

**REVIEW OF SCHEME FOR MEMBERS' ALLOWANCES
FAREHAM BOROUGH COUNCIL**

REPORT OF INDEPENDENT PANEL

1 The Panel:

Hazel Warwick: Independent Consultant, formerly Deputy Chief Executive First Wessex Housing Group

Nigel Duncan: Principal Fareham College

Felix Hetherington: Solicitor (non practicing) Local Government Consultant.

2. Terms of reference for the Panel:

The Panel was asked to carry out a review of the Current Scheme of Members Allowances, last reviewed in 2012, and to recommend to the Council its findings and recommendations for a further Scheme.

3 Background:

3.1 As required by the Local government Act 2000 the Council established its current Scheme of Allowances in a Handbook dated April 2013, following recommendations from an Independent Panel.

3.2 The Membership of the Panel is the same as that which carried out the last review.

4. Methodology:

4.1 The Panel was provided with the following documents:

- Emails from Samantha Wightman the Council's Committee and Information Services Manager
- Paper outlining role of Members as Councillors
- Paper outlining role of Executive Leader
- Paper outlining role of an Executive Member
- Paper outlining roles of Mayor and Deputy Mayor
- Paper outlining role of Chairman of Scrutiny Board
- Paper outlining role of Chairmen of Committees
- Paper outlining the role of Chairmen of Policy development and Review Panels
- Members Allowance Councillors' Handbook April 2013
- Paper outlining Population forecasts for all Hampshire Districts

- Paper on average pay for Care Workers
- Schedule of meetings 1017/18 and 2018/19
- Extract of a Report taken to Audit and Governance Committee Committee 13 September 2017 concerning Complaints against Members received by the Monitoring Officer.
- Spread Sheet setting out comparison Members Allowances etc for Hampshire Districts and the wider South East

4.2 The Panel wishes to acknowledge the help and support it received from Leigh Usher and Samantha Wightman.

4.3 In particular, as to the existing Scheme, the Panel was advised that the Chairman and Vice Chairman of the Housing Tenancy Board and Chairmen of Community Action Teams no longer formed part of the Council' structure and their Allowances were disregarded. It was confirmed that the Group Leaders had been circulated about the Review by the Panel and invited to make comment on the Scheme of Allowances.

4.4 The Panel was notified that Councillor Woodward Leader of the Council had representations about the level of Special Responsibility Allowance awarded to the Leader of Minority Groups and he was invited to meet the Panel. He expressed himself happy with the way the points based system of Allowances had operated generally since the last Review. He drew attention to the points awarded to the Leader of the Minority Group, based on the number of members of the Group and the related Note 3 in the Scheme.

5. The Review

5.1 The points based system of Allowances appeared to be working well and fit for purpose as evidenced by the comments of the Leader mentioned above and by the absence of any comment by other Members via the Group Leaders.

5.2 The Basic Allowance has been increased annually at the same rate of increase as Staff pay, and stands at £6,809 for 2016/17, broadly comparable with other Hampshire Districts with a similar population. There has been no substantial change to the workload of Ward Members, although the Leader advised the Panel that the Council's Local Plan is going through the Council processes over the next 2 to 3 years which is a major task for all Members.

5.3 Special Responsibility Allowances have been increased at the same rate as the Basic Allowance.

5.4 The current Scheme does not include the remuneration paid to the Mayor and Deputy Mayor. Some years ago the basis of payment to the Mayor and Deputy Mayor was changed and they now receive annual payments of £4,255 and

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£850 equivalent to SRAs of 80 and 15 respectively for their contribution to the work of the Council. The level of remuneration is consistent with other Hampshire Districts with a similar population and the remuneration of the Mayor and Deputy Mayor should be included as SRAs.

- 5.5 At the time of the previous Review the Panel was informed that new Licensing requirements were likely to result in significant additional work and responsibility for the Licensing and Regulatory Affairs Committee particularly for its Chairman. The Panel noted that the Chairman received £7,092 which appears to be considerably higher than Chairmen of the Committee with that title in other Hampshire Districts. It seems from the number of meetings called the amount of work for Fareham fell short of that predicted at the last review.
- 5.6 The level of SRA awarded to the Chairman of Audit and Governance Committee is currently 75 points. The Committee has a Vice Chairman appointed but this role does not currently receive a SRA. The Panel was informed that the Committee's title had changed from Audit Committee, but the Panel was unable to see that either to scope or the level of work of that Committee was sufficient to justify and increase in the SRA points and the remuneration currently is in line with other Hampshire Districts of a similar population size.
- 5.7 In addition to Allowances for Members, the Scheme includes an Allowance paid to the Designated Independent Person, who has a role in dealing with formal Complaints to the Council. That allowance is set currently set at £700 pa plus traveling expenses. The Monitoring Officer Paul Doran told the Panel that prior to 2015 there were 2 DIPs and that whilst the volume of Complaints hasn't increased significantly their complexity has. He informed the Panel, also, that in discussions with the DIP several months ago the DIP had enquired whether his remuneration maybe reviewed by the Panel. The Panel decided to contact the DIP directly and invite him to make representations to it. In his representations to the Panel, the DIP stated that his remuneration had not been increased since 2012, agreed with the Panel's suggestion that his remuneration be increased annually at the same rate as that for Members and requested that he be paid quarterly rather than monthly. Taking into account that the DIP is paid a similar rate at Southampton and comparing the rates paid to DIPs in other Hampshire Districts the Panel is of the view that the level of remuneration is reasonable but recommend that it be increased in line with Members remuneration in future.
- 5.8 The Leader of the Council drew the Panel's attention to the SRA paid to the Leaders of Minority Groups paid on the basis of numbers of Members in the Group and note 3 in Scheme which awarded an SRA of 120 to the Leader of the largest Minority Group - irrespective of its size. There is only one Minority

Group currently, consisting of 5 Members. The Leader's view is that the Leader of the Minority Group should be paid according to the number of Members in the Group and that note 3 should be deleted. The Panel is of the view that the Leader of the Minority Group is an important role in holding the Majority Group to account in terms of public confidence. However, it sees merit in the position being brought to its attention and would invite the Council to consider an amendment to the Scheme to delete note 3 and to award an SRA of 60 to the Leader of a Minority Group up to 9 Members and 120 if the Members of the Group are 10 or more.

- 5.9 The Panel took into account at the last Review to benefit to the Council of the Leader as Chairman of PUSH - for which he receives no additional remuneration. The Panel sees no reason to change that view so long as the Leader remains also Chairman of PUSH.
- 5.10 The Scheme includes also Travelling and Subsistence Allowances and Dependents' Carers' Allowances. The Council's travelling and subsistence arrangements are broadly in line with other Hampshire Districts. However, the subsistence and accommodation Allowances seem generous and out of step with other Hampshire Districts. Whilst the Panel was informed many of these are not claimed, the Council might consider arrangements linking Members' Allowances to those of its staff. In relation to car mileage Allowances, the Council might consider adding a supplement of, say, 5p per mile to Members who carry another Member to encourage car sharing arrangements and avoid dual/multiple claims thus reducing the level of claims on the Council and contributing to reducing traffic on its roads. In relation to Carers' Allowances, the Panel would invite the Council to consider paying these at the current level of the minimum wage.

6. Conclusions and Recommendations

- 6.1 Overall, as in its previous Report the Panel has looked again at benchmarking Fareham with both other Hampshire Districts and the wider Southeast. The Panel is grateful to Samantha Wightman for obtaining the comparison with both other Hampshire Districts and the wider South east. As before, the Panel recognises the limitations of benchmarking in terms of consistency in methodology, the variation in arrangements of its Council in its Constitution and number of Members in relation to its population.
- 6.2 However, it is right for the Panel to suggest that the Council considers reasons to validate where in some areas of comparison Fareham may be different to some other Hampshire Districts with a roughly equivalent population. As an example, the comparison spread sheet shows the Authorities' overall Budget for Members Allowances for Fareham is £418,900 which is higher than many other Districts and although there are a low number of Members, the average spent per Member at £13,513 is considerably higher than the next listed

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Hampshire District. The Council is **RECOMMENDED** to satisfy itself that there are valid and good reasons for these facts.

- 6.3 The Council is **RECOMMENDED** to index increases in all of its Allowances and expenses, including that of the Designated Independent Person, to that applicable to its staff.
- 6.4 The council is **RECOMMENDED** to include SRAs for the Mayor and Deputy Mayor of 80 and 15 respectively.
- 6.5 In relation to the Allowance paid to the DIP the Council is **RECOMMENDED** to increase this annually at the same rate as staff increases and from an administration point of view pay this quarterly.
- 6.6 With regard to the SRA paid to the Leader of the Minority Group, the council is **RECOMMENDED** to remove note 3 from the Scheme and pay Allowances for 1-9 Group Members 60 points and 10 and above 120.
- 6.7 The Council is **RECOMMENDED** to look at its Subsistence Allowances set out in the Scheme and to align these to those paid to its staff.
- 6.8 The Council is **RECOMMENDED** to consider paying a supplement of 5p per mile per extra person to Members who carry in their vehicle other Members of the Council.
- 6.9 On Cares' Allowances the Council is **RECOMMENDED** to consider paying the Living wage rate as an alternative to the statutory minimum.

F R Hetherington

On behalf of the Panel

December 2017