

## Non-Exempt

### HAVANT BOROUGH COUNCIL

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Council Meeting

Meeting Date 26  
September 2018

#### Item 7(E) – Recommendations from the Governance, Audit and Finance Board - Councillor Allowances Report by Governance, Audit and Finance Scrutiny Board

FOR DECISION

Cabinet Lead: 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 further review the Councillor Allowances Scheme, in light of the governance changes agreed by the Council on 9 May 2018, 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”

This review was referred to the Governance, Audit and Scrutiny Panel (“the Panel”) by the Governance, Audit and Finance Board (“the Board”) on 25 July 2018.

At its meeting held on 19 September 2018, the Board considered the report and the findings of the Panel. The Board endorsed the recommendations set out in the report.

#### 2.0 RECOMMENDATIONS

2.1 The Council is recommended to:

- (a) approve the following scheme from **1 October 2018**:

<i>Allowance</i>	£
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<i>Basic Allowance</i>	<i>£5430</i>
<i>Leader</i>	<i>£14,800</i>
<i>Deputy Leader</i>	<i>£10,018</i>
<i>Cabinet Lead</i>	<i>£8,425</i>
<i>Governance, Audit and Finance Board Chairman</i>	<i>£6831</i>
<i>Scrutiny Board Chairman</i>	<i>£5,692</i>
<i>Development Management Committee Chairman</i>	<i>£5,009</i>
<i>Licensing Committee Chairman</i>	<i>£1,116</i>
<i>Joint HR Committee Chairman</i>	<i>£3,643</i>
<i>Group Leader*</i>	<i>£911-£3,643</i>

*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:*

<i>Band A</i>	<i>2-5 Members</i>	<i>£911</i>
<i>Band B</i>	<i>6-10 Members</i>	<i>£1822</i>
<i>Band C</i>	<i>11-15 Members</i>	<i>£2732</i>
<i>Band D</i>	<i>16+ Members</i>	<i>£3643</i>

*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.*

- (b) agree that Panel's reports and findings be submitted as evidence to the next Independent Remuneration Panel.

### **3.0 Resources:**

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

### **4.0 Legal:**

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

## **5.0 Strategy:**

5.1 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

## **6.0 Risks:**

6.1 None arising from this report

## **7.0 Communications:**

7.1 None arising from this report

## **8.0 For the Community:**

8.1 None arising from this report

## **9.0 Key Messages and Observations**

9.1 The Council has made a commitment that the current scheme should endure until 2020. It is therefore, felt 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.

9.2 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. 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.

### **9.3 *Basic Allowance and Other Allowances***

9.3.1 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.

9.4.2 The only change recommended is that the modernisation allowance be separated from the Basic Allowance. The removal of a non-incident expense from this allowance will make the scheme clearer and more transparent. This will not result in an overall reduction in a Councillor's Allowance.

9.4.3 No other changes to the Basic Allowance or other Additional allowances is recommended.

## 9.5 *Special Responsibility Allowances (SRAs)*

9.5.1 The current scheme for SRAs is full of anomalies with no clear understanding on how the SRAs are calculated. Using an evaluation scheme, the Panel has produced a robust scheme which:

- (i) seeks to minimise barriers to public service without allowances becoming a motivating factor in serving the Council;
- (ii) is based on a transparent and logical construct that is understandable and justifiable;
- (iii) is based on evidence;
- (iv) is simple to administer;
- (v) is free from discrimination and perception; and
- (v) reflects the responsibilities, skills and workload held by SRA posts.

9.5.2 With regard to the Leader's SRA, it is currently considerably lower than a majority of the other benchmarked Councils and needs further review. The Scrutiny Board has requested the Panel to explore increasing this allowance from 2020 onwards and factor in the subsequent increase to the other SRAs.

## 9.6 *Implementation and Indexing*

9.6.1 It is considered that the recommendations contained within this report take effect from 1<sup>st</sup> October 2018.

9.6.2 From 2020/21 the Basic Allowance should be increase in line with NJC pay awards.

Agreed and Signed off:

Head of Legal Services: 19 September 2018

Head of Finance: 21 September 2018

## **Background Papers**

Panel's Report and Appendices

<http://havant.moderngov.co.uk/ieListDocuments.aspx?CId=477&MId=10715>

Additional Information

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

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