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**NON-EXEMPT**

# **HAVANT BOROUGH COUNCIL**

**Council**

**27 January 2021**

## **Report of the Independent Remuneration Panel in respect of Councillor Allowances FOR DECISION**

Key Decision: No

Report Number: HBC/022/2020

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### **1. Purpose**

- 1.1. To consider amending the Councillor Allowances scheme after consideration of the recommendations of the Independent Remuneration Panel and the Governance, Audit and Finance Board, subsequently supported by Cabinet.

### **2. Recommendation**

- 2.1 Council is asked to consider the alternative proposals for members allowances at recommendations (A) and (B), along with recommendation (C) in respect of establishing and maintaining an Independent Remuneration Panel in line with legislation.

Council resolves to agree either:

**A** The Independent Remuneration Panel's recommendations

- (i)** To adopt the recommendations of the Independent Remuneration Panel as set out in Appendix 1 of this report including the following scheme of allowances effective from 1 April 2020:

<b>Allowance</b>	<b>Current</b>	<b>Recommended</b>
Basic Allowance ( <i>To incorporate Modernisation Allowance</i> )	£5,430	£6,216
Mayor		£2,500
Leader	£14,800	£17,000
Deputy Leader	£10,018	£10,618
Cabinet Member	£8,425	£8,925

Governance Audit & Finance Board Chairman	£6,831	£6,831
Scrutiny Board Chairman	£5,692	£5,692
Development Management Committee Chairman	£5,009	£5,309
Licensing Committee Chairman	£1,116	£1,400
Joint HR Committee Chairman	£3,643	£3,643
Group Leader	£911-£3,643	£911-£3,643

Or

- B** The recommendation of the Governance, Audit and Finance Board supported by Cabinet
- (i) To adopt the Members' Allowance Scheme as attached as Appendix 2, as compiled by the Governance, Audit and Finance Board and supported by Cabinet during the setting of the budget, which includes the following changes to the Council's Special Responsibility Allowances:

Allowance	Current	Recommended
Basic Allowance	£5,430	£5,579
Modernisation Expense Allowance	£461	£461
Leader	£14,800	£17,901
Deputy Leader	£10,018	£10,293
Cabinet Member	£8,425	£8,656
Governance Audit & Finance Board Chairman	£6,831	£7,018
Scrutiny Board Chairman	£5,692	£5,848
Development Management Committee Chairman	£5,009	£5,146
Licensing Committee Chairman	£1,116	£1,147
Joint HR Committee Chairman	£3,643	£3,743
Group Leader	£911-£3,643	£936-£3,743

and

- C** The Council appoints and maintains an Independent Remuneration Panel for a period of four years to allow the panel to be consulted on proposed changes to the Councillors allowance scheme during this period.

### **3. Executive Summary**

- 3.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 an Independent Remuneration Panel (comprising of Mr Michael Bevis, Mr John Thompson and Mr John Pressdee)(“the IRP Panel”) has undertaken a review of Councillor allowances for the Council. The findings and recommendations of the IRP are attached at Appendix 1
- 3.2 At the same time as the IRP undertook its review, a panel of the Governance, Audit and Finance Board concluded the final aspect of its review commenced in 2018 by reviewing the Leader’s Allowance The findings of the Board’s Panel are attached at Appendix 4.
- 3.3 Agreeing the scheme of Councillor Allowances is a function of Full Council.

### **4. Additional Budgetary Implications**

- 4.1 The current budget for members allowances is £325,159. This covers the costs of the current scheme with the recommendations of the Governance, Audit and Finance Board for the appointments as at February 2020.
- 4.2 Since budget setting in February 2020, the total value of SRA’s paid to Councillors has increased by £16,850 due to additional appointments made to positions which attract an SRA. The officer pay award has also been confirmed as 2.75%.
- 4.3 The uplift in line with the officer pay award has been factored into the budget for 2020/21, along with the proposed increase in the Leader’s allowance made by the GAF Board. However, the combination of factors detailed above have realised an increase of £9,534 above the agreed budget for 2020/21, making a total current cost of the scheme as at October 2020 of £334,693.
- 4.4 The recommendations as tabled are therefore outside of agreed budget and would need to be met from savings from within the cost centre for members.
- 4.5 The tables below the additional expenditure that the two options, coupled to the increase in Cabinet Leads, would realise over the budget agreed in February 2020 at para 4.1.

Option 1 – Independent Remuneration Panel’s Recommendation

<b>2020/21</b> £25,106	<b>Annual Recurring</b> £25,106 + Basic Allowance uplift annually in line with officer pay award.
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Option 2 – Governance, Audit and Finance Board’s / Cabinet Recommendation

<b>2020/21</b> £15,113	<b>Annual Recurring</b> £15,113 + Basic and all Special Responsibility Allowances to be uplift annually in line with officer pay award.
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**5. Background and relationship to Corporate Strategy and/or Business Plans**

- 5.1. Under the Local Authorities (Members’ Allowances) (England) Regulations 2003 and subsequent amendments to these regulations (SI 1022 and SI 1692), all authorities are required to establish an Independent Remuneration Panel to make recommendations to Council on Members’ Allowances. A new scheme of allowances must be agreed at least every four years, with the Council taking regard to a review from an Independent Remuneration Panel.
- 5.2. Since 2011 HBC has received a review from an independent Remuneration Panel every four years. Previously, the Independent Remuneration Panel was a standing panel which reported annually. The purpose of a standing panel is to allow the local authority the flexibility to change its committee structure and associated Special Responsibility Allowances at any time and to have these allowances reviewed by the IRP as required by legislation. It is for this reason that the appointment of a standing panel is recommended as recommendation C.

**6. Options considered**

- 6.1 The Council has the following options:

- (a) agree a scheme of its own choosing
- (b) retain the existing scheme
- (c) accept the recommendations of the Independent Remuneration Panel in whole or part or propose an alternative scheme.
- (d) accept the recommendations of the Governance, Audit and Finance Board in whole or part or propose an alternative scheme.

6.2 The Council has a duty to pay regard to the recommendations of an Independent Remuneration Panel when agreeing a scheme of allowances.

## 7. Resource Implications

### 7.1. Financial Implications

The current scheme of Councillor Allowances was adopted in 2018, following a review by the Governance, Audit and Finance Board. As part of this it was agreed that from 2020/21 the basic allowance be increased in line with the officer pay award. This approach has been endorsed by the Independent Remuneration Panel in its review of councillor allowances.

The officer pay award for 2020/21 has been confirmed as 2.75%.

With the basic allowance receiving this uplift, the total cost of members allowances under the current scheme for 2020/21 is £334,693 (as at October 2020)

If adopted, the Governance, Audit & Finance Board recommendations endorsed by Cabinet would total £340,272 in 2020/21, an additional expenditure of £15,113 above agreed budget and £5,579 above current expenditure.

If adopted, the Independent Remuneration Panel recommendations would total £350,579 in 2020/21, an additional expenditure of £25,106 above agreed budget and £15,113 above current expenditure.

In future years any uplift to allowances would need to be agreed as part of the budget setting process, with a bid put forward to Council in line with the full budget.

### **Section 151 Officer comments**

Date: 12 November 2020

I have no comments to make on the review but would like to take the opportunity to thank the Independent Remuneration Panel for the report.

#### 7.2. Human Resources Implications

None.

#### 7.3. Information Governance Implications

None.

#### 7.4. Other resource implications

#### 7.5. None.

### **8. Legal Implications**

The Council is required to review its scheme of councillor allowances at least every four years, following a review by an Independent Remuneration Panel. The last report of an Independent Remuneration Panel was considered by the council in February 2016. The Council must give due consideration to the panel's work and should give reasons where it does not agree with a panel's recommendation.

### **9. Risks**

#### **Monitoring Officer comments**

Date: 10 September 2020

The Monitoring Officer has no further comments on the report.

#### 9.1 None to report.

## **10. Consultation**

- 10.1 All members of the Council were given the opportunity to complete the Panel's questionnaire and cross section of eight Councillors encompassing all political parties were interviewed by the Panel.

## **Communication**

- 10.1. This report to be included within the agenda for the Full Council meeting at which it is to be considered and

## **11. Appendices**

Appendix 1 – The Independent Remuneration Panel's report in respect of HBC Councillor Allowances.

Appendix 2 - The report of the Governance, Audit and Finance Scrutiny panel and the Report of the Governance, Audit and Finance Board to Cabinet.

Appendix 3 – Financial Breakdown.

## **12. Background papers**

- 12.1. None
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Agreed and signed off by:

Director: 12 November 2020

Monitoring Officer: 10 September 2020

Section 151 Officer: 12 November 2020