

## **Supplementary Information**

**HAVANT BOROUGH COUNCIL  
GOVERNANCE, AUDIT AND FINANCE BOARD  
20 June 2018**

Dear Councillor

I am now able to enclose, for consideration at next 20 June 2018 meeting of the Governance, Audit and Finance Board, the following supplementary information that was unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
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<b>10</b>	<b>Review of Councillor Allowances</b>
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NON EXEMPT / EXEMPT

## HAVANT BOROUGH COUNCIL

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Governance, Audit and Finance Board

Meeting Date: 20  
June 2018

### REVIEW OF COUNCILLOR ALLOWANCES

Report by the Democratic Services Team Leader

### FOR RECOMMENDATION

Cabinet Lead for Deputy Leader of the Council and Cabinet Lead for  
Finance and Regeneration  
Cllr Wilson

Executive Director: Chief Finance Officer

Key Decision: No

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#### 1.0 Purpose of Report

- 1.1 This report is submitted to the Board for policy update and a decision on proposed changes to the Councillor Allowance Scheme to reflect changes to the Council's governance arrangements approved at the Annual Council meeting on 9 May 2018.
- 1.2 The Council is also to annually review minor changes to the Councillor Allowance scheme to take into account any pay changes applied to staff salaries. If the Board wish to review the level of the allowances, a review will be added to the Board's Work Programme so that the Board can consider the budget implications of any changes before making a recommendation to Full Council.

#### 2.0 Recommendation

*That Council be recommended to approve the revised Councillor Allowances Scheme as set out in Appendix A of this report, to remain in place until the next Independent review in 2020.*

#### 3.0 Executive Summary

- 3.1 Appendix A to this report revises the current Councillor Allowance scheme to reflect the new governance arrangements agreed by Council on 9 May 2018.

#### 4.0 Additional Budgetary Implications

- 4.1 If the Board wish to review the level of the allowances, a review will be added to the Board's Work Programme so that the Board can consider the budget implications of any changes before making a recommendation to Full Council.
- 5.0 Background and relationship to the Corporate Strategy and Directorate Business Plan/s**
- 5.1 The scheme of allowances supports the Council's strategic framework by ensuring payments to councillors are reflective of their roles and responsibilities. It will help to ensure allowances are set at a level that facilitates suitably able, qualified, and representative people standing as candidates for Council (and their retention and development once elected).
- 6.0 Options considered and reasons for the recommendation**
- 6.1 Since 1974 there has been change from a view that councillors should only be entitled to some expenses to an allowance system.
- 6.2 The 1986 Committee of Inquiry into the Conduct of Local Authority Business enunciated criteria for a system of remuneration, which is still relevant today:
- the 'system should be simple to operate and understand, and not susceptible to faulty claims'. They felt that this argued against the attendance and financial loss allowances.
  - the 'system should not encourage the proliferation of meetings or councillors spending more time on council business than is necessary', arguing against the attendance allowance.
  - the level of remuneration should relate to 'the non-manual worker at the average male wage if he worked one day per week', a benchmark currently recommended by the Local Government Association and widely adopted as a result.
  - the 'system should recognise that some councillors have much greater calls on their time than others (depending on their responsibilities)'
  - \* allowances 'should be available as of right to all councillors meeting the statutory criteria for payments', i.e. local discretion should be limited; and
  - \* the 'levels of allowances should be regularly reviewed'.
- 6.3 The Government response to this change in attitude has been a series of legislation which has culminated in The Local Authorities [Members' Allowances] Regulations 2003 which require the Council to prepare a scheme for the payment of allowances to its members.

6.4 The current scheme (Appendix B) was adopted by the Council following a review by the Governance and Logistics Scrutiny and Policy Development Panel in 2016.

6.5 On 9 May 2018, the Council agreed to revised governance arrangements which resulted in the deletion of the posts of Governance and Audit Committee Chairman and Scrutiny Leads for this year.

## **7.0 Resource Implications**

### **7.1 Financial Implications**

If the Board wish to review the level of the allowances, a review will be added to the Board's Work Programme so that the Board can consider the budget implications of any changes before making a recommendation to Full Council.

### **7.2 Human Resources Implications**

None

### **7.3 Other Resource Implications**

None

## **8.0 Legal Implications**

None

## **9.0 Risks**

9.1 None

## **10 Consultation**

10.1 None

## **11 Communication**

11.1 None

Appendices:

Appendix A – Revised Councillor Allowances Scheme

Appendix B – Current Councillor Allowances Scheme

Background Papers: *None*

Agreed and signed off by:

Monitoring Officer: 18 June 2018

S151 Officer: date: 13 June 2018

Director: 13 June 2018

**Contact Officer: Mark Gregory**  
**Job Title: Democratic Services Officer**  
**Telephone: 02392446232**  
**E-Mail: mark.gregory@havant.gov.uk**

## Appendix A

Allowance	£	Current Post Holders
Basic Allowance (x38)	£5891	All 38 Councillors receive this allowance
Leader (x1)	£14,800	Councillor Michael Wilson
Deputy Leader (x1)	£8,800	Councillor Tim Pike
Cabinet Lead (x5)	£8,140	Councillor David Guest Councillor Lulu Bowerman Councillor Narinder Bains Councillor Gary Hughes Councillor Leah Turner
Scrutiny Board Chairman (x3)	£5,920	Councillor Dianne Lloyd Councillor Richard Kennett Councillor David Keast
Development Management Committee Chairman (x1)	£3,577	Councillor Paul Buckley
Licensing Committee Chairman (x1)	£2,960	Councillor Yvonne Weeks
Joint HR Committee Chairman (x1)	£1,973	Councillor Ken Smith
Group Leader (x3)	£600-£2,400	Councillor Malc Carpenter (Band A) Councillor Terry Hart (Band A) Councillor Gerald Shimbart (Band A)

A Councillor may only receive 1 SRA at a time

No more than 50% of the number of Councillors can receive an SRA

Joint HR Committee Chairman and Vice Chairman rotates annually with EHDC.

\*Leaders of any political group, other than the ruling group, comprising two or more members to receive a Special Responsibility Allowance based upon the following formula:

Band A	2-5 Members	£600
Band B	6-10 Members	£1,200
Band C	11-15 Members	£1800
Band D	16+ Members	£2,400

Prior to the next programmed independent review, annual consideration of minor allowance changes will take into account any pay changes applied to staff salaries.

### **Additional allowances**

**Mileage:** To be maintained in line with the HMRC rate, currently 45p per mile. Passenger and cycle rates set at 5p per passenger and 20p per mile respectively. Claims to be made within six months of the date of travel. Claims may only be made to cover travelling costs incurred whilst carrying out approved council duties as a councillor. This does not include ward business or political activities, such as attending group meetings.

**Taxi/Rail:** There is a presumption in the scheme that, where practicable, councillors will pre-book rail journeys for council business via the council. Where this is not practicable, then a valid receipt/train ticket must be presented, along with reason for that journey.

**Child care:** up to £8.75 per hour.

Dependent relative care: up to the hourly rate for approved care providers within Hampshire County Council (currently £14.20 in 2015).

Claims for carers allowances must be accompanied with a receipt stating the date, hours worked and cost. Claims may only be made to cover the carer costs incurred whilst carrying out approved council duties as a councillor, such as attending council meetings.

**Subsistence (meal) allowances:** The council does not make subsistence allowances available for approved duties within the district. Maximum claims for meals to be maintained in line with the rates that can be claimed by officers, currently (2015):

- Breakfast = £5.73
- Lunch = £7.92
- Meal = £9.80

There is a presumption in the subsistence scheme that, where practicable, councillors will pre-book meals and accommodation through the council. Where this is not practicable, then the above subsistence rates are the maximum reimbursements, up to a maximum of £43 per day, including incidental subsistence costs.



This scheme was adopted by Havant Borough Council, after considering recommendations from the Independent Remuneration Panel, on 17 February 2016.

Under current legislation a new scheme must be adopted every four years, following a review from an Independent Remuneration Panel. The next scheme must be in place by April 2020.

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## APPENDIX B

### Havant Borough Council

#### Councillors Allowances 2016-2020

Position Allowance	Allowance
Basic Allowance (Incorporating a modernization allowance of £461)	£5891
Leader	£14,800
Deputy Leader	£8,800
Cabinet Member	£8,140
Scrutiny Board Chairman	£5,920
Development Management Committee Chairman	£3,577
Licensing Committee Chairman	£2,960
Governance and Audit Committee Chairman	£1,480
Joint HR Committee Chairman (alternate years, rotating with EHDC)	£1,973
Scrutiny Leads	£2,500
Group Leader	£600-£2,400

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No more than 50% of the number of Councillors can receive an SRA

Joint HR Committee Chairman and Vice Chairman rotates annually with EHDC.

DMC Chairman to be appointed at each meeting from among the Committee

membership on a rotating basis, to be nominated at the previous meeting.

\*Leaders of any political group, other than the ruling group, comprising two or more members to receive a Special Responsibility Allowance based upon the following formula:

Band A 2-5 Members £600

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