.2.3. This will place the Deputy Leader’s SRA towards the upper end of the band for other comparable Authorities.

1.1.3. Cabinet Members

1.1.3.1. There can be no dubiety that Cabinet Members have more personal responsibility and accountability than Committee Chairs in that they have delegated powers to take individual decisions themselves (based on an Officer’s report).

1.1.3.2. They also currently receive the lowest SRA of all their comparator Authorities.

1.1.3.3. We believe that they should receive an SRA of a factor of 1.25 x Basic Allowance (£6,125 pa).

1.1.4. Scrutiny Chair and Vice-Chair

1.1.4.1. In our report to you of January 2019 we wrote that we heard both from the Leader and Chief Executive that they saw a pro-active and robust overview and scrutiny function as an essential ingredient for the good governance of the Council.

1.1.4.2. This led us to recommending – which you agreed – that the Chair of the Scrutiny Committee should receive an SRA equivalent to that of a Cabinet Member (“parity of esteem”).

1.1.4.3. The evidence we received confirmed our view that this relationship should be maintained and we recommend that the Chair of Scrutiny should receive an SRA of a factor of 1.25 x Basic Allowance (£6,125 pa).

1.1.4.4. We also believe that an adjustment should be made to the Vice-Chair of Scrutiny’s SRA to be £2,000 pa.

1.1.5. Regulatory Committees

1.1.5.1. Regulatory Committees are largely unaffected by a move from a Committee system of governance to an Executive/Scrutiny model.

1.1.5.2. We received a number of comments that, whilst the Planning Committee was meeting less frequently, the Licensing Committee met even less often.

1.1.5.3. We understand why it is therefore felt that the latter should have a lower SRA. However, we maintain our view that, given that the SRA is a remuneration for responsibility held, not the amount of time spent, the remuneration for the 3 Regulatory Chairs and Vice - Chairs should remain the same (i.e. £4,166 pa and £1228 pa respectively).

1.1.5.4. The payment of site visit allowances (currently £32.64 per visit) was also raised with us.

1.1.5.5. We take the view that, whilst new technology can help in the remote viewing of plans, certain more high-profile planning applications definitely benefit from Members seeing the site of the proposal first-hand.

1.1.5.6. We, therefore, recommend that the site visit allowance should be £35.00 per visit and should be index linked in the same way as all other allowances.

1.1.6. Leader of the Opposition

1.1.6.1. With there being no scrutiny function under your previous Committee governance arrangements you paid a sum of £711 pa to the Leader of the Opposition to recognise the additional responsibilities this created. This now needs to be removed.

1.1.6.2. We, therefore, recommend that the Leader of the Opposition receives an SRA of £2,000 pa.

2. Car Allowances

2.1. We also received evidence around the existing car mileage allowance of 65p per mile on which there will be a significant subsequent tax deduction. We believe it would make more sense – and help to demonstrate the Council’s “green” credentials – to reduce this to 45p per mile. This is the HMRC advised figure for which there is no tax liability and is the rate paid by your comparator Authorities, with one exception.

3. Child Care and Dependant Carers’ Allowance

3.1. We also received evidence from the Monitoring Officer that the current hourly rate of £6.95 for carers was insufficient and not in line with current market rates. We believe this should be amended so that a Member shall be entitled to claim an allowance

of up to £10.50 per hour in respect of expenses actually incurred in arranging child care and dependants' relative care whilst engaged on any of the approved duties subject to a maximum amount in any year of £1500.

4. Payment in Respect of other Roles

- 4.1. It is recommended that the payments in respect of the Independent Person (£491 p.a.) and Parish Representative (£318 p.a.) are removed to reflect current practice in terms of remuneration for these roles.

5. Budget Implications

The full year budget cost of our recommendations is £13,063. There will also be a modest additional cost for Planning Site Visits and a modest saving with proposed new car mileage rate and removal of the Independent Person and Parish Representative allowances.

The financial implications are set out in detail in the attached appendix.

6. Recommendations

- 6.1. That the basic allowance (index linked to Officers' annual salary awards) remains unaltered.
- 6.2. That the Leader of the Council's SRA be set at 3 x Basic Allowance.
- 6.3. That the Deputy Leader's SRA be set at 2 x Basic Allowance.
- 6.4. That the Cabinet Members' SRA be set at 1.25 x Basic Allowance.
- 6.5. That the Scrutiny Chair's SRA be set at 1.25 x Basic Allowance.
- 6.6. That the Scrutiny Vice-Chair's SRA be £2,000 pa.

- 6.7. That the Regulatory Chairs' and Vice-Chairs' SRA remain unaltered.
- 6.8. That the Leader of the Opposition's SRA be £2,000 pa.
- 6.9. That the site visit allowance be £35.00 per visit.
- 6.10. That car mileage be set at the HMRC rate of 45p per mile.
- 6.11. That the hourly rate for carers allowance be set at £10.50 per hour with an annual maximum claim of £1500.
- 6.12. That the allowances for Independent Person (£491 p.a.) and Parish Representative (£318 p.a.) be removed.
- 6.13. That the special responsibility allowances be backdated to the start of the 2019/20 municipal year.

John Cade,
Chairman, Welland Partnership Members Remuneration Panel

March 2020