

Hertfordshire County Council

REPORT OF THE INDEPENDENT PANEL ON MEMBERS' ALLOWANCES

*November 2014
(for the 2015/16 Scheme of Allowances)*

HERTFORDSHIRE COUNTY COUNCIL

REPORT OF THE INDEPENDENT PANEL ON MEMBERS' ALLOWANCES FOR 2015/16

Introduction

1. The Independent Panel on Members' Allowances comprised 3 independent members: Hazel Bentall, Michelle Drapeau and Alan Lawrence. Apologies were received from Paul Castle. Alan Lawrence chaired the meeting. The Panel met on 07 November 2014, and was supported by Kathryn Pettitt, Chief Legal Officer and Steven Charteris, Head of Democratic & Statutory Services.
2. The Group Leaders on the Council had been invited to make submissions to the Panel on their views on the content of the Members' Allowances Scheme for 2015/16.
3. At the meeting, Robert Gordon, Leader of the Council, attended on behalf of the Conservative Group, and Judi Billing, Deputy Leader of the Labour Group attended on behalf of the Labour Group. Stephen Giles-Medhurst, Leader of the Liberal Democrat Group sent a written submission on behalf of the Liberal Democrat Group. The Panel greatly appreciated the attendance and submissions of members.
4. The Panel compared current information on the allowances schemes of five other county councils and all 10 Hertfordshire District / Borough Councils and considered data from the 2013 National Census of Local Authority Councillors.
5. The Panel also considered a paper prepared by the Chief Legal Officer setting out some matters in the Scheme which needed clarification. In addition there had also been a request that the time period within which allowances claims needed to be submitted be reviewed.

Summary of Recommendations

5. The Panel recommends to Council that:
 - (a) The Basic Allowance should be increased by 1% to £9,781 per annum.
 - (b) The posts qualifying for Special Responsibility Allowance and the formula (multiplier of Basic Allowance) applying to each post be 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 Scheme for 2014/15 subject to the amendment set out below:

Paragraph 3.5 should be deleted and replaced with the following:

' 3.5 Pre-arranged meetings with officers to discuss a matter relating to a County Council service or in which the County Council has an interest.'

- (d) Travel and Subsistence Allowance should keep step with and be paid at the same rates as the Council's Business Travelling and Subsistence Policy for Employees
- (e) The following points of clarification/revision be adopted in the Allowances Scheme:
 - (i) *'Subject to the agreement of the Chief Legal Officer the Chairman of the Council and the Vice –Chairman of the Council may claim travel and/or subsistence allowance for their consort when a consort has been invited to an engagement to accompany the Chairman and/or the Vice-Chairman.'*
 - (ii) *'The start and end point for any journey for which travelling allowance is claimed should be the member's home in Hertfordshire or place of work in Hertfordshire unless there are exceptional circumstances and the Chief Legal Officer agrees to a different start or end point. Exceptional circumstances may include where there is a different start or end point due to compassionate reasons or the member is required to attend a meeting where substitution is not permitted.'*
- (f) The rates for payment of Dependent Carers' Allowance remain as follows:
 - For Childcare – the adult (21 and over) minimum wage per hour (currently £6.31 per hour)
 - For Adult Care - £15 per hour.(In both cases the sums claimed must not exceed the actual sums paid.)
- (g) Co-optees Allowances remain unchanged for the Parent Governor representatives on the Overview and Scrutiny Committee for the time being.
- (h) Save as mentioned above the terms of the Scheme currently in place should continue

Submissions from Groups

- 6.1 The Panel heard the views of Robert Gordon, Leader of the Council, on behalf of the Conservative Group, and Judi Billing, Deputy Leader of the Labour Group. The Panel also received a written submission from Stephen Giles-Medhurst (SGM), Leader of the Liberal Democrat Group.
- 6.2 Robert Gordon (RG) expressed the view that the current system for Allowances generally worked well and that a comprehensive review of the scheme was not required.
- 6.3 RG suggested the Panel consider recommending a modest increase to the Basic Allowance in line with inflation.
- 6.4 RG noted the elements within the scheme which had been identified as requiring clarification. The start and end points in journeys where travel claims can be made would benefit from further clarification. There were complexities, however, as many members had roles and responsibilities in addition to those that they undertook at the County Council and these might impact on the journeys that they undertook (e.g. a member may not have a direct home to County Hall journey if en route they attended a meeting of another body). There might also be occasions where members needed to travel to County Hall for an urgent meeting and the start point might be somewhere other than Hertfordshire.
- 6.5 The panel requested RG's view as to the interpretation of 'constituency matters'. RG's view was that constituency matters were matters which specifically impact on the people living in or the division represented by the member.
- 6.6 RG indicated that he supported the proposal that the Chairman and Vice-Chairman of the County Council should be able to claim travel and/ or subsistence for their consort when a consort had been invited to an engagement.
- 6.7 The panel requested RG's view as to the time period within which members should be required to submit an expenses claim. RG considered that the focus should be on claims being made within the financial year rather than the current requirement that any claims more than three months in arrears needed approval before they were paid..
- 6.8 RG requested that the panel consider at a future meeting the impact of the removal of the ability for members to participate in the Local Government Pension Scheme. This would affect members of the County Council from May 2017.
- 6.9 Following questions to RG the Panel thanked him for attending.
- 6.10 Judi Billing (JB) expressed the view that the Labour Group did not support an increase in the Basic Allowance, while employees were in negotiation regarding pay.

- 6.11 The Panel asked JB about the motivation for members. JB expressed the view that remuneration was not key; rather public service ethos and voluntary spirit are the key drivers.
- 6.12 The Panel requested JB's view on clarification of the start and end point of journeys for which travelling allowance was claimed. JB felt that the member meetings programme was published far enough in advance for members to plan to attend and that the substitution process allowed for adequate member cover to be arranged, avoiding the need to make claims for a start/end location outside Hertfordshire.
- 6.13 JB expressed the view that 'constituency matters' should be regarded in the same way as other meetings which members attended on County Council business. She also considered that the inability to claim the first 20 miles of any journey on constituency business encourages the view that attending meetings of the County Council was a more legitimate activity than community leadership and casework and advocacy roles and she believe this sends entirely the wrong message.
- 6.14 JB indicated that she supported the view that the Chairman and Vice-Chairman should be able to claim travel and / or subsistence for their consort when a consort has been invited to an engagement.
- 6.15 The panel requested JB's view as to the frequency of submission of expense claims. JB expressed the view that the current 3 month time limit was appropriate and therefore should remain as is.
- 6.16 Following questions to JB the Panel thanked her for attending.
- 6.17 Stephen Giles-Medhurst (SGM) submitted the following written submission on behalf of the Liberal; Democrat Group: "My group are content with the allowances panel proposals from last year that allowances should rise in line with the local government employee pay award ie 1%.
- 6.18 The only other point I would have liked to have raised is if a small remuneration should be paid to those 10 councillors who are required to Chair (and have pre meetings to decide format and agenda) of the Highways Liaison Meetings. Maybe £250 to reflect the additional work and time involved."

7. **Basic Allowance**

- 7.1 The Panel noted that the Basic Allowance was £9,684 per annum and a 1% increase had been applied in 2014/15.
- 7.2 The Panel considered the National Wage Inflation Rate for the 3 months up to August 2014, the inflation figures for the Consumer Price Index as at September 2014, the pay settlements for NHS and Fire Services and the National Joint Council offer for consultation as at 7

November 2014. The Panel was also mindful of the County Council's financial pressures.

7.3 The Panel noted that the Conservative and Liberal Democrat groups supported a modest increase. The Labour Group did not support a rise at this time.

7.4 The Panel recommends a 1% increase be applied to the Basic Allowance (£9781) having consideration of the Consumer Price Index, National Wage Inflation Rate and the consultation offers regarding Local Government pay as at 7 November 2014.

8. **Special Responsibility Allowance**

8.1 The Panel recommends the schedule of 38 Special Responsibility Allowances set out in the appendix to this report.

8.2 The Panel considered that the current multiplier schedule for Special Responsibility Allowances remains appropriate.

8.3 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 1%.

8.4 The Panel considered the submission from the Liberal Democrat Group regarding the 10 councillors who are required to Chair the Highways Liaison Meetings. Whilst it is recommended not to make such a change at this time, the Panel would revisit the issue if there was a future submission detailing increased responsibilities. The Panel expressed the view that allowances are determined according to responsibilities and not volume of work.

9. **Dependant Carers' Allowance**

9.1 The Panel recommends that Dependant Carers' allowance remain payable and that separate rates for childcare and adult care continue as below:

Childcare – the adult (21 and over) minimum wage per hour (currently £6.31 per hour)

Adult Care - £15 per hour

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

10. **Co-optees' Allowance**

10.1 Co-optees' Allowance is currently set at £3,196 and can be paid to the four Parent Governor Representatives on the Overview and Scrutiny Committee.

- 10.2 The Panel had noted in last year's review that Hertfordshire's allowance seemed very generous and have agreed to review the level of this allowance in late 2015 in the lead up to the next Parent Governor elections.
- 10.3 The Panel requested that additional information regarding the role of Parent Governor Representatives on the Overview and Scrutiny Committee be provided in advance of the next meeting.

11. Travelling and Subsistence Allowance

- 11.1 The Panel decided not to change the travel and subsistence allowance rates at the current time and recommends maintaining the link with the local rates in the Council's Business Travelling and Subsistence Policy.
- 11.2 The Panel discussed the level of the rate per mile payable for motor cars (45p) and asked that information be brought to their next meeting concerning the volume of mileage allowance claimed.

12 Clarifications/Amendments to the Scheme

- 12.1 The Chief Legal Officer submitted a paper to the Panel prior to the meeting regarding a few matters where it would be helpful if the Scheme were amended or clarified, namely:
- 12.2 *Start/end point of any return journey for which travel allowance is claimed.***
- 12.3 *The Scheme does not specify the start location and end location (after the approved duty has been undertaken) of any journey. It is recommended that the start/end location should be in Hertfordshire (i.e. the Member's home/place of work), although with the ability for a different location with consent of Chief Legal Officer and also that the Scheme includes guidance to claim the direct mileage from the start location to the venue of the approved duty and then from the approved duty venue to the Member's return location.*
- 12.4 The Panel considered the submission and the views of members and recommends that a member's home address in Hertfordshire or nominated place of work in Hertfordshire be considered as start and end points to journeys claimed.
- 12.5 The Panel recommends that provision to be made for exceptional circumstances where claims can be made from other locations. These exceptions should be approved by an officer. The Panel's guidance was that exceptional circumstances may include compassionate grounds or where substitution is not permitted.

12.6 Paragraph 3.5 of Appendix 1 to the Scheme

12.7 Paragraph 3.5 provides:

'Mileage in excess of 20 miles (i.e. the first 20 miles of any journey cannot be claimed) for any one journey to meet with officers of the County Council on constituency matters relating to the County Council.'

12.8 *There is no definition in the Scheme of 'constituency matters' and the need to deduct the first 20 miles of any journey can cause administrative difficulties. The provision was introduced a few years ago to assist members who needed to travel to meetings with officers (primarily on highways issues) where the officer's base was not within the district where the member lived.*

12.9 The Panel considered the paper from the Chief Legal Officer, the views of members and the practise of similar County Councils and recommends:

12.10 (a) That rather than refer to 'constituency matters' the following should be included as an approved duty 'Pre-arranged meetings with officers to discuss a matter relating to a County Council service or in which the County Council has an interest'.

12.11 (b) There should be no requirement to deduct the first 20 miles for any journey.

12.12 Travel Allowance for attendance at Community and Residents Group meetings

12.13 *The Panel needs to consider whether to amend the Scheme to allow for travel allowance to be claimed for attendance at community and residents' group meetings. The Allowances Scheme provides that travel allowance can be claimed for attendance at town and parish council meetings. Not all of the County has town and parish councils and it may be considered unfair to members from unparished areas that they cannot claim for attendance at community and residents group meetings.*

12.14 The Panel considered the submission and the views of members and recommends that the list of approved duties is not amended to include attendance at community and residents group meetings.

12.15 Chairman and Vice- Chairman

12.16 *Clarification that the Chairman and Vice-Chairman can claim travel and/or subsistence allowance for their consort when a consort has been invited to the engagement.*

12.16 The Panel considered the submission and views of members and recommends that provision is made as detailed above, subject to approval by the Chief Legal Officer

12.17 Time limit within which claims must be submitted

12.18 The Panel were asked to consider whether there should be any amendment to the current requirement that any claims made more than 3 months in arrears not be paid without the specific authority of the Chief Legal Officer after consultation with the Leader and Deputy Leader of the Council and the Leaders of the Opposition Groups.

12.19 The Panel were informed that such claims made in arrears were usually authorised. They noted that a similar provision for authorisation (albeit shorter than 3 months) applied to employees. Having considered the matter the Panel recommends that no revision be made to this provision of the Scheme.

13 Costs

13.1 The total cost of implementing the Panel's recommendations on Basic Allowances and Special Responsibility Allowances would be £1,167,946 against the cost of the equivalent allowances in the current scheme of £1,156,430.

13.2 The cost of Basic Allowance would be £753,137 as opposed to £745,668 within the current scheme.

13.3 The cost of Special Responsibility Allowances would be £414,809 as opposed to £410,762 in the current scheme.

14 Future meetings

The Panel suggested the following date for the next meeting:

- Friday 06 November 2015

**Hazel Bentall,
Michelle Drapeau
Alan Lawrence**

NOVEMBER 2014

SPECIAL RESPONSIBILITY ALLOWANCES 2015/2016

APPENDIX 1

<u>Post</u>	<u>Formula</u>	<u>£ per annum</u>
Leader of the Council	4xBA	39124
Deputy Leader of the Council	3xBA	29343
Cabinet Member for:		
Resources and Transformation	2xBA	19562
Customer Service, Performance & Libraries	2xBA	19562
Highways & Waste Management	2xBA	19562
Children's Services	2xBA	19562
Adult Care & Health	2xBA	19562
Public Health & Localism	2xBA	19562
Enterprise, Education & Skills	2xBA	19562
Community Safety & Planning	2xBA	19562
<i>(Note: The Leader has the power to change the composition of his Cabinet at any time subject to a maximum of 9)</i>		
Leader of the Conservative Group (46)	3.5xBA / 77x46	20452
Leader of the Liberal Democrat Group (16)	3.5xBA / 77x16	7113
Leader of the Labour Group (15)	3.5xBA / 77x15	6669
Chairman of Overview & Scrutiny Committee	1.5xBA	14672
Vice-Chairmen of Overview & Scrutiny Committee (2)	0.5xBA	4891
Chairman of Health Scrutiny Committee	1.5xBA	14762
Vice-Chairman of Health Scrutiny Committee	0.75xBA	7336
Liberal Democrat Spokesmen (4) on:	0.5xBA	
Environment, Waste & Community Safety -		4891
Resources, Corporate Issues & Localism -		4891
Education, Skills & Children -		4891
Adult Care & Health -		4891
Labour Spokesmen (4) on:	0.5xBA	
Public Health & Localism -		4891
Children's Services -		4891
Enterprise, Education & Skills -		4891
Adult Care & Health -		4891
8 Deputy Executive Members:	1xBA	
Resources and Transformation		9781
Customer Service, Performance & Libraries		9781
Highways & Waste Management		9781
Children's Services		9781
Adult Care & Health		9781
Public Health & Localism		9781
Enterprise, Education & Skills		9781
Community Safety & Planning		9781
Chairman of Audit Committee	1xBA	9781
Chairman of Development Control Committee	1xBA	9781
Chairman of the Council	1xBA	9781
Vice-Chairman of the Council	0.25xBA	2445

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