Item 13

**MANSFIELD DISTRICT COUNCIL**



**ELEVENTH REPORT OF THE INDEPENDENT PANEL APPOINTED TO REVIEW**

**MEMBERS’ ALLOWANCES**

**Sir Rodney Brooke CBE DL**

**Dr Declan Hall**

**Ms Madi Sharma**

**February 2019**

## Introduction

1. Following the Local Government Act 2000, Mansfield District Council appointed an Independent Panel to review members’ allowances, in accordance with the Government’s guidance. The Panel now comprises Sir Rodney Brooke, a former County and City Chief Executive; Dr Declan Hall, a former local government academic specialising in members’ allowances, support and roles; and Ms Madi Sharma, a private sector manager who also sits on various Government and European Union bodies.

2. Regulations on Members’ Allowances are contained in the Local Authorities (Members’ Allowances) (England) Regulations 2003. The Panel makes its recommendations in accordance with these Regulations. One of the prime requirements of the 2003 Regulations is for the Council to pay regard to the recommendations of its statutory Members’ Allowances Panel before it amends or changes its allowances scheme. The Panel last reviewed the scheme in October 2014. The Council accepted the recommendations of the Panel with the exception of the recommendation on reimbursement of IT expenses.

1. The Panel has been informed that it is the practice of Mansfield District Council to convene an Independent Remuneration Panel at least every 4 years, regardless of whether indexation forms part of the members’ allowances scheme
2. The Panel has also had regard to the new Council Constitutions: Guidance on Regulations for Local Authority Allowances May 2006. This is statutory guidance which all local authorities must take into account when reviewing allowances and agreeing a new scheme of allowances respectively.
3. The Panel last reviewed the scheme in October 2014. The Council accepted the recommendations of the Panel with the exception of the recommendation on reimbursement of IT expenses. Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel.
4. In our previous reports the Panel has pointed out that the quality of local democracy and the effectiveness of the services provided by the Council depend on the ability of the Council to enable a wide range of people to serve as councillors. While financial reward is not and should not be the main motivation for service as a councillor, the time demands made on councillors require the payment of reasonable remuneration if able or capable or talented people are enabled to serve as councillors. The demands made on councillors continue to expand, as does the time commitment expected of them. There is more partnership working. Elected members must find different ways of engaging with the communities they represent. They must consciously act as community champions. The internet has greatly increased not only the accessibility of councillors but also the pressures upon them. A more demanding electorate expects immediate responses from its councillors. It is very important for the future of Mansfield that it is able to attract talented, committed and industrious councillors who are prepared and able to commit a substantial part of their energy and time to the work of the Council.
5. While recognising the pressures on councillors, the Panel is acutely conscious of the present strains on public funds. Though the work of councillors constantly expands, the Panel recognises the need for the same discipline to be applied to councillors’ allowances as the Council has to apply in its other spending commitments. Having regard to the budgetary situation, in our 2014 report the Panel recommended that special responsibility allowances be frozen at their then level. The Council accepted that recommendation. There have been no increases to reflect increases in costs of living since then. We continue to be in the middle of a period of acute financial stringency. That financial stringency will continue into the foreseeable future: the Council will need to find substantial savings over the next three years. In such a situation councillors’ allowances cannot expect to be exempt from scrutiny.
6. The Council is unusual in having an elected mayor. It is also unusual in that the party with the greatest number of members is not represented on the Council’s Cabinet. The Panel’s recommendations are, of course, geared to this system of governance. The different system of governance should be borne in mind when comparing Mansfield members’ allowances with those of other local authorities.
7. In considering its recommendations, the Panel met
* Mrs Kate Allsop, (the Executive Mayor);
* Councillor Sonya Ward (Leader of the Labour Group);
* Councillor Mick Barton (Deputy Mayor and Deputy Leader of the Mansfield Independent Forum);
* Councillor Sid Walker (Chairman of the Licensing Committee);
* Councillor Steve Garner (Leader of the Mansfield South Independent Group);
* Councillor Kevin Brown (Chairman of the Planning Applications Committee)
* Mrs Hayley Barsby (Chief Executive Officer).
1. The Panel also had regard to members’ allowances paid in comparable authorities and to other elected mayors. Throughout its visit the Panel were supported by Mrs Jacqueline Collins (Director of Governance and Monitoring Officer) and Mr Mark Pemberton (Democratic Services Manager), to whom the Panel extends its thanks. Nevertheless, the views set out in this report are entirely those of the Panel itself.

**The Council’s Scheme of Allowances**

1. The evidence we received confirmed our view that the general scheme of allowances has stood the test of time and is appropriate to the Council. It has been, we believe, successfully adapted to the Mayoral system. Since our last report, the member structure of the authority has not changed, though the distribution of responsibilities among portfolio holders has been varied. There continues to be seven portfolio holders. The point was raised that there are variable workloads and responsibilities across the portfolio holders which might merit a variable SRA accordingly. However, the Panel believes that the allocation of portfolios is a matter for the Mayor reflecting priorities, specialisms and government agendas. The Panel believes that (as in our 2014 recommendation) the total cost of Special Responsibility Allowances paid to Portfolio Holders should continue to be capped at its present level (subject to the increases recommended in this report).
2. At present the Council has an Audit Committee and a Standards Committee. On 23rd January 2019 the Council agreed to merge the two committees to form a Governance and Ethics Committee, to be implemented from the date of the Annual Council in May 2019. The new committee would include two non-voting independent non-elected members. The Chairman of the Audit Committee currently receives a Special Responsibility Allowance of £2121.21 and the Chairman of the Standards Committee a Special Responsibility allowance of £1,630.91. The two independent members of the Audit Committee receive a Co-optees’ Allowance of £295.84 and the Co-optees’ Allowance for the three independent members of the Standards Committee (presently there are only two independent members of the Standards Committee, with one vacancy) is £530.51. The Panel recognises that the new standards regime is less demanding than its predecessor and the role of chairing the new committee will not be as large as the sum of the roles of the Chairmen of the two separate committees. The main role of the independent members of the Governance and Ethics Committee will be in relation to the audit function and, unlike the previous standards regime, are not statutory. However the Panel believes that the combined role justifies a Co-optees’ allowance equivalent to that of the Co-optees’ allowance currently paid to the independent members of the Standards Committee. From the date of its institution, **we recommend that the Chairman of the Governance and Ethics Committee should receive a Special Responsibility Allowance of £3,000 and the two independent members a Co-optees’ Allowance of £530.51**.
3. The Panel considered the Special Responsibility Allowances paid to the Chairmen of the three Overview and Scrutiny Committees. The Committees appear to have very different workloads: the Overview and Scrutiny Committee (Corporate) is scheduled to meet 17 times in the 2018-19 municipal year; the other two Overview and Scrutiny Committees only seven times each. On balance the Panel decided that we should not differentiate between the Special Responsibility Allowances paid to the Chairmen of the three committees, believing that the comparative workloads of the three committees (and thus of their Chairmen) are for the Council to review.
4. As mentioned in paragraph 4 above and in accordance with the recommendation in our 2014 report, members of the Council have received no increase in their allowances for four years. During that time there have been successive increases in the Retail Price Index of 2.4%; 1%; 1.8%; 3.6%; and 3.3%. In the same period local government pay awards have been 0%; 2.2% (plus a consolidated payment of £100); 1%; 1%; and 2%. Moreover councillors have lost access to the local government pension scheme, which gave them the benefit of an “employers’ contribution” of up to 13.9%. These changes mean that in real terms members’ allowances have diminished sharply. While recognising the need for austerity the Panel reiterates its belief (see paragraph 3 above) in the importance of elected members and the need for an allowances scheme which makes it possible for people to serve on their council. After four years of no increases, we now **recommend that for the next four years the Basic Allowance, Special Responsibility Allowances and the Co-optees’ Allowances, together with the Council’s flat rate travelling allowance, be indexed to the headline figure of the national local government pay settlement as agreed annually by the National Joint Council for Local Government Staff (including the figure agreed for the financial year 2019-20) to be implemented with effect from the beginning of the 2019-20 municipal year.**
5. **We recommend that subsistence and overnight rates for councillors continue to be based on the rates and conditions applicable to Mansfield District Council staff.**
6. **We recommend that where mileage is claimed (for journeys outside the Council area) that it should be indexed to HMRC rates.**

1. We understand that no Dependants’ Carers’ Allowance has ever been claimed by a serving Mansfield councillor. We believe that a carers’ allowance should be available in order to enable the widest possible range of people to participate in the work of the Council. With that in mind, we also **recommend that the child care element of the Dependants’ Carers’ Allowance be linked to the national living wage. Care for other dependants should continue to be linked to the appropriate rate paid by Nottinghamshire County Council Social Services Department for a similar type of care.**

**Implementation**

1. **We recommend that the Members’ Allowances Scheme continue unaltered except for the changes mentioned above and that those changes be implemented with effect from the beginning of the 2019-20 municipal year.**

**SUMMARY OF RECOMMENDATIONS**

1. **The current scheme of members’ allowances should be unaltered except for the changes recommended below.**
2. **the Chairman of the Governance and Ethics Committee should receive a Special Responsibility Allowance of £3,000 and the two independent members a Co-optees’ Allowance of £530.51**
3. **for the next four years the Basic Allowance, Special Responsibility and Co-optees’ Allowances and the Council’s flat rate within district travelling allowance be indexed to the headline figure of the national local government pay settlement (known as the NJC percentage pay settlement), including the figure agreed for the financial year 2019-20, with effect from the beginning of the 2019-20 municipal year.**
4. **the subsistence and overnight rates for councillors continue to be based on the rates and conditions applicable to Mansfield District Council staff.**
5. **the child care element of the Dependants’ Carers’ Allowance be linked to the national living wage and that care for other dependants should continue to be linked to the appropriate rate paid by Nottinghamshire County Council Social Services Department for a similar type of care.**
6. **where mileage is claimed (for journeys outside the Council area) that it should be indexed to HMRC rates.**
7. **the changes we recommend to the Members’ Allowance Scheme should be implemented with effect from the beginning of the 2019-20 municipal year.**

**Rodney Brooke**

**Declan Hall**

**Madi Sharma**

**11th February 2019**