

Report of the Independent Panel on the review of Members' Allowances for Hastings Borough Council – November 2022

Section 1 Introduction

1. This is the fourth report of the Independent Allowances and Remuneration Panel (IRP) established by Hastings Borough Council in 2010, with subsequent meetings in 2014 and 2018, to make recommendations to the Council as to the amount of allowances which should be payable to its elected and co-opted members and to independent members of the public sitting on committees (Allowances Scheme).

Section 2 Summary

2. Following its deliberations the Panel RECOMMENDS the following in relation to the Allowances Scheme for 2023/24

2(1) The Basic Allowance

The Basic Allowance be frozen at its present level and paid to each of the 32 Councillors at the rate of £6429 per annum

2(2) Structure of Special Responsibility Allowances (SRA)

2(2)(1) In the interests of transparency only one SRA is paid to the Leader incorporating the two separate SRAs currently being paid.

2(2)(2) In the interests of transparency only one SRA is paid to the Deputy Leader incorporating the two separate SRAs currently being paid.

2(2)(3) In line with recommended good practice only one SRA be paid to any one Councillor, and in the event that two posts of responsibility are held at the same time by one Member then only the higher value SRA to be paid

2(3) Special Responsibility Allowances

SRA payments remain frozen at their present levels, subject to the recommended change in 2(2) above, and paid to the following post holders as indicated in the table below:

Post	Present to nearest £	Proposed (combining all current total allowances)	Change
Leader	12,861	14,238 + 192.52 per member Currently 17,126	Single SRA, Includes Majority Group Leader No change to amount paid

Deputy Leader	8,364	8,364 + 192.52 per member Currently 11,252	Single SRA, Includes Majority Group Deputy Leader No change to amount paid
Cabinet, including Chair Charity Committee and excluding Leader and Deputy Leader	6,945	6,945	No change
Chair Audit	3,216	3,216	No change
Chair Environment and Safety	615	615	No change
Chair Licensing	1,047	1,047	No change
Chair Overview and Scrutiny	3,216	3,216	No change
Chair Planning	3,861	3,861	No change
Vice-Chair Overview and Scrutiny	630	630	No change
Vice-Chair Planning	1,413	1,413	No change
Opposition Group Leaders	1,377 + 192.52 per member	1,377 + 192.52 per member	No change
Main Opposition Group Deputy Leader	192.52 per member	192.52 per member	No change
Members Environment and Safety	305	305	No change
Members Licensing per Sub Committee	109	109	No change
Members Planning	1,047	1,047	No change
Mayor's Allowance	6,840	6,840	No change
Deputy Mayor's Allowance	2,235	2,235	No change

2(4) Independent Co-optees Member Allowances

These should continue to be paid at the current rates as follows:

Members of Standards Committee	£602.82
Members of Museums Committee	£70.38

2(5) Travel expenses

Where approved travel costs using a private vehicle are reimbursed this is in line with current HMRC specified mileage rates.

2(6) Dependant Carer's Allowances

Dependant Carer's Allowance should be based on the actual costs incurred whilst undertaking an approved duty, including up to 1 hour in total travelling to and from the place at which the approved duty takes place.

2(7) Subsistence Allowances

The subsistence allowances should be paid up to the current maximum rates for Officers as set out in Section 10.

2(8) Council Policy on payment of Allowances

The Panel endorses the policies in place regarding Renunciation, Part Year Entitlements, Withholding and Repayment of Allowances and Working for another Authority as detailed in Section 11 of this Report.

2(9) Annual Review of Allowances Scheme

2(9)(1) A Working Party be set up as soon as possible to carry out an in-depth review of all SRAs.

2(9)(2) Following the Report of the Working Party the IRP is reconvened within one year of the date of this Report to carry out a further review of all SRAs based on the recommendations of the Working Party.

3. The Panel and Terms of Reference

3(1) Under Section 99 of the Local Government Act 2003 a local authority can only amend its Allowances Scheme following a review by an independent panel. The IRP established for this purpose comprises three members:

Edward Stone (Chair), Stephen Hallam and Clive Mills.

3(2) The Terms of Reference are shown in the detailed brief for the Panel attached as Annex 1

4. The Panel's Work

4(1) The Panel met on three (3) occasions via the medium of Microsoft Teams and through further discussions conducted by email.

4(2) During the course of its meetings the Panel took account of the following:

- The Report of the previous Panel (November 2018)
- Current Members Allowance Scheme

- South East Employers'(SEE) Data Return 2022
- Details of Allowances Schemes from other District Authorities
- Responses to the Members Allowances Survey circulated to all current Members
- Individual meetings with 3 Senior Officers and 5 members
- The Duties of Councillors
- Current rates of inflation and RPI
- Pay awards made to Officers
- National Joint Council (NJC) agreed pay award for local government employees for 2022/23
- Feedback from IRP Training Seminar delivered by SEE attended by all Panel members
- Details of the current financial position of the Council

5. Background

5(1)(1) The Panel acknowledges the extremely difficult financial position that is confronting the Council at this time, understanding that it is substantially worse now than it was at the time the last report was prepared four years ago.

5(1)(2) The Panel also appreciates that the present position with no overall control for one group is problematical.

5(2)(1) The Panel examined in depth the data provided in the SEE data return for this year for District Authorities and used it to make comparisons in respect of Basic Allowances and SRAs.

5(2)(2) The Panel also used the data in the SEE return to evaluate the impact of Members Allowances on local taxpayers.

6. Responses from Members

A Members Allowances Survey was sent out to all current Councillors inviting their input for the compilation of this Report and responses were received from 15 Members.

The Panel also met with five Members through the medium of Microsoft Teams.

The following is a summary of the issues raised by Members, and the Panel has taken these into account in its deliberations:

- No clear understanding of what can be claimed re Travel, Dependants etc
- Free parking useful, most travel is local, so there is no need to claim
- No one has claimed Carer's Allowances
- Not all travel is met by bus pass, but car travel within the Borough is not remunerated
- Claiming travel is fairly straightforward and when claimed was deemed satisfactory
- Carer's Allowances need widening to cater for adults and children with special needs
- Carer's Allowances should be more accessible with extra support for disabled Councillors
- Briefing of Councillors with regard to Allowances was defined as being somewhere between moderate and poor, depending on group, and has been incorrect in some cases with no reliable information given

- Briefing by Officers is a delicate issue. Role of Councillor is to represent their Residents, not just be a “Council mouthpiece” but information on Allowances is essential
- Clarity is needed with regard to HMRC as although payments are defined as Allowances and not income they do result in loss of benefits eg Maternity pay, UC and free school meals
- Staff giving briefing need to undergo some training
- More guidance needs to be given before standing for election, reality can be a shock
- Lack of clear guidance has led to considerable financial difficulties in respect of Benefits and the need to make repayments when overpayment has been made
- Due to lack of information use has been made of on-line facilities for guidance
- Some training has been provided this year but overall training is lacking and more is required
- Very easy for Members to become involved in wider issues than their role demands, resulting in higher time commitment
- Personal circumstances have a big influence on every Councillor
- Work/life balance suffers, but is accepted as inevitable, the price to pay for being a Councillor
- Becoming a Councillor takes over your life, akin to starting a new career
- Cannot work full time and be a Councillor as you are never off duty
- Impossible for single parents in full time work to be Councillors, the system favours retired people with a steady (pension) income or the self employed
- Demands made on Councillor time vary greatly from ward to ward
- Interaction with other Councillors makes a great demand on time with telephone conversations going on very late at night. There is a need to set boundaries
- Responding to emails is very time consuming
- Many Councillors are involved in other activities which make big calls on their time, often requiring specialised training eg Lifeboat Service
- Thought should be given to the way Allowances are actually paid, 2 months payment at the beginning can cause knock on problems with benefits
- Councillors on working/family tax credits are worse off, extra support should be available for the loss of benefits, eg Free school meals, Free childcare etc
- Although outside the brief for the Panel, consideration should be made for physical and mental wellbeing of Councillors
- Present Allowances are OK, but not representative of the hours put into the role
- Allowance should equate to 16 hours work at the minimum wage
- Basic Allowance is adequate but thought needs to be given to child/family caring duties
- Allowances do meet out of pocket expenses
- Allowance does not always meet travel costs and no travel claim can be made under current Council Policy.
- Time is spent preparing for Licensing meetings but if the meeting is cancelled no Allowance is paid
- The system needs to change, with further thought being given to the spread of Allowances
- With the no overall majority situation the current Allowance structure needs review as it is out of date
- Attendance at Overview and Scrutiny (O & S) is a very time consuming and demanding Committee but does not receive any Allowance, unlike Licensing and Planning

- An Allowance for members of O & S would give it some status
- Members of Audit Committee have a huge responsibility with no financial recognition
- Role of Councillor jeopardises future security for younger (non-retired) people, with loss of pension rights and impacts on career development
- Allowances do not compare with the level of responsibility involved
- It is difficult to raise Allowances at this present time
- Can consideration be given to a graded Basic Allowance to help those on very low incomes
- Not being allowed to act on your own initiative and having to process everything through the portfolio holder is frustrating and time consuming for everyone
- Level of Allowances was felt to be satisfactory although the effect on benefits caused concern.
- Help should be provided for Councillors with disabilities in meetings as well as other duties
- Consideration needs to be given to the timings of meetings. Committees are populated by those available at a given time, school run times and other day time meetings ruling out many younger people
- An Allowance should be made available to meet the cost of hiring venues for ward surgeries
- Re-imburement of stationery and other costs involved in carrying out duties as a Councillor
- The present Cabinet system should be replaced by a Committee system
- Being a Councillor is a privilege and one does not become a Councillor for the money

7. Panel's Rationale for its recommendations

7(1)(1) In line with recommended good practice and for greater transparency the Panel RECOMMENDS that only one SRA is paid to the Leader, with this incorporating the two separate SRAs currently being paid, in recognition of the importance of this role.

7(1)(2) The Panel RECOMMENDS the same criteria apply to the Allowances paid to the Deputy Leader, with the two Allowances both being incorporated into one Allowance and only one SRA being paid to the Deputy Leader.

7(2)(1) In line with recommended good practice the Panel RECOMMENDS that only one SRA should be paid to any one Councillor, and in the event that two posts of responsibility are held at the same time by one person then only the higher value SRA should be paid.

7(2)(2) The Panel felt uncomfortable with the present structure of the Allowance system. The four-year cycle whereby uplifts to Allowances were automatically applied without consideration to the changing nature of the various roles appears to have created SRAs which do not reflect the current situation with regard to the work and responsibility involved. It appears to the Panel that these increases are simply applied year on year with Officers applying the formula without any referral or formal approval involving full Council. The level of SRA paid should relate in some respect to the Basic Allowance and the Panel found no evidence that this was the case. The Panel RECOMMENDS that a Working Party be set up as soon as possible to carry out a full review of SRAs with its findings being referred to an IRP, to be reconvened within one year of the date of this Report.

7(2)(3) With reference to the recommendation in 7(2)(2) above the Panel RECOMMENDS no change to the present SRA payments pending this review.

7(3)(1) The recent award made for staff salaries is problematical as it is in the nature of a lump sum payment and the percentage effect varies according to the salary of each member of staff. The Panel RECOMMENDS that the current policy of uplifting Allowances in line with NJC criteria is not a viable option.

7(3)(2) In making comparisons with other SEE District Authorities it became clear that the impact of Hastings Councillor Allowances on local taxpayers placed it well inside the top 20% of 44 District Authorities contained in the SEE data report.

7(3)(3) Similar comparisons also showed the present Basic Allowance is approximately 15% above the average for the same District Authorities.

7(3)(4) A suggestion was put before the Panel that the Basic Allowance should be graded in some way to help those Members who lost financial benefits by becoming a Councillor. Although the Panel is sympathetic to this, the rules governing the payment of the Basic Allowance do not permit this.

7(3)(5) The Panel acknowledges the high level of commitment shown by Councillors but must reiterate that these are allowances and not a salary. A suggestion was made that remuneration should be calculated at the rate of 16 hours a week at the minimum wage. Using the National Living Wage (September 2022), and allowing for a 30% element of public service, the current Basic Allowance is slightly in excess of this.

7(3)(6) Following the guidance given during the SEE seminar, the Panel feels comfortable with the present level of Basic Allowance being paid.

7(3)(7) Although appreciating the difficulties being faced by some Councillors, but having to take into account the present financial difficulties in trying to achieve a balanced budget, the Panel RECOMMENDS no increase be applied to the Basic Allowance.

7(4) The Panel RECOMMENDS, in line with the recommendations above, that as all Allowances remain at their present levels, the payments made to Independent Co-Optee Members similarly remain unchanged.

Independent Members of the Standards Committee	602.82
Independent Members of the Museums Committee	70.38

8(4) Travelling Allowances

8(4)(1) The Panel RECOMMENDS that the current HMRC specified mileage rates at the time the travel is undertaken is used for the re-imbusement of all approved essential travel costs. As at November 2022 these were:

- Cars and Vans (regardless of engine size) including electric and hybrid vehicles 45p per mile.
- An additional 5p per mile can be claimed for additional passengers
- Motor Bike, 24p per mile
- Bicycle and other non-motorised forms of transport 20p per mile

8(4)(2) The Panel endorses the current practice of the payment of parking charges and other fixed travelling expenses e.g. tolls and for these to be paid at cost and subject to receipts.

8(4)(3) The Panel RECOMMENDS that costs of travelling whilst on approved Council business should not have to be met from either the SRA or Basic Allowance and that all such travel costs should be reclaimed. The Panel received confirmation that such claims would not place an undue strain on the administration. This change will help mitigate the lack of increase in the Allowances and replace it with reimbursement which will have no tax nor benefit implications.

8(4)(4) The Panel RECOMMENDS that for travelling within the Borough Members should continue to be provided with a car park pass or public transport pass for use on official business within the Borough.

8(4)(5) The Panel RECOMMENDS that attendance at Civic Ceremonies, such as Remembrance Day and other memorial and civic events, in their role of Councillor should be covered for travelling expenses.

9 Dependant Carer's Allowance and Childcare Allowance

9(1) The Panel RECOMMENDS that full use is made of the Dependant Carer's Allowance and Childcare Allowances available where a Member of the Council is obliged to engage and pay a carer for another dependant member of the household or a child because that member would be otherwise unable to attend an approved duty due to the need to ensure that care is provided for that dependant person or child.

9(2)(1) The Panel RECOMMENDS that the Dependant Carer's Allowance should be based on the actual costs incurred while undertaking an approved duty, including up to 1 hour in total travelling to and from the place at which the approved duty takes place. The Dependant Carer's Allowance and Childcare Allowance shall not be paid where the carer is a member of the Councillor's own household.

9(2)(2) The Dependant Carer's Allowance and Childcare Allowance may be claimed for:

- A child or children under the age of 16
- An elderly relative requiring full time care
- A relative with physical or mental disability requiring full time care
- A relative with learning disabilities requiring full time care

The Councillor must notify the Council of the identity of the carer in respect of whose costs the allowance is claimed and the dependant or child(ren) must be registered with the Council in advance of any claim being made. Disabled dependants are excluded where the Member is already in receipt of a carer's allowance.

10 Subsistence Allowances

The Panel RECOMMENDS that subsistence allowances should be paid for approved duties up to the maximum rates as set out for Officers at the time the expense is incurred, with the exception of the Tea Allowance which no longer seems to be appropriate. All such

payments must be supported by receipts confirming the amount actually spent. As at November 2022 these were:

Breakfast allowance (more than 4 hours away from normal place of residence before 11.00am) up to	£6.88
Lunch allowance (more than 4 hours from normal place of residence including the lunchtime between 12 noon and 2.00 pm) up to	£9.50
Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7.00pm) up to	£11.76
Overnight subsistence	£93.08
	£106.16

(Absence overnight in London or at the Annual Conference of the LGA)

11 Present Practice

11(1) Renunciation

A Councillor or Independent Co-optee Member may, by giving notice in writing to the Chief Legal Officer, elect to forgo all, or part, of his/her entitlement to allowance under this Scheme.

11(2) Part Year Entitlements

During the operation of this Scheme, where there is an amendment to the Scheme, or where there is a change in the person receiving the allowance, the Scheme shall be applied on a daily pro-rata basis with any overpayment paid back to the Council.

11(3) Withholding of Allowance

Where a Councillor or independent co-opted member is suspended or partially suspended from his/her responsibilities or duties as a Member, that part of the allowance, or travelling or subsistence payable to him/her in respect of the period over which he/she is suspended, or partially suspended, shall be withheld, subject to such sanction being so recommended by the Council's Standards Committee.

11(4) Repayment of Allowances

Where a Councillor or independent co-opted Member has already received payment of allowances, or travelling and subsistence payments in respect of any period during which they:

- Are suspended, or partially suspended from their responsibilities or duties
- Cease to be a Member
- Or become in any way not entitled to receive such an allowance in respect of that period

it shall be a requirement that the part of the allowance for the period in question shall be repaid to the Council.

11(5) Membership of another Authority

Where a Councillor is also a member of another Public Authority from which allowances can be claimed, that Councillor must not claim, nor receive, any allowances from more than one Authority in respect of the same duties.

12 Other Matters arising from Councillor feedback

12(1) Various other matters were brought to the attention of the Panel both during their interviews with Councillors and in response to the Members Survey. Some of these issues have already been covered by this Report and some were outside the Panel's Terms of Reference.

12(2)(1) Concern was expressed with the quality of information that was being given to anyone considering offering themselves as a candidate for election. Incorrect advice concerning the impact of Allowances on benefits and tax had resulted in considerable hardship in some cases. Although this does not form part of its remit, as these issues were raised the Panel requests that the way this is carried out should be reviewed.

12(2)(2) The quality of training provided by Officers for Councillors was generally felt to be well below what should be expected, with Members having no clear understanding of the Allowances available. There was also concern expressed regarding lack of training and guidance on work load and expectations of the various roles of Councillors. Although this does not form part of its remit, as these issues were raised the Panel requests that the way this is carried out should be reviewed.

12(2)(3) The Panel RECOMMENDS that a definitive list of Approved Duties for which Allowances can be claimed in line with HMRC rules should be made easily available for all Councillors.

12(3)(1) Although outside its Terms of Reference the Panel recognised the considerable emotional and mental pressure being felt by some Councillors and requests that the facilities already freely available to Staff and Members should be clearly communicated to all Councillors.

12(3)(2) The Panel was advised that although there was some provision for disabled members this did not fully address their needs during meetings. The Panel RECOMMENDS that some form of personal assistance be provided for any Councillor in need of such help.

12(4)(1) There did appear to be anomalies regarding payments made for membership of different committees. The Panel requests that this should be included as part of the overall review that has been recommended.

12(4)(2) The Panel's attention was drawn to the fact that should a scheduled meeting be cancelled then no payment is received for that meeting, although considerable time may already have been spent in preparation and reading all the relevant documentation. The Panel RECOMMENDS that in such cases the respective payment should be made.

12.5 The Panel was made aware of the present policy of not re-imbursing travel costs in some cases for Councillors when carrying out their duties, with the expectation that such costs should come from their Allowance. The Panel wishes to reiterate its recommendations made earlier in this Report that all such costs necessarily incurred should be reimbursed as this is a benefit with no impact on tax or benefits.

13 Conclusion

The members of the Panel would like to express their thanks to all the Members and Officers who submitted returns to the survey and/or attended an interview with them. They would also like to thank the Continuous Improvement and Democratic Services Officer for all the help and support she provided.

Edward A Stone Chair
29th November 2022