

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

<b>Decision Maker:</b>	Employment in Hampshire County Council Committee
<b>Date:</b>	22 November 2017
<b>Title:</b>	Members' Allowances Scheme for 2017/18 and Members' Allowances Scheme for 2018/19, 2019/20, 2020/21 and 2021/22
<b>Report From:</b>	Director of Transformation and Governance

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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. Once a Members' Allowances Scheme is made for any year it may be amended during the year in question in accordance with the Members' Allowances Regulations. It is also possible under the Members' Allowances Regulations for any amendment to the Members' Allowances Scheme to be backdated to the beginning of the financial year in which any such amendment is made.
- 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 10 October 2017. Minutes of the IRP meeting, and the recommendations of the IRP are appended to this report.

## **2. Amendment to Members' Allowances Scheme 2017/18**

### **2.1 Recommendations of the Independent Remuneration Panel**

- a) That the SRA for the position of Assistant to the Executive – Rural Affairs Champion remain at £4,345 per annum being 25 per cent of an Executive Cabinet Member SRA, to be reviewed in 12 months time.**
- b) That the IRP support a change of title for this position to reflect the new direction of the role to Assistant to the Executive – Rural Communities and Parish Council Lead Member.**
- c) That the SRA for Minority Group Spokespersons remains in line with the formula adopted by the full Council on 20 February 2014, subject to review in the future and on submission of a business case evidencing how the role has developed.**

### **2.2 Consideration of IRP Recommendations**

#### **Assistant to the Executive – Rural Affairs Champion**

- 2.2.1.** As Members of the EHCC Committee will recall, this was a new post established by the County Council at its Annual General Meeting on 22 May 2015. Consideration was given by the IRP at its meeting on 14 October 2015 as to whether this post should attract an SRA, and if so an appropriate amount. The recommendation of the IRP which was supported by the EHCC Committee, and agreed by full Council as an amendment to the existing Members' Allowances Scheme, was that an SRA be payable for the role, backdated to the date of the 2015 AGM, in the sum of £4,345 per annum (being 25% of the SRA for an Executive Member), but that this should be reviewed in twelve months time as the role developed.
- 2.2.2.** In reviewing the role and SRA at its meeting on 10 October 2017, the IRP had received detailed information on the role and its development, which is reflected in the Minutes of the IRP meeting attached as Appendix 1 to this report.
- 2.2.3.** In particular the IRP noted the leading role this position has in the development of closer working with Hampshire's 264 Parish and Town Councils in terms of new and effective ways to sustain services and support, at a local level, in the face of ongoing budget reductions. An amendment to the title of the position to reflect the importance of this partnership working, as detailed in recommendation b) above was supported by the IRP.
- 2.2.4.** The view of the IRP was that there should be no change to the amount of the SRA at this time, but that this should be considered further in twelve months time.

## **Minority Group Spokespersons SRA**

- 2.2.5. The IRP considered a request to review the Minority Group Spokespersons Allowance in light of changes to the political composition of the County Council following its Elections in May 2017. The IRP had recommended a formula be applied to calculate the SRA for Minority Group Spokespersons in 2013 to future proof when changes to the political composition of the Council occurred. The formula was adopted by the County Council on 20 February 2014. The IRP were of the view that this SRA remains in line with the formula adopted by the County Council and that the SRA could be reviewed in the future on submission of a business case evidencing how the role has developed since the formula was introduced.

## **3. Members' Allowances Scheme 2018/19, 2019/20, 2020/21 and 2021/22**

### **3.1. Recommendations of the Independent Remuneration Panel**

- a) **That an SRA of £675 per annum be payable to the Co-opted Scheme Member Representatives of the Hampshire Pension Fund Panel and Board from 1 April 2018.**
- b) **That the Basic Allowance and Special Responsibility Allowances payable to Members be increased in line with any nationally agreed pay award for staff (if any) from 1 April 2018 and thereon annually for 2019/20, 2020/21 and 2021/22.**
- c) **That reimbursement reflecting the actual cost incurred be payable in regard to Childcare and Dependents' Carers' Allowances in accordance with the County Council's payment processes.**

### **3.2 Consideration of of IRP Recommendations**

#### **SRA Co-opted Scheme Member Representatives – Hampshire Pension Fund Panel and Board**

- 3.2.1. Consideration was given by the IRP as to whether the Co-opted Scheme Member role should attract an SRA. It was noted that since the previous Pension Fund Panel now constitutes a joint Pension Fund Panel and Board, the workload both in terms of time commitment and complexity had increased. The IRP had information on the role and its responsibilities, which is included as an Annex to the IRP Minutes. It was noted that currently an SRA of £675 was payable to Co-opted Members of the Children and Young People Select (Overview and Scrutiny) Committee, to Co-opted Members of the Police and Crime Panel, to Independent Members under the Localism Act 2011, and to IRP Members. The IRP were of the view that an SRA should be payable to Co-opted Scheme Members of the Hampshire Pension Fund Panel and Board, and that an appropriate amount was £675 per annum, in line with that amount currently payable to other Co-opted Members. Should the recommendation of the IRP be accepted this would provide consistency in SRA's payable to Co-opted non-elected Members of the County Council.

## **Members' Allowances Scheme 2018/19, 2019/20, 2020/21 and 2021/22**

- 3.2.2. Consideration was given by the IRP as to whether, as for the previous four years, the County Council should adopt a Members' Allowances Scheme to run for four years, with an annual adjustment by reference to an index specified by the County Council. This is possible under the provisions of the Members' Allowances Regulations, and means that while a Members' Allowances Scheme providing for an annual adjustment of allowances is in force, it is unnecessary for the County Council to specifically consider the Scheme again during that period. It does however remain possible for the Scheme to be amended from time to time to take account for example of new/revised roles or responsibilities. The recommendation of the IRP was that a Members' Allowances Scheme should be made for four years with an annual adjustment of allowances in line with the pay award for staff (if any). It is suggested that any pay award be linked to the lowest rate increase payable to the 'Senior Manager' cohort which comprises Grade H and above. In making their recommendation, the IRP noted that both Basic Allowances and SRAs had been frozen for eight years at 2009 levels.
- 3.2.3. As Members of the EHCC Committee will be aware, over the last few years, when considering whether or not there should be an adjustment to the Members' Allowances Scheme, the County Council has aimed, in the interests of efficiency, to 'future proof' decisions made so as to take account of future circumstances and variations in the political make-up of the Council. Examples of this are Minority Group Leaders' Allowances and Minority Group Spokespersons' Allowances, which are now set accordingly to a formula based on the numbers in any Minority Group on the County Council and adjusted up (or down) depending on the numbers in a political group at any specific time. By adopting a four year scheme by reference to an annual adjustment, this follows a similar approach.
- 3.2.4. Should the recommendation of the IRP be agreed, it is considered that it would be sensible for consistency to adopt a similar approach in respect of SRAs and allowances payable under other legislation, including allowances for the Chairman and Vice-Chairman of the Council, Independent Members and IRP Members, and that in future these should be adjusted in line with any adjustment to allowances under the Members' Allowances Scheme.

## **Childcare and Dependents' Carers Allowances**

- 3.2.5. Currently Childcare and Dependents' Carers Allowances are payable under the Members' Allowances Scheme at the rate of £6.00 per hour for childcare, and £8.00 per hour for dependents' carers. These allowances have remained unchanged for several years. The recommendation of the IRP is that these allowances should be reviewed taking account of individual cost. This however presents a difficulty in applying an appropriate level of control of public funds and administering reimbursement. Should Members of the EHCC Committee consider that there should be a review of these allowances then a more efficient and transparent approach would be to adjust the set hourly rates payable under the Members' Allowances Scheme to an amount reflective of current costs. It is therefore suggested that these allowances be linked to the

National Living Wage (at the aged 25 and over rate, currently £7.50 per hour) payable for dependent children up to the age of 16 and, in respect of both allowances, when the carer is someone other than a family member.

Should this approach be agreed, it would be possible to 'future proof' these too in line with any adjustment to the Members' Allowances Scheme generally going forward.

#### **4. Next Steps**

- 4.1. Amendment of the Members' Allowances Scheme for 2017/18, if appropriate, and the Members' Allowances Scheme for 2018/19, 2019/20, 2020/21 and 2021/22 recommended by the EHCC Committee will be considered by the County Council at its meeting on 22 February 2018.

#### **5. Claims and Payments of Members' Allowances**

- 5.1 As Members of the EHCC Committee will be aware, following the elections in 2017 all expenses must be claimed via ESS Lite for Councillors within three calendar months of the date the expenses are incurred. Some confusion has arisen as the procedure for ESS Lite, which is also applicable to staff, requires that claims must be submitted within three months including the month expenses are incurred. It is therefore considered sensible that for clarity the procedure for Members and Officers should be one and the same and that all expenses should be claimed via ESS Lite within three months calculated from the beginning of the month in which the expenses are incurred.

#### **6. Recommendations**

- a) That the EHCC Committee recommend to the County Council that approval be given to amendment of the Members' Allowances Scheme for 2017/18, if appropriate, and to a Members' Allowances Scheme for 2018/19, 2019/20, 2020/21 and 2021/22, which takes into account the recommendations of the Independent Remuneration Panel and the views of the EHCC Committee.
- b) That the proposal in regard to clarification of the procedure for claiming Members' expenses referred to at paragraph 5.1 is agreed.

**CORPORATE OR LEGAL INFORMATION:****Links to the Strategic Plan**

**This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because of the requirements of the Members' Allowances Regulations.**

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u>	<u>Date</u>
Amendments to the Members' Allowances Scheme 2015/16 – County Council	7 January 2016
Amendments to the Members' Allowances Scheme 2013/14 and Members' Allowances Scheme 2014/15, 2015/16, 2016/17 and 2017/18 – County Council	20 February 2014
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u>	<u>Date</u>
Local Government and Housing Act	1989
The Local Authorities (Members' Allowances) (England) Regulations	2003

**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. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- ) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- a) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- b) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **1.2. Equalities Impact Assessment:**

Equality objectives have been considered and no adverse impact identified.

### **2. Impact on Crime and Disorder:**

2.1. These proposals will have no impact on crime and disorder.

### **3. Climate Change:**

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

No impact has been identified.

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 measures have been identified.

## APPENDIX 1

AT A MEETING of the INDEPENDENT REMUNERATION PANEL of the County Council held at The Castle, Winchester on 10 October 2017.

PRESENT:  
Roger Farrall (Chairman)

\*Julia Abbott  
\* Richard Kinch

\* David Heck

\* Present

In attendance: Councillors Geoff Hockley and Keith House.

### 1. **APOLOGIES FOR ABSENCE**

No apologies had been received as all members of the Panel were present.

### 2. **DECLARATIONS OF INTEREST**

None.

### 3. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed everyone to the meeting.

### 4. **AMENDMENT TO THE MEMBERS' ALLOWANCES SCHEME FOR 2017/18**

Review of the Special Responsibility Allowance for the position of Assistant to the Executive – Rural Affairs Champion

At its meeting on 14 October 2015 the Panel considered a Special Responsibility Allowance (SRA) for the position of Assistant to the Executive – Rural Affairs Champion and recommended an SRA of £4,345 per annum being 25% of the SRA for an Executive Cabinet Member. The Panel further recommended that the SRA be reviewed in 12 months time. It was felt timely to review the SRA following the County Council's Election in May 2017 and the setting up of the new Administration.

Information about the position, outcomes achieved and how it had developed since its inception had been provided to the IRP as summarised below. The Chairman invited John Tickle, Assistant Director in the Culture, Communities and Business Services department to expand on this information and answer the Panel's questions.

The Panel noted the key functional areas of the Rural Affairs Champion as set out below:

- directly supports and advises the Leader and Cabinet on the development of rural policy, innovative pilot projects, grant awards and joint funding initiatives to sustain strong and vibrant rural communities across the County
- develops and maintains links with key organisations such as the Local Enterprise Partnerships, HALC (Hampshire Association of Local Councils - parish and town councils), National Park Authorities, and other bodies such as Action Hampshire, the Country Landowners Association and Campaign to Protect Rural England
- actively Represents Hampshire County Council on key bodies such as the HALC Board, Hampshire Rural Forum and the statutory Hampshire Countryside Access Forum to further the opportunities and interests of rural communities across the county
- promotes Hampshire County Council's rural estate and associated partnerships as a key contribution to both the land based sector and economic development across the county
- provides rural 'proofing' advice in relation to the impacts of County Council policy and service delivery developments linked to the extensive programme of transformation and change operating across all departments within the organisation
- leading role in the development of closer working with Hampshire's 264 Parish and Town Councils in terms of new and effective ways to sustain services and support, at a local level, in the face of ongoing budget reductions

together with a summary of key rural programme delivery outcomes during 2016/17:

- updated Socio-economic profile of rural Hampshire – production of an updated evidence base to help inform decision making and the targeting of scarce resources (approximately 80% of Hampshire is defined as rural – and it contains about 25% of the population)
- New Hampshire Rural Forum – successful re-establishment of the Forum in June 2016 bringing together 60 organisations, groups and individuals with an interest in rural Hampshire to raise awareness and understanding of rural issues and find solutions (e.g. rural crime – involvement in the Police and Crime Commissioner's 'rural communities matter' conferences). The role holder is the County Council representative on the Forum and Lead Member for the

## County Council on its future development

- consolidation of grants – launch of a revised grant scheme, the Rural Communities Fund, to help rural communities access small scale funding
- close working with Adults' Health and Care to ensure continued support for the Village Agents at a time of transformational change; examination of future initiatives to provide innovative solutions to the major challenge around Adult social care in rural areas whilst ensuring the role delivered by the village agents is maintained where appropriate
- supporting crime prevention and reduction through the Countryside Service and Country Watch joint-working initiative – partnership established between Hampshire Constabulary's Country Watch Team and the County Council's Countryside Service including the branding of Countryside Service vehicles with the Country Watch logo and the start of a closer working relationship between Country Watch Officers and Countryside Rangers

The Panel further noted that during 2016/17 £557,000 had been committed to boost initiatives delivering benefits/solutions in rural areas, many of which had attracted match funding. Some examples of initiatives supported by, and overseen by the Rural Affairs Champion include: external grant schemes (Community Challenge Fund, Flood Alleviation Grants, and Rural Retailers and Community Enterprises Scheme and overseeing an annual budget of £200,000); Hitting the Cold Spots (focussing on vulnerable adults in rural areas) and Parish Lengthsmen, a very popular scheme, which through a £30,000 contribution from the rural budget to add to the highways contribution, enabled extension of the Scheme to include rights of way.

During the course of discussion the IRP recognised the position to be a valuable one and had been well executed by the current role holder. However having considered the current scope of the role, the IRP did not feel that the role had significantly changed or sufficiently developed to warrant an increase to the SRA at this stage. However, if in light of further developments or the budget overseen by the Rural Affairs Champion were to grow, the IRP would review the position again.

### Minority Group Spokespersons SRA

The IRP considered a request from Councillor House to review the SRA for the position of Minority Group Spokesperson in light of changes to the political composition of the County Council following its Elections in May 2017. The IRP confirmed that arising from their meeting held on 23 September 2013 they had recommended a formula be applied to calculate the SRA for Minority Group Spokespersons, being 20% of the SRA payable

to Executive Cabinet Members (currently £17,379 thus £3,476) when a Minority Group comprises of eight or more Members plus £100 per Member of the Group. This approach had been in line with that taken for the SRA for Minority Group Leaders for which a formula also applies and had been recommended to future proof these positions going forward whatever the political composition might be. The IRP's recommendation was considered by the Employment in Hampshire County Council (EHCC) Committee on 12 November 2013, recommended to the County Council on 20 February 2014 and approved. The IRP considered that a review of the current formula for Minority Group Spokespersons could be carried out next year on the submission of a business case evidencing how the role had changed and/or developed since the formula had been introduced.

RESOLVED:

- a) That the SRA for the position of Assistant to the Executive – Rural Affairs Champion remain at £4,345 per annum being 25 per cent of an Executive Cabinet Member SRA, to be reviewed in 12 months time.
- b) That the IRP support a change of title for this position to reflect the new direction of the role to Assistant to the Executive – Rural Communities and Parish Council Lead Member.
- c) That the SRA for Minority Group Spokespersons remains in line with the formula adopted by the County Council on 20 February 2014, subject to review in the future and on submission of a business case evidencing how the role has developed.

## **5. MEMBERS' ALLOWANCES SCHEME TO TAKE EFFECT FROM 1 APRIL 2018**

The current Members' Allowances Scheme expires on 31 March 2018 and in accordance with Regulation 21 of the Local Authorities (Members Allowances) (England) Regulations 2003 had given consideration to a Scheme to take effect on 1 April 2018.

The Chairman confirmed that during the course of their work, the IRP had taken account of other Councils' Schemes and had attended a meeting of the SE Region IRPs. The approach of the IRP had been to recommend a Members' Allowances Scheme that was fit for purpose and robust. The introduction of formulas for the calculation of SRAs payable to Minority Group Leaders and Minority Group Spokespersons had been effective and operating a Scheme over a four-year period had provided continuity and assisted financial planning.

## Hampshire Pension Fund Panel & Board – SRA for Co-opted Member Scheme Representatives

The IRP considered a request to introduce an SRA for the Co-opted Scheme Member Representatives on the Hampshire Pension Fund Panel and Board. Background information is attached as an Annex to these Minutes. The IRP supported this request and proposed that the SRA be the same amount paid to other Co-opted Member roles, being £675 per annum, payable from 1 April 2018.

### Basic Allowance and Special Responsibility Allowances

The IRP proposed that the basic allowance and SRAs payable to Members, Co-opted Members and allowances payable under other legislation be increased in line with any nationally agreed pay award for staff from 1 April 2018 and thereon annually for 2019/20, 2020/21 and 2021/22. The IRP were mindful that the basic allowance and the majority of SRAs had been frozen at the 2009/10 level for the last eight years and had therefore not kept pace with inflation. In terms of succession planning and attracting individuals to become a Councillor, the IRP highlighted the importance of operating a Scheme that made provision for sensible increases particularly as some Councillors may give up some form of paid employment to take on this important role.

### Childcare and Dependents' Carers' Allowances

The IRP had reviewed the current allowances for Childcare and Dependents' Carers' and were of the view that a move away from fixed amounts to allow Members to claim actual costs would be more appropriate to reflect the variance of these costs across the County.

#### RESOLVED:

- a) That an SRA of £675 per annum be payable to the Co-opted Scheme Member Representatives of the Hampshire Pension Fund Panel and Board from 1 April 2018.
- b) That the basic allowance and SRAs payable to Members, Co-opted Members and allowances payable under other legislation be increased in line with any nationally agreed pay award for staff from 1 April 2018 and thereon annually for 2019/20, 2020/21 and 2021/22.
- c) That a reimbursement reflecting the actual cost incurred be payable in regard to Childcare and Dependents' Carers' Allowances in accordance with the County Council's payment processes.

## **Hampshire Pension Fund Panel & Board – SRA for Co-opted Scheme Member Representatives**

The joint Hampshire Pension Fund Panel and Board meets at least six times a year and is responsible for both the management and scrutiny of the operation of the Hampshire Pension Fund. Hampshire's arrangement to operate a joint Panel and Board, as approved by the Secretary of State, is one of only two joint Panel and Boards in the country. It is a complex area of work with a high level of collective responsibility attached to it and requires time and commitment from all of its members. As at 31 March 2017 the Pension Fund had over 160,000 scheme members and investments worth over £6.3bn.

The Scheme Member representatives on the Panel and Board are co-optees appointed by the Full Council and have full voting rights on all matters at meetings including administration, governance and investment decisions. Currently there are three full Co-opted Scheme Representatives (active, deferred and pensioner) together with one Substitute, the position for which is vacant (a recruitment drive will commence in the autumn) who are independent members of the public and receive no remuneration for the work they do. Benchmarking against the 10 other authorities in the Pension Fund Pool that Hampshire is part of (Cambridgeshire, East Sussex, Essex, Hertfordshire, Isle of Wight, Kent, Norfolk, Northamptonshire, Suffolk and West Sussex) confirms that travel and subsistence expenses only are paid.

However, the above is not a like-for-like comparison, as all these authorities have separate Pension Boards to their Pension Committees, therefore arguably what Hampshire asks from its members of the joint Panel and Board both in terms of meeting attendance and training is far greater than if they were just members of a separate Pension Board.

Members of the Joint Panel and Board must have knowledge and understanding of the law relating to pensions and in addition to the administration of the Fund and how it is invested. In order to achieve this, the members of the Joint Panel and Board will undertake individual training needs analyses against the requirements of CIPFA's Pension Finance Knowledge and Skills Framework. Members then participate in a range of training activities, including internal training events, conferences and seminars hosted by Investment Managers and other Pension Fund suppliers, and on-line learning. Co-opted Scheme Member Representatives must undertake the same training as all other members, including the Substitute Member and has responsibility for building up and expanding their level of knowledge.