

East Herts Council Report

Independent Remuneration Panel (acting as a Parish Remuneration Panel)

Date of Meeting:	xx May 2024
Report by:	Independent Remuneration Panel (acting as a Parish Remuneration Panel)
Title:	Response to proposals for Allowances for Members of Ware Town Council from May 2024.
Ward(s) affected:	Ware wards.

Summary

- Ware Town Council (WTC) proposed in January 2024 to pay a parish basic annual allowance of £1,750 to its members from May 2024.
- Its main arguments in support of its proposal were that it would make the council more equitable, including by attracting a more diverse membership; and that it would enable members to be more effective.
- As required under regulations* East Herts District Council (EHDC) convened its independent Remuneration Panel (IRP) to act as a Parish Remuneration Panel (PRP/Panel) to make recommendations in response to the proposal.

*(*The Local Authorities (Members' Allowances) (England) Regulations 2003 (legislation.gov.uk) Part five, regulations 24. to 31. inclusive.)*

- The regulations require a Panel to produce a report with recommendations on:
 - a. the amount of parish basic allowance payable to members of the council. (*The sum must be expressed as a percentage of the basic allowance recommended for payment to members of, in this instance EHDC, and can be 100 per cent.; and as a sum of money.*)
 - b. the amount of a travelling and subsistence allowance payable and the qualifying responsibilities or duties. (*The sum can be the same as those payable to members, in this instance, of EHDC.*)
 - c. whether parish basic allowance should be payable to the chairman only;
 - d. whether, if parish basic allowance is payable to all members, it should be higher for the chairman and, if so, how much.

- For clarity, the Panel notes that the regulations refer to a *parish council* and its *chairman*. The Ware authority is a *town council* headed by a *mayor* and with the same powers as a parish council. Thus, in law, for these purposes, the two sets of terms – in italics above - are synonymous.

RECOMMENDATIONS TO WARE TOWN COUNCIL (WTC) BASED ON THE REGULATIONS:

Based on the statutory requirements set out above:

- (A) The Panel considers that the amount of parish basic allowance payable from May 2024 to all members of**

WTC should be £710 per year. The basis of this calculation is discussed below.

- (B) The Panel notes that the WTC proposal makes no reference to reimbursement for expenditure on travel. However, as set out at B. above, the regulations include provision for a recommendation for such reimbursement. The Panel considers that the Council might wish to allow its members to claim reimbursement for expenses incurred on travel for WTC activities and consistent with regulation 26. on the following basis:**

Mileage allowance:

- **Motor vehicles (incl. motorcycles) and electric vehicles: £0.45 per mile for the first 10,000 miles of a (return) journey.**

Bicycles:

- **£0.20 per mile**

Public Transport:

- **Reimbursement of the actual cost or ordinary standard fare, whichever is the lesser, upon production of a receipt.**

- (C) The Panel does not consider that members' absences from their homes on council business would be long enough to warrant the availability of a subsistence allowance, as provided for in the regulations. Therefore, it makes no recommendation for a subsistence allowance.**

1.0 The Panel's report

Introduction

- 1.1 This report is in response to a proposal* by WTC to pay members of WTC an allowance of £1,750 annually. (**Appendix 1**).
- 1.2 Under the regulations, parish councils are not permitted to pay allowances to their members without, first, receiving a report from a PRP, whose members are unconnected with the parish concerned. EHDC is responsible for convening a Panel.
- 1.3 The Panel convened by EHDC comprised Nicholas Moss (chair), Christopher Leage, Peter Raynsford and Glenn Sexton. As required under the regulations, they are members also of the EHDC Independent Remuneration Panel (IRP). The Panel met three times: 28th February, 18th March and 3rd April 2024.
- 1.4 In making its recommendations, the Panel notes that they are precisely that - recommendations. They are not binding on WTC. Under the regulations WTC must *have regard* to them. It is for WTC to make a decision. The Panel recognises that the final arbiters of the appropriateness, or not, of any allowance regime are the voters of Ware, through the ballot box.
- 1.5 The Panel notes also that if WTC accepts the report's recommendations, or chooses to vary them to different amounts, under the regulations any member can forgo her/his entitlement to them.
- 1.6 To enable it to understand better the activities of WTC councillors, and therefore, to make reasoned recommendations, the Panel prepared a questionnaire* to all members of WTC, which was circulated on 1 March 2024. It would like to express its thanks to the 6 out of 11 members

who responded. The Panel noted that the total represented slightly above half the number of members. (**Appendix 2**)

- 1.7 At its meeting on 18th March 2024, the Panel took evidence from three members of WTC, including the mayor and the author of the report on which the proposal by WTC was based. The Panel would like to express its appreciation to each of them for answering its questions thoroughly.
- 1.8 The Panel would like to express its appreciation, also, for their advice and help to Committee Support Officer, Michele Aves, Committee Support Officer, Peter Mannings and Democratic and Electoral Services Manager, Katie Mogan. From the officers it received information about WTC and about remuneration for parish councillors in two neighbouring authorities: Elsenham in Uttlesford District Council area and parishes in the area of Chelmsford City Council.

The Panel's approach

- 2.0 The Panel's task has been significantly different from its previous commissions as IRP for EHDC. First, it recognises that, unlike a basic allowance for members of EHDC, which is obligatory under the regulations, for parish councillors it is not. Second, as far as the Panel could establish, no other parish in the EHDC area pays its members allowances under these regulations. Thus, this has been new territory for it to consider.
- 2.1 The Panel is aware of the principal ambitions of WTC: to encourage greater diversity of membership in the future; and to offer recompense to current councillors to help them to be more effective. It notes the recognition by two witnesses that the payment of allowances alone is not expected to achieve either ambition on its own and notes their belief that it would contribute to their achievement. The Panel acknowledges both ambitions as legitimate.

- 2.2 However, the Panel considers that there is a tension between the ambitions and other considerations. These include the fact that WTC has based its proposal on what it refers to as the Real Living Wage, at £12.00 an hour. In the Panel's view, this notion conflicts with the long-established principle that some element of members' work continues to be voluntary and, therefore, that some hours are not remunerated. (**Appendix 3, guide to the regulations, paragraph 68. et seq**).
- 2.3 It follows that an allowance cannot be regarded as a salary or wage and that any recommendation for the value of a basic allowance cannot, therefore, look to the Real Living Wage as an indication. Similarly, it has not considered relevant, either, to consideration of a parish basic allowances the references in the guide to other wage scales.
- 2.4 Conversely, the Panel notes reference in the guide to the importance of balancing these considerations, '*... against the need to ensure that financial loss is not suffered by elected members and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained...*'. (Paragraph 68.)
- 2.5 In the Panel's view, its recommendations balance these considerations appropriately.
- 2.6 An additional factor bearing on the Panel's view stems from the evidence it heard that WTC had discontinued its committee structure; and that, instead, it had chosen to conduct all its business at meetings of the full council. The Panel expresses no view on the appropriateness, or otherwise, of the change but observes, only, that the result appears likely to lead to fewer meetings and, therefore, less demand on councillors' time.

- 2.7 Given the centrality to WTC's proposal of members' time spent on WTC business the Panel considers that the governance change has validated further its approach. However, from the evidence it has been able to gather, the Panel has not felt in a position to assess with sufficient reliability an indication of the number of hours spent by all WTC members on council business.
- 2.8 The Panel considers also that any recommendation now for allowances would not lead to greater diversity of current membership. In its view, that could arise principally through an election. The next is due in 2027. However, the Panel observes that the WTC assertion that an allowance would not be payable to co-opted members might not be correct. Ware councillors may wish to take advice on the point in the light of an amendment to regulation **24** (SI 2004/2596) which appears to enable co-opted members to receive an allowance.
- 2.9 In the context set out above and absent a formula that could be based on the Real Living Wage or similar scale, for the reasons given; absent, also, any available local comparator, the Panel sought an objective measure. In its view, a formula used by Chelmsford City Council for parishes in its area meets that requirement. **(Appendix 4)**.
- 2.10 Its formula expresses a parish basic allowance as a percentage of the basic allowance paid to district members (in this case EHDC) by reference to the size of a parish electorate: the larger the electorate, the higher the percentage with a range from 2.5 per cent. to 12.5 per cent. [In the Panel's view, another percentage formula, applied to Elsenham parish council in the Uttlesford district council area, is excessively modest and has not been applied.)
- 2.11 The current electorate for WTC is 14,810, which, according to the formula places it almost at the top of the 10 per cent.

category. Mindful of likely growth of the electorate and of its current proximity to the 15,000/12.5 per cent category, the Panel considers that it would be fair to recommend the higher percentage.

- 2.12 Applying the formula to the basic allowance payable to EHDC members from 1st May 2024 of £5,678.79, the Panel has decided to recommend £710.00, i.e., 12.5 per cent. of £5,678.79 rounded.
- 2.13 The Panel recognises that its recommendation is substantially less than WTC has proposed. However, in the Panel's view, the sum takes appropriate account of members' activities on WTC business and offers reasonable recompense for some of the costs thereby incurred, balanced with the voluntary element of councillors' role.
- 2.14 In respect of the first of the two other options available under the regulations - an allowance for the position of mayor only - set out at c. in the summary above, the Panel does not consider that this would be an appropriate recommendation. It takes the same view in respect of the second option - a higher allowance for the mayor than for other members. (d. above.)
- 2.15 The Panel considers that to recommend either would defeat one of the objects of WTC's proposals: equity.
- 2.16 In this context, the Panel notes provision under separate legislation for the payment of an allowance of £2,000 against receipts to the mayor to meet the expenses of that office. The Panel feels that this payment ensures, rightly, that the mayor is no worse off in the role and that it is the appropriate mechanism for doing so.

The Panel's conclusion

3.0 Having considered the evidence available, having tested it against the regulations, against the guidance available to them and having applied an objective formula, the Panel considers that its recommendations are a fair response to WTC's proposal. Moreover, by enabling WTC members to receive recompense for the first time the Panel considers that its recommendations go a significant way towards facilitating WTC's ambitions.

Nicholas Moss (Panel chair)
Christopher Leage
Peter Raynsford
Glenn Sexton

4.0 Implications/Consultations

4.1 Please see below.

Community Safety

No

Data Protection

No

Equalities

The legislation requires that the Basic Allowance is the same for all Members.

Environmental Sustainability

Not specifically

Financial

Yes. There will be a cost implication for Ware Town Council.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Yes, the scheme of allowances must comply with the Local Authorities (Members' Allowances) (England) Regulations 2003. The regulations permit Ware Town Council to have a scheme of allowances, and to have regard to the recommendations of an independent remuneration Panel (acting as a Parish Remuneration Panel). [The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003 \(legislation.gov.uk\)](http://legislation.gov.uk)

Specific Wards

Ware Wards

5.0 Background papers, appendices and other relevant material

- 5.1 **Appendix 1** – report from Ware Town Council.
- 5.2 **Appendix 2** – questionnaire for Members of Ware Town Council
- 5.3 **Appendix 3** – guide to the regulations
- 5.4 **Appendix 4** - formula used by Chelmsford City Council for

parishes in its area.

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