

Committee: Council

Date:

Title: Member Allowance Scheme Review 2025-26

Tuesday,
17 December 2024

Report Author: The Independent Remuneration Panel:
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Summary

1. The Council is required to maintain an Independent Remuneration Panel to make annual recommendations as to the level of the Basic Allowance and the type and level of Special Responsibility Allowances (SRAs).
2. In making a scheme of allowances, the Council is required to have regard to the recommendations of an independent panel but is not bound by them.
3. This report sets out the recommendations of the Independent Remuneration Panel for the Members' Scheme of Allowances for the municipal year 2025/26.

Recommendations

That the Council:

- I. Agrees to a rise of 2.7% to the current level of basic allowance.
- II. Adopts the changes to the individual SRAs as set out in Appendix A and detailed in the report, for the municipal year 2025/26.

Financial Implications

4. There would be an additional cost to the Council due to the increase in the level of the basic allowance and the change made to the Portfolio Holders Allowance. The estimated cost of implementing this rise is an increase of £8,998.51.

Background Papers

None.

Impact

Communication/Consultation	Some Members had the opportunity to complete a short survey circulated on behalf of the IRP regarding the Vice Chair of Council and Opposition Leaders role.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	All wards
Workforce/Workplace	None

Situation

The Independent Remuneration Panel

5. The Panel this year consists of Brigid Dyson (Chair), Steve Dale and James Dodson, there were no new Panel Members for this review.
6. In conducting its appraisal, the Panel wanted to ensure that the increase to the basic allowance was proportionate without losing sight of the rate of inflation. They took into account that whilst the rate of inflation had dropped consistently from the very high levels in 2022 and 2023, prices remained high.

The Panel were also mindful of the challenge within the Council to reduce the budget in order to maintain services and to retain staff.

The Panel have attempted to balance these factors whilst trying to ensure that the remuneration did not act as a disincentive to residents from different backgrounds in coming forward to be Councillors.

Summary of the Review

- The IRP requested that short surveys were sent out to relevant Councillors to review the Vice Chair of Council and Opposition Leaders Allowances. The survey questions can be found in Appendix B.

The surveys completed gave the Panel a better understanding of the roles and duties that were being carried out and helped them come to the conclusions that are detailed later in the report. The Panel would like to thank those members who completed the surveys as they provided helpful insight.

The IRP asked for data relating to benchmarking of similar Councils for their Basic, Portfolio Holders, Vice Chair of Council and Opposition Leaders Allowances as well as the number of meetings and applications going to the Planning Committee.

Basic Allowance

- The aim of the Basic Allowance is to acknowledge that while some element of the Councillors' role continues to be voluntary, there is financial recompense available in order to encourage people coming forward to serve their local community.
- The Basic Allowance takes account of the duties and responsibilities of an elected Councillor and acts as the starting point for the calculation of all SRAs. The SRAs are expressed as multiples of the basic allowance.
- Uttlesford District Council's (UDC) basic allowance is in the mid-range of the Local Authorities that were used for the benchmarking exercise. It should be noted that its position has dropped from previous years. For consistency, the same councils that have been used in previous reviews were selected.

Benchmarking for the basic allowance was undertaken.

Basic Allowances			
Authority	2022	2023	2024
Epping Forest	£4,300.00	£4,300.00	£4,600.00
East Herts (Executive)	£5,428.79	£5,678.79	£5,678.79
Uttlesford	£5,346.49	£5,506.88	£5,727.16
South Cambridgeshire	£5,148.00	£5,501.00	£5,800.00
Braintree	£5,154.00	£5,154.00	£6,372.00
Chelmsford	£6,111.00	£6,645.00	£6,810.00
Hertsmere (Executive)	£6,287.00	£6,601.00	£7,324.00
Stevenage	£8,160.00	£8,490.00	£8,819.00
Average Basic Allowance 2024		£6,391.37	
Median Basic Allowance 2024		£6,086.00	

The Local Government staff pay award is a helpful measure for the Panel to consider when setting the Basic Allowance, although the link to the staff pay award has not been formalised to maintain flexibility. The staff pay award for 2024-25 has recently been agreed with an increase for full time staff of £1,290 on spinal column points 7 to 43 and an increase of 2.5% from 44 and above.

The Panel discussed how to best use the Consumer Price Index (CPI) data from the Office of National Statistics (ONS) and the forecast of inflation from the Office for Budget Responsibility (OBR).

The decision was made to use the October ONS figure of 2.3% as the starting point for further discussion. The Panel also noted that the average CPI rate for the last 12 months was 2.8% and the forecast from the Office of Budget responsibility had recently risen from 2.6% to 2.75% for the upcoming year.

		CPI 12-month rate (%)
2023	Nov	3.9
	Dec	4.0
2024	Jan	4.0
	Feb	3.4
	Mar	3.2
	Apr	2.3
	May	2.0
	Jun	2.0
	Jul	2.2
	Aug	2.2
	Sep	1.7
	Oct	2.3

The Panel also took into account the staff pay award especially the 2.5% increase given to higher paid staff.

11. Following discussions and careful consideration the Panel decided that a rise of 2.7% was justified. The following factors contributed to their decision:
 - a. The economic climate remained volatile and the Panel were aware that they could not fall too far behind the rate of inflation in order to avoid larger increases in the future. They also considered the financial struggles that many residents still faced. Therefore, the Panel agreed the basic allowance should not be raised any higher than the 2.7% proposed.

- b. The Panel did not want the Basic Allowance to be a barrier or disincentive to people considering standing as Councillors, therefore an uplift was required.
- c. The Panel noted that with the 2.7% increase, the basic allowance would still be in the mid-range in comparison to benchmarked Local Authorities but noted that UDC had fallen one place since last year and were keen to monitor this in the future.
- d. The staff pay award was lower than last year with the lowest paid receiving 5.3% and the highest paid receiving 2.5%

Portfolio Holder's Special Responsibility Allowance (SRA)

12. Benchmarking for the Portfolio Holders allowance was carried out again this year: -

Portfolio Holders Allowance			
Authority	2022	2023	2024
Epping Forest	£6,450.00	£6,450.00	£6,450.00
Uttlesford	£6,415.80	£6,608.27	£7,004.89
South Cambridgeshire	£7,650.00	£8,402.00	£8,859.00
East Herts (Executive)	£9,780.96	£9,780.96	£9,780.96
Stevenage (Executive)	£11,218.00	£11,671.00	£12,124.00
Braintree	£10,308.00	£10,308.00	£12,744.00
Chelmsford	£12,534.00	£13,035.00	£13,362.00
Hertsmere (Executive)	£13,906.00	£14,601.00	£15,915.00

Average Portfolio Holder Allowance 2024	£10,779.98
Median Portfolio Holder Allowance 2024	£10,952.48

13. The Panel considered the results of the benchmarking data and noted that Uttlesford District Council (UDC) were still one of the lowest allowances for Portfolio Holders despite the extra uplift to the allowance last year of 6%. It was noted that UDC was not the lowest paid of all the Councils but they were adrift from the average figures by some margin.
14. It was recognised that the benchmarking data was only a small sample, however the Panel decided it would be prudent to raise the allowance again this year by a total of 3.5% and review this allowance in greater detail in the review next year.

Other Special Responsibility Allowances (SRA)

15. The Panel reviewed the Vice Chair's allowance through benchmarking and a survey which was sent to two Councillors who had been the Vice Chair and the current Vice Chair.

Although the answers varied in terms of the duties carried out the time required to carry out the role were broadly in line and the allowance was thought to be fair.

There were differing approaches in the benchmarking figures but UDC were not out of kilter with the other Councils.

Vice Chair Allowance		
Authority	2024	Notes
Hertsmere (Executive)	£0.00	No Deputy Mayor allowance
Stevenage (Executive)	£0.00	Mayor, no mention of an allowance
East Herts (Executive)	£1,450.00	
Epping Forest	£2,150.00	
Uttlesford	£2,290.86	
South Cambridgeshire	£2,455.00	
Braintree	£3,186.00	
Chelmsford	£4,803.00	Deputy Mayor

The Panel decided not to change this allowance.

16. The Opposition Leaders allowance was also reviewed with a short survey sent out to the current Opposition Leaders and benchmarking was carried out.

Authority	2024		Notes
	Main Opposition Leaders	Other Opposition Leaders	
Braintree	£6,372.00	£4,779.00	No allowance given to groups with less than 5 members
Chelmsford	£8,820.00	£1,341.00	
East Herts (Executive)	£9,088.00	£3,218.67	Leader of a minority political group, a factor of 0.1 of the Basic Allowance multiplied by the number of members. Worked out using the current political situation. Conservatives 16, Lib Dems 10, Labour 5 and Independents 2
Epping Forest	£0.00	£0.00	Payments to opposition parties are not mentioned.
Hertsmere (Executive)	£8,681.00	£2,894.00	Other opposition leaders have to be between 2 and 9 Members
South Cambridgeshire	£4,400.00	£0.00	No mention of other opposition leaders
Stevenage (Executive)	£3,988.00	£2,658.00	£443.06 per Member
Uttlesford	£4,009.01	£2,290.86	

The benchmarking data showed very different ways of calculating these allowances. The Panel considered a calculation based on the number of Members in an opposition group, however in the survey results the number of Members in the group did not appear to significantly change the amount of work or extra meetings that were attended.

The Panel therefore decided that this allowance would remain the same this year and would be considered again in a more detailed review in the future.

17. Planning Committee data was collated and although meeting duration had dropped it was not significant and therefore the Panel decided that this allowance would remain the same.

May 2022 to April 2023			May 2023 to April 2024		
Number of meetings	Duration in hours	Number of Applications	Number of meetings	Duration in hours	Number of Applications
18	76	101	15	55	106

18. All other SRA's would receive the standard uplift in accordance with the basic allowance.
19. In summary, when making these recommendations the Panel had taken into account that the allowances:-
- gave Councillors recompense for the work that they carried out;
 - would not provide a disincentive for other people in the community to feel able to come forward and;
 - for those Councillors who did not need or want the allowances they noted the provision to forgo an allowance, partially or in full, and felt that this decision remained in the gift of each individual member.

Looking forward

20. The Panel discussed the main focus for next year's review and agreed that their intention, at this stage, is to look in more detail at the Opposition Leaders Allowance and/or the Portfolio Holders Allowance.

The Panel also wanted to continue to monitor the Basic Allowance to ensure that it was in line with other Councils.

The Panel found that direct engagement with Councillors (through the surveys) was very helpful and they would like to consider ways to encompass further

engagement in future reviews. They were mindful of creating additional pressure on Councillors.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
<p>Member allowances do not continue to be set at a realistic level reflecting duties undertaken, which may deter future prospective councillors.</p>	<p>2 – allowances paid to elected members do not reflect the time commitment and level of responsibility demanded.</p>	<p>3 – the Council may not be able to attract a diverse range of councillors that reflect the makeup of the community they serve.</p>	<p>Adoption of suitable levels of allowances taking account of relevant commitment and responsibility of members.</p>
<p>Member allowances are set too high causing strain on the budget and potentially bringing the public service discount into question.</p>	<p>2 – allowances paid to elected members are perceived to be too high for the public service they carry out.</p>	<p>2 – best value is not achieved and the issue is politicised; the role being mainly voluntary is no longer considered valid.</p>	<p>There must be a balance between remuneration for the work carried out by Councillors whilst still taking account of the public service discount expected of members.</p>

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Appendix A

PROPOSED MEMBERS' ALLOWANCE SCHEME 2025/26

All councillors receive the basic allowance unless they request otherwise. Special responsibility allowances are paid to those who hold responsibility for those positions.

Allowance	Amount
Basic Allowance	£5,881.79
Chair of the Council	£4,705.43 + civic expenses
Vice Chair of the Council	£2,352.72
Leader of the Council	£14,410.39
Deputy Leader of the Council	£7,646.33
Portfolio Holders	£7,250.06
Overview/Scrutiny and Ordinary Committee Chairs	£4,117.26
Chair of Licensing and Environmental Health Committee	£4,117.26
Licensing Panel*	£271.74 subject to attending 10 panel meetings per municipal year a payment will be made to members attending at least 50% of those meetings.
Chair of Planning Committee	£5,881.79
Members of Planning Committee	£1,176.36
Substitute Members of Planning Committee*	£135.87 subject to attending 5 meetings per municipal year, or 50% of meetings in a municipal year.
Main Opposition Group Leader	£4,117.26
Other Opposition Group Leaders	£2,352.72
Independent representatives on the Standards Committee	£588.18
Independent representatives on the	£588.18

Statutory Officer Discipline and Dismissal Committee	
Panel members of Independent Remuneration Panel	£588.18

Explanatory notes about how the Special Responsibility Allowances are calculated:

Chair of the Council - 80% of the basic allowance

Vice-Chair – 40% of the basic allowance

Leader of the Council - 245% of the basic allowance

Deputy Leader of the Council - 130% of the basic allowance

Members of the Executive – 123.26% of the basic allowance

Chair of Overview, Scrutiny and Ordinary committees - 70% of the basic allowance

Chair of Licensing and Environmental Health Committee - 70% of the basic allowance

Licensing Panel Members – 4.62% of the basic allowance, subject to attending 10 panel meetings per annum a payment will be made to members attending at least 50% of those meetings. *

Chair of Planning Committee - 100% of the basic allowance

Members of the Planning Committee – 20% of the basic allowance

Substitute Members of the Planning Committee – 2.31% of the basic allowance, subject to the substitute member attending 50% of Planning Committee meetings, or 5 meetings in the municipal year whichever threshold was reached first. *

Leader of the largest opposition group - 70% of the basic allowance

Leader of all other opposition groups - 40% of the basic allowance

Independent members of the Standards Committee - benchmarked to 10% of the basic allowance

Independent members of the Statutory Officer Discipline and Dismissal Committees - benchmarked to 10% of the basic allowance

Members of the Independent Remuneration Panel - benchmarked to 10% of the basic allowance (although this allowance is not reviewed by the Panel and is agreed independently by the Council)

* Paid in addition to other SRAs.

Appendix B

Copy of Survey sent to Councillors

Vice Chair of Council

1. On average, approximately how many hours per week did/do you work in your capacity as Vice Chair of Council?
2. How many of the hours relate to attendance at external events?
3. Do you think the allowance is a fair remuneration for the work you carried/are carrying out in this role ?
4. Would you be willing to speak to the Independent Remuneration Panel about the role?

Opposition Group Leaders

1. On average, approximately how many hours per week do you work in your capacity as an Opposition Group Leader?
2. Do you think the allowance is a fair remuneration for the work you are carrying out in this role?
3. Do you think that the allowance should relate directly to the number of Councillors in your group?
4. Would you be willing to speak to the Independent Remuneration Panel about the role?