

**A Review of Member Allowances for Three Rivers District Council
By the Independent Remuneration Panel
November 2023**

1. Background

- 1.1 This report summarises the deliberations and recommendations made by the Independent Remuneration Panel ('IRP') for Three Rivers District Council to advise the Council on its Members' Allowances scheme. The IRP was convened under The Local Authorities' (Members' Allowances) (England) Regulations 2003 ("2003 Regulations").
- 1.2 These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an advisory Independent [Members] Remuneration Panel to review and provide advice on Members' allowances on a periodic basis. All Councils are required to convene their IRP and seek its advice before they make any changes or amendments to their members' allowances scheme. They must 'pay regard' to their IRPs recommendations before setting a new or amended Members' Allowances Scheme.
- 1.3 During its deliberations the IRP has been mindful of its guiding principle that it has sought to reduce financial barriers to being an elected Member while ensuring that the remuneration and expenses received by Members represent value for money.

2. Make Up of the Independent Remuneration Panel

- 2.1 The IRP is currently made up of three members:
 - Victoria Milford
 - Nicky Bryden
 - Tunde Dabiri
- 2.2 The minimum number of members that an IRP requires to be legally quorate is three. A recruitment exercise will be carried out before the panel meets again with a view to securing 5 members of the IRP.

3 Supporting Information

Feedback from Group leaders

- 3.1 Group Leaders were invited to talk to the IRP about the allowance scheme and Councillors Sarah Nelmes and Chris Mitchell took up the invitation. The Group leaders noted that there had been a period when no increases had been made for a number of years however this had resulted in the need to apply a greater uplift than would ordinarily have been necessary had smaller increments been applied each year. The consensus was that any increase in councillor allowances should not be greater than the average percentage pay rise received by staff. Furthermore, if there was a pay freeze then applying no increase to allowances would be appropriate.
- 3.2 The Group Leaders felt that continuing to calculate Special Responsibility Allowances as a proportion of the basic allowance was an appropriate approach.

Basic Allowances

- 3.3 It was noted that the agreed pay uplift to staff salaries had been provided on a sliding scale that was dependent on the salary grade and averaged out at approximately 6.5%, slightly higher than the current average private sector pay rise of 5%. A 5% uplift to member allowances had been applied on 1st April 2023.
- 3.4 It was acknowledged that the Group Leaders' view that any increase in allowance should not be greater than the average salary uplift applied to officers was sound. With this in mind, it was agreed that a 5% uplift on the basic allowance would be an appropriate increase. If approved this would increase the basic allowance from £4,560 to £4,788 per annum.

Special Responsibility Allowances

- 3.5 The Special Responsibility Allowances are currently calculated as a percentage of the Basic Allowance with percentages being set according to the level of responsibility and commitment that the role required of the Councillor. The current relativities being:

<u>Allowance Type</u>	<u>Multiple of the Basic Allowance</u>	<u>Number of Councillors</u>
Basic Allowance	1.0	39
<u>Special Responsibility Allowance (SRA)</u>		
Leader of the Council	2.0	1
Lead Members	1.0	7
Chair of Planning Committee	1.0	1
Chair of Licensing Committee and Regulatory Services Committee	0.5	1
Chair of Audit Committee	0.5	1
Group Leaders:		
Main Opposition Leader	0.75	1
Other Opposition Leaders	0.30	2
<u>Other Allowances</u>		
Chair of Council	1.0	1
Vice-Chair of Council	0.5	1

- 3.6 The IRP received no indications that these relativities were no longer appropriate or were considered disproportionate. Therefore, it was decided that the relativities should remain unchanged.
- 3.7 Taking into account, the proposed 5% uplift in the level of the basic allowance this would result in the following changes to SRAs:

<u>Allowance Type</u>	<u>Multiple of the Basic Allowance</u>	<u>2023/24 Actual</u>	<u>2024/25 Proposed</u>
Basic Allowance	1.0	£4,560	£4,788
<u>Special Responsibility Allowance (SRA)</u>			
Leader of the Council	2.0	£9,120	£9,576
Lead Members	1.0	£4,560	£4,788
Chair of Planning Committee	1.0	£4,560	£4,788
Chair of Licensing Committee and Regulatory Services Committee	0.5	£2,280	£2,394
Chair of Audit Committee	0.5	£2,280	£2,394
<u>Group Leaders:</u>			
Main Opposition Leader	0.75	£3,420	£3,591
Other Opposition Leaders	0.30	£1,368	£1,436.40
<u>Other Allowances</u>			
Chair of Council	1.0	£4,560	£4,788
Vice-Chair of Council	0.5	£2,280	£2,394

Dependent Carers Allowance

- 3.8 At £12.50 an hour the current Dependent Carers Allowance rate, whilst higher than the minimum wage, was close to the current National Living Wage of £10.42 an hour. This gap would reduce further from 1st April 2024 when the National Living Wage was expected to increase to £11.16 per hour¹).
- 3.9 The IRP noted that whilst no members were currently claiming the Dependent Carers Allowance the cost of employing professional carers could be seen by some as being a barrier to standing as a councillor. It was therefore agreed that whilst it would be recommended that no changes should be made to the Dependent Carers Allowance for the coming year an external benchmarking exercise should be carried out before the Panel met to deliberate in 2024 to ensure that the Council did not unnecessarily deter anyone from standing for office and that appropriate remunerations were made.

Travel Allowance

- 3.10 The current travel allowance of 52.2p per mile was higher than HMRC's taxable rate of 45p per mile. It was noted that petrol prices were relatively stable at the current time and that the allowance was not heavily used. It was agreed that no changes would be recommended for the Travel Allowance at this time.

Indexation of Allowances

- 3.11 The possibility of index linking the Members Allowance Scheme and making any uplifts automatic was discussed by the Panel. If index linking did occur then it would be a decision for the Council on which method to use for example indexation against CPI or RPI. If a decision was taken to index link allowances then this had to be done for a specified period of time to a maximum of four years.

¹ Following the writing of this report, on 21st November 2023, as part of his Autumn Statement the Chancellor announced that the National Living Wage would increase to £11.44 an hour from 1st April 2024.

- 3.12 The Panel considered the potential indexation of members allowances to be a positive step although it was stressed that care needed to be taken to ensure that any indexation did not result in an uplift that was greater than that received by officers. It was also acknowledged that the Panel did not, at this stage, have the requisite knowledge to make a formal recommendation on the subject and it was agreed that no recommendations about index linking allowances were made at this juncture and the subject would be explored in more detail when the Panel met to deliberate in 2024.

Co-optees Allowances

- 3.13 It was noted that there was currently no provision for a Co-optees Allowance. Notwithstanding the fact that the Council currently had no committees with co-opted members it was agreed that consideration should be given to making an allowance available in the event that a Committee did require a co-optee in the future.
- 3.14 The IRP agreed that no provision would be made for a Co-optees Allowance but it was something that could be considered as part of next year's deliberations.

4 Recommendations

- 4.1 The following recommendations have been made:
- i. That member allowances be increased by 5%
 - ii. The relativity of the Special Responsibility Allowances to the Basic Allowance remain unchanged.
 - iii. The Dependant Carers Allowance remains at £12.50 per hour.
 - iv. Mileage rates remain at 52.2p per mile.
 - v. A benchmarking exercise on the cost of employing professional carers is completed prior to the 2024/25 decision making cycle to ensure that the Dependent Carers Allowance meet Living Wage requirements.
 - vi. The IRP give consideration to the possibility of index linking members' allowances in future years during their deliberations in 2024.
 - vii. The IRP give consideration to the possibility of introducing a Co-optees allowance during their deliberations in 2024.

5. Implementation of Recommendations

- 5.1 The IRP recommend to Council that the new Members' Allowances scheme as recommended in this report be implemented from 1 April 2024 or from any date before then as agreed by the Council.