

# FAREHAM

## BOROUGH COUNCIL

### Report to Scrutiny Board

**Date**                    **11 January 2018**

**Report of:**            **Head of Democratic Services**

**Subject:**              **MEMBERS' ALLOWANCES SCHEME REVIEW**

#### **SUMMARY**

The current scheme of Members' Allowances expires in the 2017/18 municipal year and the Council therefore needs to adopt a new scheme from 1 April 2018 onwards. The Independent Remuneration Panel has made recommendations in respect of the scheme for next year and Council will be invited to consider their proposals. These recommendations are to be considered by the Scrutiny Board and the Executive before being considered by Council at its meeting in February 2018.

#### **RECOMMENDATION**

That the Scrutiny Board considers the report of the Independent Remuneration Panel and determines if it wishes to recommend any or all of the Panel's recommendations, as set out from paragraph 6 of the report, to the Executive for further review before the amended Members' Allowances Scheme is referred to Council for adoption.

## **INTRODUCTION**

1. The Independent Remuneration Panel, which advises the Council on the payment of Members' allowances, convened on 9 November 2017 to review the current scheme of allowances and to make recommendations for an updated scheme. The full report of the Panel is attached at Appendix A.

## **BACKGROUND**

2. In 2003, the Government made Regulations which give local authorities discretion in preparing a Members' Allowance Scheme that reflect local circumstances, whilst at the same time providing clear and transparent accountability. In support of this process, local authorities are required to take into account the recommendations of a locally appointed Independent Remuneration Panel.
3. The Panel first met and made initial recommendations in 2003 and has since advised the Council periodically in respect of the allowances payable to Members. The Panel which met on the 9 November 2017 consisted of the same 3 Panel members as previously which provided continuity for this review.
4. The Panel was invited to review the current scheme, consider whether any changes should be made and to make appropriate recommendations to Council for a refreshed scheme to operate from 1 April 2018.

## **PANEL RECOMMENDATIONS**

5. The conclusions and recommendations of the Panel are set out from paragraph 6 of the Panel's report which is attached at Appendix A.
6. The Panel compared allowances paid to Members with other similar sized Hampshire Councils. They noted that the average spend per Member at Fareham is £13,513 which is considerably higher than the next listed Hampshire District Council according to the South East Employers' Members Allowances Survey Data 2017/18. The Panel has recommended that the Council confirms that it is satisfied that there are good and valid reasons for these facts.
7. The Panel is recommending that all allowances and expenses is indexed and incrementally increased at the same rate as staff increases.
8. The Panel is recommending that the Members' Allowance Scheme includes the Special Responsibility Allowance for the Mayor and Deputy Mayor of 80 and 15 points respectively.
9. The Panel also recommended that the Designated Independent Person be paid quarterly, as requested by the Designated Independent Person, in order to ease administration. Subsequent enquiries made with the Finance team have indicated that this change would actually increase administration as the work would have to be run manually due to there being no provision within the system to run a quarterly payroll.
10. The Panel reviewed the Special Responsibility Allowance paid to the Leader of the Minority Group. The Panel is recommending that the allowance paid to the Minority Group Leader should be 60 points for 1-9 Group Members, and for 10 Group Members and above, 120 points with the removal of note 3 from the Members Allowances Scheme which awards 120 points to the Leader of the largest minority group

irrespective of the number of group members dropping below 10.

11. The Panel is recommending that Council considers aligning the Subsistence Allowances set out in the Scheme to the amounts paid to officers.
12. The Panel is recommending that consideration be given to paying a supplement of 5p per mile per extra person for Members who carry other Councillors in their vehicle to approved meetings.
13. The Panel is recommending that Carers' Allowances are paid at the living wage rate.

### **FINANCIAL IMPLICATIONS**

14. The proposals of the Independent Remuneration Panel would result in a range of savings and additional spend depending on which are taken forward for adoption. Therefore the net financial impact cannot be assessed until the recommendations of the Panel have been considered by the Scrutiny Board and those supported being recommended to Executive for further consideration. At this point, the financial implications will be fully assessed and reported to the Executive.

### **RISK ASSESSMENT**

15. There are no significant risk considerations in relation to this report.

### **CONCLUSION**

16. The Independent Remuneration Panel has reviewed the Scheme of Members' Allowances and made recommendations to be implemented from 1 April 2018.
17. The Scrutiny Board is required to consider these recommendations and make any recommendations to the Executive for their consideration. The Executive will consider all recommendations and ask Council to determine whether to accept them and implement a new Scheme commencing 1 April 2018.

### **Appendices:**

A: Report of the Independent Remuneration Panel November 2017

### **Reference Papers:**

South East Employers': South East Members Allowances Survey Data 2017/18

### **Background Papers:**

The Local Authorities (Members' Allowances) (England) Regulations 2003  
<https://www.legislation.gov.uk/uksi/2003/1021/contents/made>

### **Enquiries:**

For further information on this report please contact Samantha Wightman. (Ext 4594)