Report to Council

Date: 22 February 2013

Report of: Director of Regulatory and Democratic Services

Subject: MEMBERS' ALLOWANCES

SUMMARY

The current scheme of members' allowances is due to expire at the end of March 2013 and the Council needs to adopt a new scheme for 1 April onwards. The Independent Remuneration Panel has therefore been invited to make recommendations as to the scheme for the next year and members are invited to consider their proposals.

RECOMMENDATION

That the Council consider the report of the Independent Remuneration Panel and determine whether to accept the Panel's recommendations, thereby:

(a) Adopting a scheme of members' allowances for 2013-14 which mirrors the scheme for the current year.

(b) Making no change in the level of reimbursement for travel and subsistence;
INTRODUCTION

1. The Independent Remuneration Panel, which advises the Council on the payment of members’ allowances, has recently reviewed the scheme of allowances with a view to recommending a scheme for the next year. The report of the Independent Remuneration Panel is attached at Appendix A for members’ consideration.

BACKGROUND

2. In 2003, the government made regulations which allow local authorities discretion in preparing members' allowances schemes that reflect local circumstances, whilst at the same time providing clear and transparent accountability. In support of the process, local authorities are required to take into account the recommendations of a locally appointed Independent Remuneration Panel.

3. The Fareham Panel first met and made recommendations in 2003 and has advised the Council periodically thereafter on the allowances payable to members. Membership of the Panel has changed gradually over the intervening years to introduce a fresh view whilst maintaining some consistency of approach.

4. The current scheme was recommended to the Council by the Panel to operate from 1 April 2011 until 31 March 2013. The Panel was recently invited to review the current year’s scheme to consider whether any changes should be made and to recommend a scheme to operate from 1 April 2013.

5. Members will recall that a notice of motion was considered by Council at the meeting held on 18 October 2012 (Item 14(2)) which requested that all members support a reduction of the Special Allowance allocation of points by 50%. Following debate, the motion was LOST. The Independent Review Panel took account of this together with other representations received from Members as part of the review.

CONSULTATION

6. Members of the Council were invited to identify any matter they considered the Panel should take into account. Representations were received from seven members as detailed in paragraph 5.3 of the Panel’s report attached at Appendix A.

7. The consultation has been publicised on the Council’s website but no public comments have been received.

THE PANEL’S RECOMMENDATIONS
8. The conclusions and recommendations of the Panel are set out in paragraph 6 of its report attached at appendix A.

9. In respect of 2013/14, the Panel is recommending that the current scheme be carried forward with no modifications and it is recommended this be adopted for the period 2013-14

RISK ASSESSMENT

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

CONCLUSION

11. The Independent Remuneration Panel has reviewed the scheme of members' allowances and recommended a scheme to operate from 1 April 2013. Council is required to consider the Panel's recommendations and to determine whether to accept them, thereby carrying over the current scheme for a further year.


Background Papers:

Reference Papers:
Scheme of members' allowances 2011-12
Briefing and background papers supplied to the Panel

Enquiries:
For further information on this report please contact Elaine Wildig. (Ext 4587)
FAREHAM BOROUGH COUNCIL

REVIEW OF MEMBERS’ ALLOWANCES

REPORT OF INDEPENDENT PANEL

1. The Panel:-
   The Panel appointed by the Council’s Democratic Support Manager consists of:
   • Felix Hetherington : Solicitor, Local Government Consultant
   • Hazel Warwick : Asset Management Director and Deputy Chief Executive
     First Wessex Housing Group
   • Nigel Duncan : Principal Fareham College

2. Terms of Reference for the Panel:-
   2.1 The Panel was invited to carry out a review of the Council’s Scheme of
   • Members’ Allowance and to recommend to the Council any changes from
   • that review to be implemented in 2013-14

3. Background:-
   3.1 As required by the Local Government Act 2000 the Council established its
   • current Scheme of Members’ Allowances 2011 - 13 following
   • recommendations from the Independent Panel.
   3.2 The Membership of the Panel is the same as those who carried out the last
   • review.
   3.3 This review relates to the Council’s scheme of Members Allowances for the
   • period 2013-14

4. Methodology:-
   4.1 In order to help with its deliberations, the Panel was provided with the
   • following documentation:
   • E-mails briefing the Panel on the review
   • Report of the Panel reviewing current Allowances
   • Members allowances Information Booklet April 2012
   • Current Schedule of Council meetings
   • Extract from the Council’s Constitution “Roles and Functions”
   • Copies of the Schemes of allowances for Hants Authorities
   • Population profiles for Hants Authority areas
   • Copy of Council minute concerning a Notice of Motion dated 28th
     September from Cllr D M Whittingham proposing a reduction in
     Special Responsibility Allowances (SRAs)
   • Copy of e-mail to all Councillors inviting representations in relation to
     the review of the Scheme of Allowances.
4.2 The Panel took into account factors relating to the current Constitution and the workload on Members and also by “benchmarking” the Scheme of allowances with those of other Hampshire Authorities with a similar population base.

5 The Review:-

5.1 The Panel were influenced by the representations made by its own members and by Cllr Whittingham’s Notice of Motion dated 28th September. (This motion was considered and debated at the meeting of full Council held on 18 October 2012). It is very clear that Members are conscious of the current local and national economic position of the country. Nevertheless, the Panel’s approach is to review Member’s Allowances objectively and to make fair and reasonable recommendations.

5.2 It took into account the Notice of Motion of Councillor Whittingham to reduce Members Special Responsibility allowances by 50%. The Panel respects the arguments in respect of local economic considerations put forward to support the Motion, but there is nothing to show that the work or responsibility of those in receipt of Special Responsibility Allowance (SRAs) has reduced. Accordingly, the Panel considers that the Council’s decisions in relation to that Motion and its amendment were fair and reasonable.

5.3 Following the request for views and representations from Members, seven were received. In alphabetical order they are:

- Cllrs J and P Bryant: no issues
- Cllr Nick Gregory: retain the current level of the Basic Allowance but consider a reduction in SRAs to bring them “in line” with Havant (population 117000) and Gosport (80000). Arguments put forward about the hourly rate for Members compared with the National Average Wage and National Minimum Wage rates.
- Cllr Keeble: Community Action Teams (CATS) allowance based on 4 meetings a year - now reduced to 3 meetings, therefore there should be a reduction of 25% in the Allowances for these.
- Cllr Norris: current Allowances sufficient and any movement in line with awards to Council employees
- Cllr Trott: Allowances should not be raised, but SRAs should be cut by a third. Councillors should not claim for travel within the borough boundaries. Based on experience, the Allowances for Vice Chairmen should be cut in half.
- Cllr Woodward: Members allowances “frozen” for last 4 years. Any uprating should be pegged to staff salaries. Current Scheme compares with mid-range for similar areas locally and nationally.

5.4 The Panel noted that from the extract of the Constitution provided (last updated Nov 2012) there was little significant change to the business structure and meetings since its last review.
5.5 From the schedule of meetings 2012-13 provided (last updated April 2012) the Panel noted that the cycle of business meeting had reduced from 4 to 3 pa. Related to this reduction, there are representations from Cllr Keeble that the Allowances attaching to CATS (there are 6 of them) should be reduced proportionately by 25%. The Panel are advised by the Council’s Democratic Services Team that it is not considered that the reduction in the cycle has made any significant difference to the work load. Accordingly the Panel having considered the issue is unpersuaded to recommend a change to the level of allowances for CATS. Similarly, the Panel is advised that the reduction in the cycle of meetings has made little significant difference to the level of responsibility or work for Members and therefore the Panel sees no reason to alter any of the other Allowances due to the reduced cycle.

5.6 Cllr Gregory, for the Independent Group, asks the Panel to consider a reduction in Members’ Allowances due to the economic condition of the country. He goes on to suggest that the main area for cuts should be in SRAs to bring them, he says, more in line with Havant (population 117000) and Gosport (80000) (see more about Allowances and population size para 5.8 below). Cllr Mrs Trott suggests that SRA’s for Chairs of Committee could be cut by a third, but she does not advance an argument to support such a reduction. It is the understanding of the Panel that SRAs as their title suggests are awarded to reflect additional responsibility. Whilst the cycle of meetings has reduced, as mentioned in paragraph 5.5, the Panel has not received any evidence that responsibility has decreased. Accordingly, having considered the issue the Panel is unpersuaded to recommend a change to the level of SRAs. The Leader receives an SRA to reflect his contribution as Chairman of PUSH, that organisation being unable to fund remuneration for Chairmanship itself. The Leader receives the SRA only during his Chairmanship. The Panel is advised that there is no change in the position. Accordingly, the Panel recommends that the Leaders SRA for PUSH should continue so long as he remains Chairman.

5.7 The Panel received representations from Cllr Mrs Trott to the effect that travel by Members within the Borough boundary on official business should not attract travelling allowance as she considers that existing allowances cover this. The Panel considered this and is of the view that allowances provide remuneration for Councillors performing their role as elected members and travelling and subsistence allowances reimburse their reasonable out of pocket expenses. Accordingly, the Panel recommends no change.

5.8 As in previous reviews it is helpful for the Panel to be able to bench-mark the level of Fareham Members’ allowances with those of neighbouring Hants Authorities and it is grateful for the information provided detailing current Schemes. In undertaking any comparison, the Panel recognises the limitations in the methodology, as it is up to each Council to determine its Scheme of Allowances in accordance with factors such as population numbers, the arrangements to carry out its business set out in its Constitution and any factors individual to that Council. In addition Schemes differ in when they were last reviewed and their length in years. Whilst the Panel analysed all of the data provided, it looked particularly at
neighbouring Authorities with a similar population size, namely: Fareham (111000), Eastleigh (123000), East Hants (113000), Test Valley (114000) and Winchester (117000). The data showed that for Basic Allowances, “Cabinet” SRAs and Leader’s Allowance on each of these Allowances Fareham’s is the highest level (see table). Again the Panel acknowledge the crude nature of this exercise. The Panel recommends that the Council should consider aligning the allowances in its Scheme more closely to the aggregate of neighbouring Authorities over a period of time.

5.9 There have been no representations about problems with the current points based Scheme for Fareham other than those representations detailed and addressed in this Report and the Panel conclude that the Scheme is fit for purpose as the basis for its Councillor’s remuneration until the next review.

6. Conclusions and recommendations

6.1 Overall, the Panel concluded that the current Scheme has worked in a satisfactory way and it is broadly in line with what has been adopted by a number of neighbouring District Councils. It recommends to the Council that it continues operating on the current points based Scheme.

6.2 As there are no significant difference in the level of Members’ responsibilities and workload even after the revised schedule of meetings and, as judged by the schedule of meetings, the Panel considers it right in the current economic climate to endorse the views of those Members who made representations and to recommend no change to the Basic Allowances and SRAs for 2013-14. In making this recommendation the Panel would not wish to imply that in the complex business of running the Council, demands on Members have not increased since the last review.

6.3 There were no representations about the Travel and Subsistence Allowances. In the absence of any representations on Travel (other than those of Cllr Mrs Trott) and Subsistence Allowances, the Panel recommends that they remain at the current levels in the Scheme.

6.4 The attached analysis offers a comparison between Fareham and neighbouring authorities’ allowances. The comparison illustrated that there is a case to consider aligning the allowances over a period of time although this would require much more detailed analysis of data from Authorities of a comparable size and nature. The Panel recommends that this is considered in future reviews.

F R Hetherington
For and on behalf of the Panel

December 2012
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(Source: figures provided by Fareham Borough Council survey)