

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Employment in Hampshire County Council
Date:	9 November 2011
Title:	Members' Allowances Scheme 2012/13
Reference:	3420
Report From:	Chief Executive

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1. Executive Summary

1.1. 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").

1.2. 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 payment of Basic Allowances, Special Responsibility Allowances ("SRA's") Dependents' Carers' Allowances, Travelling and Subsistence Allowances, and Co-optees Allowances.

1.3. 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. Minutes of the IRP meeting, together with submissions made to the IRP and the recommendations of the IRP are attached at Appendix A, 1(a), 1(b) and 1 (c) to this Report.

2. Contextual information

Recommendations of the Independent Remuneration Panel

Members Allowances Scheme 2012 – 2013

2.1 **That Basic Allowances and SRA's be frozen at existing rates from 1 April 2012**

This recommendation is a repeat of the previous IRP recommendation on 10 December 2010 in respect of basic allowances and special responsibility allowances (SRA's) for the year 2011/2012. The County Council determined at its meeting on 24 February 2011, that basic allowances and SRA's for members should be frozen at existing rates from 1 April 2011, consistent with the pay freeze for staff and the recommendation of the IRP.

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

Following the recommendation of the IRP in December 2010, the County Council determined at its meeting on 24 February 2011, that travel allowances for Members should be aligned to HMRC approved rates. The recommendation of the IRP is that this position should continue.

2.3 **That no SRA be granted to the Leader of Community and Green minority group on the County Council, and that an SRA should only be payable to the Leader of a minority group when it is comprised of six or more Members and then according to the current formula for calculation of an SRA for the Leader of the main Opposition Group.**

SRA's for Leaders of the Opposition Groups (at the time Liberal Democrat and Labour) were determined by the County Council at its meeting on 25 July 2002, calculated on the basis of a standard allowance of £5,000 per annum, plus £275 for each County Councillor on each appropriate group, plus inflation. At this time the Liberal Democrat Group comprised 19 Members and the Labour Group 9 Members. The IRP indicated that they supported the principle of an SRA for the Leaders of Opposition Groups within the County Council, but subject to the group comprising a minimum number of six or more members. The IRP also supported the existing method of calculation of the amount.

2.4 **That no change be made to the existing SRA's paid to the Chairmen of the Pension Fund Panel and Audit Committee, but that the SRA of the Chairman of the Audit Committee be reviewed in future years.**

SRA's in the sum of £5,793 are currently payable to the Chairman of the Pension Fund Panel and the Chairman of the Audit Committee. The SRA payable to the Chairman of the Pension Fund Panel was introduced by the

County Council in February 2010 following the recommendation of the previous IRP who agreed that this was an omission in the Members Scheme of Allowances. The previous IRP were of the view that the roles of the Chairman of the Pension Fund Panel and Chairman of Audit Committee were broadly comparable and concluded that the SRA's payable for each post should therefore equate with one another.

Evidence had however been put to the previous IRP that the work of the Pension Fund Panel was increasing, and the 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 considered the matter at its meeting on 10 December 2010, but felt that they needed to obtain more detailed background information so as to enable them, if appropriate, to give an informed proposal on the issue the following year. The view of the IRP however 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 that therefore there should be no change with regard to the SRA payable.

At its meeting on 10 December 2010 the IRP, 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 Audit Committee, for example heightened risk management, and implications to the County Council in consequence of the Bribery Act, the IRP felt that it did not yet have enough information as to the extent of changes in the responsibilities of 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.

2.5 That the Panel continue their review of the SRA's payable to the Chairman and Vice-Chairman of Committees.

The IRP reported that they had observed the workings of several of the County Councils' Committees. The IRP agreed that there was a role and value in having a Vice-Chairman, but indicated that they had not yet formed an opinion as to whether in itself such role warranted an SRA. Because the work of the IRP in this regard was ongoing, the recommendation of the IRP was that there should be no changes in respect of SRA's payable to Chairman and Vice-Chairman of Committees at this time, but that it would be their intention of the IRP to form an opinion on levels of SRA's payable to Committee Chairmen and Vice Chairmen, the comparability of SRA's across the various County Council Committees, and the role of the Vice-Chairman once they had completed their work programme of observing all Committee meetings.

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

The current rules for claiming travel allowances were introduced when the County Council operated a Committee system prior to the adoption of the Leader and Cabinet Model in 2001. Under these rules only travel allowances for attending political group meetings prior to full Council can be claimed. The previous Committee structure was used to brief elected Members, communicate and develop policy, and provide all party information. With the Leader and Cabinet model there is less opportunity for this to happen, and Group meetings are now used more extensively on policy development, communication and updates on business than hitherto. It therefore seems appropriate that such additional group meetings should attract normal travel allowances. The IRP were in agreement with this premise, subject to there being a proper audit of the reasons such the group meetings for reasons of good governance. The recommendation of the IRP therefore was that travel allowances for political group meetings before meetings of full Council should continue to be payable, together with travel allowances for other political group meetings, subject to the proviso that the purpose of any other group meetings should be approved by the Chief Executive before travel allowances might be claimed. If this is agreed the list of 'approved duties' for payment of travel allowances will need to be amended accordingly.

3. Information

- 3.1 The Members' Allowances Scheme 2012/2013 will be considered by the County Council at its meeting on 23 February 2012.

4. Recommendation

- 4.1 That the Employment in Hampshire County Council Committee recommend to the County Council that approval be given to a Members' Allowances Scheme 2012/2013, which takes into account the recommendations of the Independent Remuneration Panel, and the views set out in this report.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision to comply with the provisions of statutory regulations.

Other Significant Links**Links to previous Member decisions:**

<u>Title</u>	<u>Reference</u>	<u>Date</u>
Members' Allowances Scheme 2011/2012	2557	25 January 2011
Members' Allowances Scheme 2010/2011	1225	28 January 2010

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

- 2.1. No significant impact.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact