

REPORT OF THE
Chief Executive
PART I

346. MEMBERS' ALLOWANCES SCHEME 2013/14

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 ("SRA's"), 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 19 September 2012.

4. The Employment in Hampshire County Council (EHCC) Committee met on 31 October 2012 to consider the recommendations of the IRP, and to make recommendations to the County Council in respect of the Members' Allowances Scheme for 2013/14.

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 2013/14

6. The EHCC Committee considered the Report of the Chief Executive regarding the Members' Allowances Scheme 2013/14. The EHCC Report is attached as an Annex to this Report.

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 19 September 2012, 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 2013/14 are set out below, together with the EHCC Committee's view and conclusions on each of them.

a) **Basic Allowances and Special Responsibility Allowances**

Recommendation of IRP

That Basic Allowances and SRAs be increased in line with any nationally agreed pay awards for staff (if any) from 1 April 2013

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

The EHCC Committee were of the view that given the current challenging economic environment in which the County Council was operating, it would not be appropriate for Members to receive an increase in basic allowances or special responsibility allowances, regardless of the outcome of national negotiations in regard to staff pay. The EHCC Committee did not therefore support the recommendation of the IRP, and were of the view that basic allowances and special responsibility allowances should remain unchanged and continue to be paid at existing rates.

b) **SRA's Payable to Chairman of Pension Fund Panel and Chairman of Audit Committee**

Recommendation of IRP

That no change be made to the existing SRA's payable to the Chairman of the Pension Fund Panel and the Chairman of the Audit Committee

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

The EHCC Committee felt strongly that the responsibility attached to the position of Chairman of the Pension Fund Panel, i.e., managing a Panel with decision making powers which affected not only County Council Members of the Pension Fund, past and present, but also affiliated bodies, in a continuing challenging financial environment was not adequately recognised at the current level of SRA. The EHCC accepted the recommendation of the IRP, but asked that their concern be noted on record. The EHCC Committee requested that the IRP look at comparator County Councils and the SRA's payable in respect of similar positions to the post of Chairman of the Pension Fund Panel, and thereafter report back on this matter.

c) **SRA's Payable to Vice-Chairmen of Committees**

Recommendation of the IRP

That no change be made to the existing SRA's paid to Vice-Chairmen of Committees.

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

The EHCC Committee supported the recommendation of the IRP, and highlighted the importance of the role of Vice-Chairmen of Committees in respect of succession planning as well as a variety of other duties in order to acquire knowledge

and experience.

d) **Arrangements in respect of Members' Pensions**

Recommendation of the IRP

That no change be made to arrangements for Members' Pensions.

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

The EHCC Committee supported the recommendation of the IRP.

e) **Special Responsibility Allowance Payable to Police and Crime Panel Independent Co-opted Members**

Recommendation of the IRP

That a special responsibility allowance at a nominal sum of £200, plus expenses, be paid to Police and Crime Panel Independent Co-opted Members and that it be reviewed within the year.

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

The EHCC Committee were mindful of the importance of the role of the Police and Crime Panel in holding the Police Commissioner to account. The EHCC Committee were also mindful that the proposed remuneration was not in line with that payable to other Co-opted Members and independent positions on the County Council, such as Co-opted Members of the Children and Young People Select (Overview and Scrutiny) Committee and the new position of Independent Person under the Localism Act 2011, both of which were set at £675 per annum, plus expenses. The EHCC Committee agreed that the remuneration for all Co-opted and Independent Persons on the County Council should be regularised at £675 per annum, plus expenses, and that this should include the remuneration of Members of the Independent Remuneration Panel.

RECOMMENDATIONS

That:

- (a) Basic Allowances and SRA's be frozen at the existing rates from 1 April 2013
- (b) No change be made to the existing SRA's payable to the Chairman of the Pension Fund Panel and Chairman of the Audit Committee
- (c) No change be made to existing SRA's payable to Vice-Chairmen of Committees

- (d) No change be made to arrangements in respect of Members' pensions
- (e) An SRA of £675 per annum, plus expenses, be payable to all Co-opted Members and Independent Persons, including Co-opted Members of the Children and Young People Select (Overview and Scrutiny) Committee, Co-opted Members of the Police and Crime Panel, Independent Persons (Localism Act), and Members of the Independent Remuneration Panel.