

**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

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