

REPORT OF THE  
Chief Executive  
PART I

**231. MEMBERS' ALLOWANCES SCHEME 2012/13**

1. The legislative framework governing the payment of Members' Allowances is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the Members' Allowances Regulations").

2. Under the provisions of the Members' Allowances Regulations, the County Council is required each year to make a Members' Allowances Scheme. The Members' Allowances Scheme needs to make provision for Basic Allowances, Special Responsibility Allowances ("SRAs"), Dependents' Carers Allowances and Travelling and Subsistence Allowances.

3. By virtue of the Members' Allowances Regulations, before the County Council can make or amend a Members' Allowances Scheme, it is required to have regard to recommendations made in relation to it by an Independent Remuneration Panel ("IRP"). In this regard, the IRP met on 14 October 2011.

4. The Employment in Hampshire County Council (EHCC) Committee met on 9 November 2011 to consider the recommendations of the IRP, and to make recommendations to the County Council in respect of the Members' Allowances Scheme for 2012/13.

5. This report contains a summary of the EHCC Committee's consideration of the IRPs recommendations, together with the recommendations of the EHCC Committee.

**Members Allowances Scheme 2012/13**

6. The EHCC Committee considered the report of the Chief Executive regarding the Members' Allowances Scheme 2012/13.

7. The Head of Governance advised that by virtue of the statutory framework of the Members' Allowances Regulations, before the County Council can make or amend a Members' Allowances Scheme, it was required to have regard to any recommendations made in relation to it by an Independent Remuneration Panel. In this regard, the EHCC Committee had, as part of the Chief Executive's report, the Minutes of the IRP meeting on 14 October 2011, together with the recommendations of the IRP.

**Recommendations of the Independent Remuneration Panel**

8. The recommendations of the Independent Remuneration Panel in relation to the Members' Allowances Scheme 2012/13 are set out below, together with the EHCC Committee's views and conclusions on each of them.

## 8.1 **Basic Allowances and Special Responsibility Allowances**

### **Recommendation of IRP**

That Basic Allowances and SRAs be frozen at existing rates from 1 April 2012.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The EHCC Committee supported the IRP recommendation for no increase in Basic and SRA Allowances from 1 April 2012.

The EHCC Committee also noted that this would be the fourth year where Cabinet would not be accepting the recommendation of the previous IRP in respect of an increase in SRA's payable to Cabinet posts.

## 8.2 **Members' Mileage Rates**

### **Recommendation of IRP**

That no change be made to current member mileage rates which are aligned to HMRC approved levels.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The EHCC Committee noted that the County Council had at its meeting on 24 February 2011 determined to accept the recommendation of the IRP the previous year that mileage allowances for Members be aligned to HM Revenue and Customs approved rates.

The EHCC Committee therefore supported the IRP recommendation that mileage allowances for Members continue to be aligned to HM Revenue and Customs approved rates.

## 8.3 **Special Responsibility Allowance for the Leader of the Community and Green Group within the County Council**

### **Recommendation of IRP**

That no SRA be made to the Leader of the Community and Green Opposition Group within the County Council.

Having considered the existing method of calculation for SRA's for Leaders of the Conservative and the Liberal Democrat Groups, as determined by the County Council at its meeting on 25 July 2002 (i.e. a standard allowance of £5,000 per annum, plus £275 for each County Councillor on each

appropriate group, plus inflation), the IRP supported the principle of an SRA for the Leaders of Minority Groups within the County Council and the method of calculation, but considered this should be subject to an Opposition Group comprising a minimum number of six or more members. On the basis the Community and Green Group comprised two members, the IRP recommended that no SRA should be paid.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The EHCC Committee supported the IRP's recommendation subject to the proposed amendment that an SRA should only be payable to the Leader of an Opposition Group within the County Council when it is comprised of four or more Members.

#### **8.4 Special Responsibility Allowances paid to the Chairmen of the Pension Fund Panel and the Audit Committee but that the SRA of the Chairman of the Audit Committee be reviewed in future years**

##### **Recommendation of IRP**

That no change be made to the existing SRAs paid to the Chairman of the Pension Fund Panel and the Chairman of the Audit Committee.

Evidence had been put to the previous IRP that the work of the Pension Fund Panel was increasing, and the previous IRP therefore felt that it would be appropriate to review the SRA Payable to the Chairman of the Pension Fund Panel in future years, dependent on the work of the Pension Fund Panel increasing as anticipated. The present IRP had considered the matter at its meeting on 10 December 2010, but felt that it needed to obtain more information so as to enable it, if appropriate, to give an informed proposal on the issue the following year. The view of the IRP when it met on 14 October 2011 was that, whilst the volume of work of the Pension Fund Panel had increased in the last two years, there was no change in the responsibilities of the Chairman of the Pension Fund Panel, and therefore there should be no change with regard to the SRA payable.

At its meeting on 10 December 2010 the IRP had also declared its intention to review the SRA payable to the Chairman of Audit Committee, against a background of increased governance requirements. The view of the IRP at its meeting on 14 October 2011 was that whilst there had been a change in the responsibilities of the Audit Committee, for example heightened risk management, and implications to the County Council in consequence of the Bribery Act, it felt that it did not yet have enough information as to the extent of changes in responsibilities of the Audit Committee. The view of the IRP therefore was that the question of any change to the amount of SRA payable to the Chairman of Audit Committee should be kept under review, and that they would look at this further in the coming year.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The EHCC Committee were of the view that due to the nature and increasing complexity of the role when combined with the overall decision making authority of the Panel, the role of the Chairman of the Pension Fund Panel carried more responsibility than that reflected in the current SRA. Similarly the EHCC Committee were of the view that the responsibilities attached to the role of Chairman of the Audit Committee had also increased due to heightened governance and risk management requirements. The EHCC Committee therefore agreed to refer these particular SRA's back to the IRP for further consideration. Furthermore, the EHCC Committee recommended that the IRP interview the Leader of the Council, as a former Chairman of the Pension Fund Panel, and the County Treasurer as the main adviser to the Panel, to gain a fuller understanding of the role of Chairman of the Pension Fund Panel. It was requested that the outcome of the IRP's further consideration be concluded by the end of the 2011/12 financial year, and reported back to the EHCC Committee as soon as practicable thereafter.

#### **8.5 SRAs payable to the Chairman and Vice-Chairman of Committees**

##### **Recommendation of IRP**

That the IRP continue their review of the SRAs payable to Chairman and Vice-Chairman of Committees.

The IRP reported that they had observed the workings of several of the County Council's Committees, but that they had not yet completed their work in this regard.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The EHCC Committee supported the recommendation that the IRP continue their review of the SRAs payable to Chairman and Vice-Chairman of Committees.

#### **8.6 Travel allowances for attendance at political group meetings**

##### **Recommendation of IRP**

That travel allowances for attendance at political group meetings before Council Meetings authorised by the relevant political group Leaders should be payable, but that the Chief Executive should authorise any additional group meetings qualifying for payment of travel allowances before travel expenses could be claimed.

### **Comment of the Employment in Hampshire County Council (EHCC) Committee**

The purpose of political group meetings was to define and/or take a view on County Council policy and therefore the EHCC Committee considered that the payment of travel allowances associated with political group meetings was reasonable, subject to a maximum number of meetings. The EHCC Committee were therefore supportive of the proposal of the IRP subject to the amendment that the Chief Executive should not be required to specifically authorise political group meetings but rather he should be notified of any additional political group meetings other than those prior to Council Meetings, and that the number of political group meetings in respect of which travel allowances be claimed should be a maximum of 11 per year.

### **RECOMMENDATIONS**

- (a) That Basic Allowances and SRAs be frozen at the existing rates from 1 April 2012.
- (b) That mileage allowances for Members continue to be aligned to HM Revenue and Customs approved rates.
- (c) That no SRA be granted to the Leader of the Community and Green Minority Group within the County Council and that an SRA based on the current method of calculation should only be payable to the Leader of a Minority Group within the County Council when it is comprised of four or more Members.
- (d) That the outcome of the further review of SRAs for the Chairman of the Pension Fund Panel and the Chairman of the Audit Committee be reported to Council as soon as practicable.
- (e) That the IRP continue their review of the SRAs payable to Chairman and Vice-Chairman of Committees.
- (f) That travel allowances for attendance at political group meetings before Council meetings authorised by the relevant political group Leaders be payable, but that the Chief Executive be notified of any additional group meetings qualifying for payment of travel allowances before travel expenses could be claimed, and that the number of political group meetings in respect of which travel allowances could be claimed be a maximum of 11 per year.