

Welland Independent Remuneration Panel

Report to Harborough District Council

1. Introduction

- 1.1 The Local Government (Members' Allowances) 2003 Regulations put in practice a consolidated and simplified framework for allowances that covers Principal Councils and Parish and Town Councils.
- 1.2 Part 4 of the Regulations makes provision for the establishment of an Independent Panel to make recommendations concerning Allowances. It is for you as a Council to determine your allowances but you do need to take account of our recommendations.
- 1.3 Our Panel comprises John Cade (Chairman), Ian Davies, John Greenwood and Gordon Wells and is compliant with the necessary requirements.

2. Way of Working

- 2.1 It is very important to us that as many Councillors as possible have the opportunity to submit evidence. All Councillors were invited to do so.
- 2.2 At our meeting at the Symington Building on 17th November 2016 five Members gave evidence to us. We also met with your Corporate Directors who share the role of Chief Executive and your Senior Democratic Officer. We also received one email communication.
- 2.3 In our work we received excellent support from both Verina Wenham and Sarah Hamilton. Sarah was our day to day contact and was most assiduous and efficient in following up our requests for information.

3. Context

3.1 Since our review in 2013 there have been three developments which we believe could have a bearing on your level of Allowances.

3.2 “Strong Leader” Model of Governance

3.2.1 The first of these developments is that of the “Strong Leader” model of governance which has become more embedded in the Council.

3.2.2 The Local Government Act 2000 provided that most Councils had to adopt a form of Executive governance, either a Mayor or Leader and Cabinet. Like most Councils, Harborough chose the Leader and Cabinet model.

3.2.3 The subsequent White Paper “Strong and Prosperous Communities” published in 2006 proposed to “strengthen” Executive leadership in those Councils operating the Leader and Cabinet model by the Leader holding the position for 4 years and appointing the Cabinet. This is what respective Governments have referred to as the “Strong Leader” model and which has generally been encouraged.

3.2.4 Whilst rarely disturbing the respective decision making powers between Members and Officers, this model invariably requires a higher level of accountability and visibility by the Leader of the Council.

3.3 Decision not to re-appoint a Chief Executive

3.3.1 The second of these developments is the Council’s decision not to re-appoint to the Chief Executive role following the previous incumbent taking up a similar role with two other Councils.

3.3.2 Rather, the decision was taken to ask two of your Corporate Directors to share this role in addition to their existing responsibilities.

3.3.3 This arrangement seems to be working satisfactorily.

3.4 The Role of Overview and Scrutiny

3.4.1 The third of these developments is the change you have made to your Overview and Scrutiny arrangements.

- 3.4.2 At the time of our previous review in 2013 you had only recently agreed a new structure at your Council meeting on 30th July 2012. Essentially this comprised a Scrutiny Commission with oversight of all scrutiny functions, an outward looking Community Leadership Panel and an inward-looking Resources and Performance Panel supported by Task and Finish Groups to examine issues on a time limited basis.
- 3.4.3 We said at the time that we thought that this was quite a heavy investment in scrutiny for a Council of Harborough's size. We were advised that further changes have since been made and we therefore wanted to understand how effective scrutiny was now in practice.

4. Findings

4.1 Basic Allowance

- 4.1.1 We received no evidence that the Basic Allowance should be increased. We share this view with the allowance seeming appropriate in the context of comparative Councils.
- 4.1.2 We will recommend that the allowance continues to be index-linked to any increase in Officer salaries. This permits the allowance to retain more of its intended value in real terms and militates against more significant periodic movements which are less understood by the public.

4.2 Special Responsibility Allowances

- 4.2.1 Most Councils work on Special Responsibility Allowances being either a factor of the Basic Allowance or of the Leader's remuneration. You work to the former model.

4.2.2 Leader Allowance:

The Leader's Allowance is currently determined as 2.5 x Basic Allowance.

Reference has already been made to the Council's adoption of the "Strong Leader" model of governance (para. 3.2)

We were advised that the Leader has individual decision making for Executive functions and this includes financial decisions. Further, that a Strategy Board has been introduced which meets every two weeks. It was also recognised that with no one person taking on the role of Chief Executive there was an expectation that the Leader would have an even more significant role in promoting the interests of the Council. Taking these matters into account we take the view that there is a case for increasing the Leader's allowance. We believe an appropriate uplift would be to increase the factor of Basic Allowance from 2.5 to 2.75. This would amount to an increase of £1,290.21 per annum.

4.2.3 We take the view that the greater adoption of the "Strong Leader" model has implications beyond the post-holder himself/herself. It has implications for other Executive Members as well, who need to share in this greater accountability and responsibility and for those who provide the checks and balances.

4.2.4 Deputy Leader and Executive Members:

Whilst there cannot be an exact science here, to reflect these increased shared responsibilities, we propose that the Deputy Leader's Special Responsibility Allowance be increased to a level of 50% of the Leader's SRA (ie factor of 1.375 of the Basic Allowance) and that of the five other Executive Members to 44% of the Leader's SRA (ie factor of 1.20 of the Basic Allowance).

This would amount to a total increase of £5,819.47 per annum.

4.2.5 Regulatory Committees

We will make no recommendations for changes in the allowances for the Chairmen of Regulatory Committees.

4.2.6 Overview and Scrutiny:

Particularly when the Council is formed predominantly of Members from one Political Party – as is the case in Harborough – the Chairmen of Scrutiny Committees – who are invariably drawn from the same Political Party – have a very important and challenging role to play in providing the necessary checks and balances for good governance. With a

“Strong Leader” model of governance this becomes even more pertinent.

It appears to us that Overview and Scrutiny is still struggling to be as effective as it should be. We would like to see it being more proactive than reactive.

Notwithstanding these concerns, we feel it important that the role of Overview and Scrutiny should not be seen to be diminished.

However, we do not believe that an SRA higher than that provided for an Executive Member can be justified and therefore propose a similar SRA at a factor of 1.20 of the Basic Allowance. This will mean a small saving of £244 per annum.

4.2.7 Main Opposition Group Leader:

Similar to what we have just expressed about the importance of Overview and Scrutiny in providing the necessary checks and balances we believe that, commensurate with the greater adoption of the “Strong Leader” model of governance, should be a strong challenge provided by the Opposition.

We, therefore, recommend that the allowance paid to the Main Opposition Group Leader should be increased by a similar factor to that of the Leader’s (ie 0.25 of the Basic Allowance). This would mean an increase of £1,292.91 per annum.

4.3 IT Allowance

4.3.1 We were advised that it would be useful to have a more standardised arrangement for meeting IT costs.

4.3.2 We will recommend the adoption of a scheme which seems to work well in the Royal Borough of Windsor and Maidenhead. In this scheme Councillors are entitled to claim up to £250 per annum which can either be software or hardware but not paper. A Councillor can claim for 2 years’ allowances i.e. £500 within one financial year in order, for example, to purchase a PC or laptop. The additional cost to the Council would be up to £2,590 per annum.

4.4 Travel and Subsistence

4.4.1 We understand that you agreed at your January 2017 Council Meeting the relevant car and bike mileage rates.

4.4.2 We were asked, therefore, just to take a view on other travel and subsistence allowances. We recommend as follows:

Breakfast	£5.00
Lunch	£10.00
Evening Meal	£15.00
Overnight Stay	As agreed with relevant Officer beforehand
Train	Cheapest fare available

4.5 Dependants' Carers Allowance

4.5.1 We will propose no change here.

4.6 Parish Representatives for Standards matters

4.6.1 We will propose no change here.

5. Budget Pressures

5.1 As a Panel we are very mindful of the budget pressures faced by all Councils. We are also very conscious that most workers are not seeing any real increase in their own wages/salaries.

5.2 However, we do believe that the recommendations we make for some increase in allowances are justified and can be set against the annual saving of £83,073 that the Council has made by deciding not to re-appoint a Chief Executive.

5.3 We are also conscious that since our last review you have reduced the size of your Cabinet from 8 to 7 with a commensurate reduction in the total amount of Special Responsibility Allowances paid.

- 5.4 The annual cost of our specific recommendations on Special Responsibility Allowances comes to £8,158.59. There could be an additional cost up to £2,590 dependent of the take up of the IT Allowance. These changes are shown in the attached appendices.

Recommendations

- 6.1 That the Basic allowance remains unaltered.
- 6.2 That the Leader's Special Responsibility Allowance be increased to a factor of 2.75 of the Basic Allowance.
- 6.3 That the Deputy Leader's Special Responsibility Allowance be increased to a factor of 1.375 of the Basic Allowance.
- 6.4 That the other five Executive Members' Special Responsibility Allowances be increased to a factor of 1.20 of the Basic Allowance.
- 6.5 That the Overview and Scrutiny Committee Chairman's Special Responsibility Allowance be set to a factor of 1.20 of the Basic Allowance.
- 6.6 That no changes be made to the Special Responsibility Allowances for Planning, Scrutiny Panel and Licensing and Regulatory Committee Chairmen.
- 6.7 That the Main Opposition Group Leader's Special Responsibility Allowance be increased to a factor of 1.0 of the Basic Allowance.
- 6.8 That Members be entitled to an IT allowance of £250 per annum.
- 6.9 That the following rates be applied to Travel and Subsistence costs. Breakfast: £5.00, Lunch: £10, Evening Meal: £15, Overnight Stay: as agreed with relevant Officer, Train: cheapest available.
- 6.10 That no change be made to the Dependants' Carers' Allowance Scheme or payment to Parish Representatives for Standards matters.
- 6.11 That the index-linking of allowances to any salary increase awarded to Harborough Officers be maintained.

6.12 That these recommendations take effect for the 2017/18 Municipal Year.

John Cade,
Chairman, Independent Remuneration Panel

January 2017

Existing Payments to Councillors in 2016/17

Appendix A

Office	2016/17 1% estimated pay award				
	Basic	Special Responsibility (SRA)	Total	Numbers of Members (Highest Eligible Allowance Basis)	Total Cost
	£	£	£	37	£
Leader of the Council	5,160.78	12,901.94	18,062.72	1	18,062.72
Deputy Leader of the Council	5,160.78	6,437.46	11,598.24	1	11,598.24
Chairman of the Scrutiny Commission	5,160.78	6,437.46	11,598.24	1	11,598.24
Executive Member	5,160.78	5,160.78	10,321.56	5	51,607.80
<u>Committee Chairman</u>					
Planning	5,160.78	5,160.78	10,321.56	1	10,321.56
<u>Scrutiny Panels</u>					
Resource & Performance	5,160.78	3,867.88	9,028.66	1	9,028.66
Community Leadership	5,160.78	3,867.88	9,028.66	1	9,028.66
All Other Members	5,160.78	0.00	5,160.78	24	123,858.72
Main Opposition Group Leaders	5,160.78	3,867.88	9,028.66	1	9,028.66
Chairman of Licensing & Regulatory Committee	5,160.78	1,292.90	6,453.68	1	6,453.68
TOTAL				37	260,586.94
Parish Members on Ethical Governance Committee		516.11	516.11	3	1,548.33

Welland Independent Remuneration Panel Recommendations

Appendix B

Office	2016/17 1% estimated pay award				
	Basic	Special Responsibility (SRA)	Total	Numbers of Members (Highest Eligible Allowance Basis)	Total Cost
	£	£	£	37	£
Leader of the Council (2.75 factor SRA)	5,160.78	14,192.15	19,352.93	1	19,352.93
Deputy Leader of the Council (1.375 factor SRA)	5,160.78	7,096.07	12,256.85	1	12,256.85
Chairman of the Scrutiny Commission (1.2 SRA)	5,160.78	6,192.94	11,353.72	1	11,353.72
Executive Member (1.2 factor SRA)	5,160.78	6,192.94	11,353.72	5	56,768.60
<u>Committee Chairman</u>					
Planning	5,160.78	5,160.78	10,321.56	1	10,321.56
<u>Scrutiny Panels</u>					
Resource & Performance	5,160.78	3,870.59	9,031.37	1	9,031.37
Community Leadership	5,160.78	3,870.59	9,031.37	1	9,031.37
All Other Members	5,160.78	0.00	5,160.78	24	123,858.72
Main Opposition Group Leaders (1.0 factor SRA)	5,160.78	5,160.78	10,321.56	1	10,321.56
Chairman of Licensing & Regulatory Committee	5,160.78	1,290.20	6,450.98	1	6,450.98
TOTAL				37	268,747.66
Parish Members on Ethical Governance Committee		516.11	516.11	2	1,032.22

ALLOWANCES

APPENDIX C

1. Current allowances for Harborough District Councillors

<i>Breakfast</i>	<i>Lunch</i>	<i>Tea</i>	<i>Evening Meal</i>	<i>Overnight Stay</i>	<i>Travel Car</i>	<i>Car sharing</i>	<i>Bicycle</i>	<i>IT / Broadband</i>	<i>Dependents</i>
£4.48	£6.17	£2.43	£7.64	Other £79.82 London £91.04	52.2p per mile <8500 miles 14.4p per mile >8500 miles	2p per mile per passenger	20p per mile	£15 per month	£10 per hour up to a maximum of £1,500 per annum

2. Welland Independent Remuneration Panel Recommendations for Harborough District Councillors

<i>Breakfast</i>	<i>Lunch</i>	<i>Evening Meal</i>	<i>Overnight Stay</i>	<i>IT</i>	<i>Dependents</i>
£5.00	£10.00	£15.00	As agreed with relevant Officer beforehand	Up to £250 per year for software or hardware however two year's allowances can be claimed within one financial year i.e. up to £500.	£10 per hour up to a maximum of £1,500 per annum

NB: The car, motorbike and bike mileage rates were agreed by Council at the 23 January 2017 meeting.