

## Non-Exempt

### HAVANT BOROUGH COUNCIL

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Governance, Audit and Finance Board

Meeting Date 19  
September 2018

#### Review of Members' Allowances Report by Governance, Audit and Finance Scrutiny Panel

FOR DECISION

Cabinet Lead (HBC): Councillor Pike

Key Decision: N/A

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#### 1.0 EXECUTIVE SUMMARY

1.1 On 11 July 2018 the Council requested the Governance, Audit and Finance Board for a further review on the Councillor Allowances Scheme, in light of the governance changes agreed by the Council on 9 May, and in particular, to:

- “(1) review the special responsibility allowances attracted by each position to ensure that the level set is fair in relation to the responsibilities associated with the post;
- (2) consider whether any other changes to the scheme of allowances are appropriate at the present time”

#### 2.0 RECOMMENDATIONS

2.1 The Board be requested to RECOMMEND Council to approve the following scheme from **1 October 2018**:

Allowance	£
Basic Allowance	£5430
Leader	£14,800
Deputy Leader	£10,018
Cabinet Lead	£8,425
Governance, Audit and Finance Board Chairman	£6831
Scrutiny Board Chairman	£5,692

Development Management Committee Chairman	£5,009
Licensing Committee Chairman	£1,116
Joint HR Committee Chairman	£3,643
Group Leader*	£911-£3,643

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	£911
Band B	6-10 Members	£1822
Band C	11-15 Members	£2732
Band D	16+ Members	£3643

From 2020/21 the Basic Allowance be increased in line with any NJC increase as agreed each year from 1 April 2020/21.

Future changes to the Special Responsibility Allowances (SRAs) or proposed new SRAs to be submitted to the Governance, Audit and Finance Board for evaluation before being introduced.

### **Additional allowances**

**A Modernisation Allowance** of £461 (currently included in the Basic Allowance) be created to meet a number of expenses, including council related telephone calls both land line and mobile, line rental costs, IT and internet access.

This allowance to be paid automatically from 1 October 2018 at £38 per month from 1 October 2018.

**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.

- 2.2 The Board request the Governance, Audit and Finance Scrutiny Panel to undertake a review into the Leader's Allowance, including budgetary implications of any changes to this allowance.

### **3.0 Procedure for Dealing with this Review**

- 3.1 The Board is reminded that in, accordance with its Terms of Reference, it may not consider the review afresh but must direct its attention to the following issues:

- a Has the Panel completed the review in accordance with its project plan?
- b Has the Panel followed the correct scrutiny processes?
- c Has the Panel addressed the issues raised in comments received since the report and findings pack were published?

If the Board find that one or more of these issues have not been complied with it will refer the report and recommendations back to the Panel

**3.2** A copy of the project plan and work programme for this review is attached as Appendices A and B respectively.

**4.0 Resources:**

4.1 The amended scheme will result in an underspend on the Basic and Special Responsibility Allowances Budget of £12,786.

**5.0 Legal:**

5.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 gave Councils the discretion to amend its Members' Allowances Scheme at any time.

**6.0 Strategy:**

6.1 Key elements of the Corporate Strategy are to achieve public service excellence and financial sustainability. An attractive members allowance scheme which is financially viable and at the same time will attract a wider range of candidates for Councillors is the main objective of such a scheme

**7.0 Risks:**

7.1 None arising from this report

**8.0 Communications:**

8.1 None arising from this report

**9.0 For the Community:**

9.1 None arising from this report

**10.0 Principles of the Review**

10.1 Before the Panel arrived at its recommendations it decided that its deliberations should be underpinned by the following principles; namely that:

- (i) the recommendations would seek to minimise barriers to public service without allowances becoming a motivating factor in serving the Council;
- (ii) the recommendations should be based on a transparent and logical construct that is understandable and justifiable;
- (iii) all recommendations should be based on evidence
- (iv) Any scheme recommended should be simple to administer.

- (v) Recommendations should seek to reflect the responsibilities, skills and workload held by Members in Havant Borough Council

- 10.2 The Panel considered that the Council had made a commitment that the current scheme should endure until 2020 and that any changes should only be made if there was an overwhelming justification for such a revision. The Panel has therefore mainly sought to correct anomalies in the current scheme.
- 10.3 The issue of Member performance was raised with the Panel. A theme emerging from the representations made by Councillors to the Panel was that there is a perception that some Members are not undertaking the full range of duties expected of them in return for the Basic Allowance and/or Special Responsibility Allowances.
- 10.4 Ultimately, the final arbiter on Member performance is the electorate, with the group system acting as the intermediate influence. The arbiters for the performance of the SRA holders are the person and/or body responsible for appointing the members to these posts i.e. the Leader of the Council and Council.

## **11.0 Methodology**

- 11.1 Although the Panel was not required to follow statutory guidance relating to the Independent Remuneration Panels (IRPs), it considered that it would be appropriate to follow this guidance to ensure that the recommendations are robust and based on recognised processes.
- 11.2 The Panel considered a wide range of evidence including key documents and information relating to the background of the current allowance scheme, statutory guidance, a members' survey, a benchmarking survey, and oral interviews.
- 11.3 It became clear during consideration of the background information that the main weaknesses of the current Special Responsibility Allowance Scheme were

- (i) that the level of SRAs were not supported by evidence and

- (ii) the views put to the Panel on SRAs tended

- to blur two different roles e.g. the role of a scrutiny lead with the role of a Chairman of a Scrutiny Board
- to include the work covered by the members' basic allowance to support increases in an SRA; and
- to refer the performance of individual SRA post holders and/or Committees/Boards rather than the duties, responsibilities and skills and workload relating to a post

- 11.4 To overcome these issues, the Panel decided to undertake a role evaluation exercise to provide a hierarchy of roles that was free from discrimination and provide a rationale and justification for why SRA roles are ranked differently.

## **12.0 Key Findings**

### **12.1 *Basic Allowance and Other Allowances***

- 12.1.1 The overwhelming majority of the respondents to the members' Survey and attendees at the Panel meetings was of the view that the Basic Allowance Scheme and additional Allowances were reasonable. This view was supported by the benchmarking survey and a comparison of the current Basic Allowance with a recalibrated allowance using an established and approved formula
- 12.1.2 With regard to the modernisation allowance which was incorporated within the Basic Allowance in 2016, the Panel accepted an argument that these expenses went beyond the term "incidental". The Panel therefore recommend that the Modernisation Allowance be separated from the Basic Allowance.

### **12.2 SRAs**

- 12.2.1 The evaluation scheme referred to in 10.0 above has produced a robust scheme for SRAs. The changes recommended may surprise a few members. However, the recommended changes are free from discrimination, are based on a hierarchy of roles based on responsibilities, skills and workload, based on firm evidence and more important provide good basis for fair allowance scheme.
- 12.2.2 With regard to the Leader's SRA, the Leader advised the Panel that the current level of SRA was acceptable. However, in view of the fact that the current allowance was considerably lower than a majority of the other benchmarked Councils, the Panel considered that there was a need to explore increasing this allowance from 2020 onwards and factor in the subsequent increase in the other SRAs.
- 12.2.3 The Panel did not consider that, at this stage, sufficient changes had been made to roles and responsibilities to justify additional SRAs
- 12.2.4. The Panel recommends that the current practice of members only being able to draw 1 SRA should continue

### **12.3 *Implementation and Indexing***

- 12.3.1 The Panel recommends that the recommendations contained within this report take effect from 1<sup>st</sup> October 2018.
- 12.3.2 The Panel also considered that from 2020/21 the Basic Allowance should be increase in line with NJC pay awards.

## **Appendices**

Appendix A – Project Plan

Appendix B – Work Programme

Appendix C – Panel's Report

## **Background Papers**

<http://havant.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=14298&path=14065,14067>

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