

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 05 February 2018

Portfolio:	Policy and Resources
Subject:	Review of Scheme for Members' Allowances
Report of:	Head of Democratic Services
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

To enable the Executive to consider the recommendations made by the Independent Remuneration Panel in respect of the Members' Allowances Scheme, and the recommendations made by the Scrutiny Board held on the 11 January 2018 and to refer this matter to Council for decision. Any recommendations will be effective from 1 April 2018.

Executive summary:

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.

The Panel first met and made their initial recommendations in 2003 and it 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 Panel members as previously which provided consistency for this review.

The current scheme of Members' Allowances expires in the 2017/18 municipal year and the Council needs to adopt a new scheme for 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 have been considered by the Scrutiny Board who have made their recommendations. The Executive are asked to consider both the recommendations of the Independent Remuneration Panel and the Scrutiny Board and put forward their recommendations for consideration by Council at its meeting in February 2018.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) considers the Independent Remuneration Panel recommendations as set out at paragraphs 6 – 14 in the Executive briefing paper; along with
- (b) considers the comments and recommendations made by the Scrutiny Board at paragraph 15 (a) – (d); and
- (c) subject to (a) and (b) makes final recommendations to Council for the adoption of a revised Members' Allowances Scheme at its meeting in February 2018.

Reason:

The current Member's Allowance Scheme expires this year and must be reviewed by an Independent Remuneration Panel before being adopted by Council.

Cost of proposals:

The costs of the proposals are dependent on the recommendations made by the Executive, and ultimately, Council. To assist Members' in making recommendations, a schedule of costs for various recommendations is attached to this report at Appendix B.

Appendices:

A: Report of the Independent Remuneration Panel November 2017.

B: Document tabled at Scrutiny Board meeting which outlined the costs of proposed recommendations made by the Independent Remuneration Panel.

Background papers:

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

Reference 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)

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	05 February 2018
Subject:	Review of Scheme for Members' Allowances
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

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.
5. The Scrutiny Board, at its meeting on the 11 January 2018, considered the report of the Independent Remuneration Panel and the recommendations made within it. Recommendations made by the Panel and the Scrutiny Board are set out below.
6. Executive Members are reminded that there is an automatic dispensation to all Members to enable discussion and a decision to be taken on Members' Allowances and Disclosable Pecuniary Interests do not apply to this decision, under the Code of Conduct.

PANEL RECOMMENDATIONS

7. The conclusions and recommendations of the Independent Remuneration Panel are set out from paragraph 6 of the Panel's report which is attached at Appendix A.
8. 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.
9. The Panel is recommending that all allowances and expenses are indexed and incrementally increased at the same rate as staff increases.
10. The Panel is recommending that the Members' Allowance Scheme includes a Special Responsibility Allowance for the Mayor and Deputy Mayor of 80 and 15 points respectively.
11. 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.
12. 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.
13. The Panel is recommending that Council considers aligning the Subsistence Allowances, set out in the Scheme, to the amounts paid to officers.
14. 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.
15. The Panel is recommending that Carers' Allowances are paid at the living wage rate.

SCRUTINY BOARD RECOMMENDATIONS

16. At the Scrutiny Board meeting on 11 January 2018, Members debated this item at length and considered a tabled document which gave Members examples of the cost implications of some of the proposed recommendations (as attached at Appendix B to this report). The Scrutiny Board made several comments which included:
 - (a) the points awarded for the role of Mayor should be higher due to the personal costs incurred during the Mayoral year, which they felt could detract from accepting this role (recommendation 6.4 of the IRP report);
 - (b) not having the Members' Allowances Scheme index linked with Officers' pay. The Board felt that Members' allowances are not salaries and should not be treated in the same way and did not feel a 2% pay increase (in line with the

current national offer for Officers) should be accepted in light of the current financial constraints faced by the Council (recommendation 6.3);

- (c) applying an annual increase at the same rate of Officers, which is index linked, to the Designated Independent Person (recommendations 6.3 and 6.5); and
- (d) in respect of the recommendation at 6.6 for the Special Responsibility Allowance paid to the Leader of the Minority Group, Councillor S Cunningham addressed the Board on this proposed change stating that he did not think this was appropriate. Councillor S Cunningham requested that his views were considered by the Executive.

FINANCIAL IMPLICATIONS

17. 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 fully assessed until the final recommendations are made by the Executive. At this point, the financial implications will be fully assessed and reported to Council.

18. Appendix B provides a table showing potential costs and savings for each of the recommendations, shown over a four year period.

RISK ASSESSMENT

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

CONCLUSION

20. The Independent Remuneration Panel has reviewed the Scheme of Members' Allowances and made recommendations to be implemented from 1 April 2018.

21. The Scrutiny Board has considered these recommendations and made 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.

Enquiries:

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