

CABINET – 2 JANUARY 2014

MEMBERS' ALLOWANCES 2014/15 – 2017/18 - REPORT OF THE INDEPENDENT REMUNERATION PANEL

1. INTRODUCTION

- 1.1 On 5 June 2013 the Cabinet commissioned its Independent Remuneration Panel comprising Dr Declan Hall, Mrs Christine Ames and a representative of South East Employers (Mr Mark Palmer) to review and make recommendations on the Council's scheme of members' allowances for the four year period commencing 1 April 2014. The Panel met over two days on 14 and 15 October 2013. The Panel's report arising from its deliberations is attached at Appendix 1.
- 1.2 The current Members' Allowances Scheme is attached at Appendix 2.

2. LEGISLATIVE BACKGROUND

- 2.1 The Local Government (Members' Allowances) (England) Regulations 2003 make it mandatory for local authorities to receive a report from an Independent Remuneration Panel before making or amending their schemes of members' allowances. Where a scheme allows for the adjustment of allowances to be determined by reference to an index, the application of that index must be reviewed at least every four years. A four-year period has elapsed since the index applicable to New Forest District Council's scheme of allowances was last reviewed and fresh recommendations from the Panel with regard to the scheme to apply from 1 April 2014 are therefore required.
- 2.2 The Council is not obliged to adopt the recommendations of the Independent Remuneration Panel but it must "have regard to" them.
- 2.3 The Regulations also require the Council to publish the main features of the Panel's recommendations and to make copies of the report available for inspection. Arrangements for this are in hand.

3. THE PANEL'S RECOMMENDATIONS

- 3.1 The Panel's recommendations are set out on pages 5, 6 and 7 and are not repeated here.
- 3.2 The Cabinet is requested to consider the Panel's recommendations and to make recommendations to the Council for any changes to the scheme that it considers appropriate.

4. FINANCIAL IMPLICATIONS

- 4.1 If the Panel's recommendations are implemented in full, the minimum annual savings will be £6,762 per year.
- 4.2 The annual budget for members' allowances (basic, special responsibility and dependant carer's), is £455,560. The budget for travel is £19,960.

5. ENVIRONMENTAL, CRIME & DISORDER AND EQUALITIES & DIVERSITY IMPLICATIONS

- 5.1 There are none.

6. PORTFOLIO HOLDERS' COMMENTS

- 6.1 I am grateful for the thorough work carried out by the Independent Remuneration Panel and will be interested to receive Members' comments on their recommendations.

7. RECOMMENDATIONS

- 7.1 That the Cabinet considers the recommendations of the Independent Remuneration Panel and makes recommendations to the Council for the Members' Allowances Scheme to apply from 1 April 2014.

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Background Papers:

Published documents

**A Review
Of
Members' Allowances
For
New Forest District Council**

The Fifth Report

By the

Independent Remuneration Panel

**Mrs Christine Ames
Dr Declan Hall (Chair)
Mark Palmer**

December 2013

Foreword

This report sets out the deliberations and recommendations of the 2013 (or 5th) full review of Members' Allowances by the statutory Independent Remuneration Panel (the Panel) for New Forest District Council. The Panel has been set up and maintained in line with the provisions of the *Local Authorities (Members' Allowances) (England) Regulations 2003*¹ and has been reconvened to advise the Council on its Members' Allowances scheme due to the regulatory requirement to seek fresh authority for indexing of allowances.

The last major review (see 4th Report November 2009) recommended no major change to the Members' Allowances scheme. This 2013 review has come to the conclusion that the current scheme is still broadly fit for purpose and only requires changes around the margins. No major changes to the scheme are therefore recommended.

While it is seldom a good time to review allowances the Panel is cognisant that it is a particularly challenging time to do so in light of the on-going financial pressures on the public sector and local government in particular. If the recommendations of this report are accepted, savings of at least £6,737 per year will result. While the review has not been driven by a desire to find savings, the Panel cannot but be mindful of the current economic climate. Although, in the big scheme of things the savings being recommended will not be a 'game changer' for the Council, they will have an impact on elected Members as individuals. If the Panel's recommendations are accepted, it is hoped that the resulting savings will send out the message, to both staff and the public, that Members of New Forest District Council are mindful of the financial pressures being faced by their electorate and employees.

Dr Declan Hall
Chair of the New Forest District Council Independent Remuneration Panel

December 2013

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

Executive Summary: Recommendations

Post	No of SRAs Recommended	Basic Allowance	SRA Recommended	Total per Member	Total SRAs Payable
Basic Allowance					
All Members (60)+		£5,897			
SRAs					
Leader	1	£5,897	£18,794	£24,691	£18,794
Other Portfolio Holders (including Deputy Leader)	5	£5,897	£9,397	£15,294	£46,985
Planning Development Control Committee Chairman	1	£5,897	£5,215	£11,112	£5,215
Overview & Scrutiny Panel Chairmen	3	£5,897	£4,699	£10,596	£14,097
Audit Committee Chairman	1	£5,897	£1,936	£7,833	£1,936
General Purposes & Licensing Committee Chairman+	1	£5,897	£1,936+	£7,833	£1,936
Major Opposition Group Leader*	1	£5,897	£7,048	£12,945	£7,048
Minority Opposition Group Leader+	1	£5,897	£1,000+	£6,897	£1,000
Total Basic Allowance		£353,820			
No of SRAs+	14				
Total SRAs					£97,011
Total Payable: Basic Allowance Plus SRAs					£450,831

Notes:

+ = Change recommended

* If the Major Opposition Group has less than 6 Members (10% of Council membership), then that Group Leader's SRA should be reduced to £5,286 (25%). (See paragraph 68)

** If there are two or more Opposition Groups of equal size, then the sum of the SRAs that would be payable to Opposition Group Leaders of differing group sizes should be

divided equally between each Opposition Group Leader. For instance, where both Opposition Groups have

- 6 Members each then the SRA payable to each Group Leader would be £4,024 (£7,048 + £1,000 = £8,048 divided by 2)
- 5 or less Members each then the SRA payable to each Group Leader would be £3,143 (£5,286 + £1,000 = £6,286 divided by 2)

The Panel also recommends the following, namely that:

(a) Shadow Portfolio Holders

The SRA for the Shadow Portfolio Holders be discontinued.

(b) Deputy Leader of the Major Opposition Group

If the Major Opposition Group has reached the qualifying criteria of 20% of council membership, which is 12 seats, that the Deputy Leader be paid an SRA of £1,000.

(c) Chairmen of the Scrutiny Task and Finish Working Groups

The Chairmen of the Scrutiny Task and Finish Working Groups are not paid an SRA.

(d) Confirming One Special Responsibility Allowance (SRA) Only Rule

The rule that no member may receive more than one SRA is maintained.

(e) The Co-optees' Allowance

No provision for a Co-optees' Allowance has been recommended in this review as the Panel has been advised that there are no formal co-opted members serving on Committees or Panels.

(f) Travel and Subsistence Allowances

The approved duties for which Members claim travel and subsistence allowances and the conditions and the rates at which they are payable remain unchanged for 2014/15, subject to any indexation that may apply.

(g) The Dependants' Carers' Allowance (DCA)

The current maximum rate for which the childcare element of the DCA may be claimed should be raised to £7.45 per hour.

(h) Membership of the Local Government Pension Scheme (LGPS)

The Council should continue to enable all Members to join the LGPS, subject to the outcome of the government's consultation on councillor access to the LGPS, which is currently due to be announced for implementation from April 2014.

(i) Indexation

The New Forest District Council Members' Allowances be indexed as follows:

Basic Allowance (including ICT element) and SRAs:

Indexed to the national annual percentage salary increase for local government staff (at spinal column 28), to be applied from the same date applicable to employees

Travel Allowance – Mileage Rates:

Indexed to HMRC approved mileage rates for motor vehicles, motor cycles and bicycles

Dependants' Carers' Allowance – Maximum Rates:

- o Childcare element: indexed to the 'living wage' hourly rate (outside of London)
- o Elderly or Other Dependant Relatives element: indexed to the annual percentage salary increase for local government staff (at spinal column 28), to be applied from the same date that applies to staff

(j) Implementation of Recommendations

The new Members' Allowances scheme as recommended in this report be implemented from 1 April 2014.

A Review of Members' Allowances

For

New Forest District Council

By the

Independent Remuneration Panel

The Fifth Report

December 2013

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the Panel) reconvened by New Forest District Council to advise the Council on its Members' Allowances scheme, from 1 April 2014 and the following three years thereafter. This is the maximum period permitted before any English local authority is required to reconvene its Panel to review their Members' Allowances scheme if the scheme applicable to members of the local authority includes automatic indexing of allowances.
2. The Panel was convened under *The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021)* ("the 2003 Regulations"). These regulations, which arise out of the relevant provisions contained in the Local Government Act 2000, require all local authorities to establish and maintain an advisory Independent [Members] Remuneration Panel to review and provide advice on Members' allowances on a periodic basis. All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme. They must 'have regard'

to their Panel's recommendations before setting a new or amended Members' Allowances Scheme.

3. On this particular occasion, the Panel has been reconvened under Regulation 10.5, which states that:

Where an authority has regard to an index for the purpose of annual adjustment of allowances it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel established in respect of that authority on the application of an index to its scheme.

4. This is known as the '4-year rule' and is the mechanism utilised to ensure that all Members' Allowances schemes are subject to a degree of external scrutiny on a periodic basis. The Council retains its right to determine its own Members' Allowances scheme but it must have regard to the recommendations of its Independent Remuneration Panel in doing so.

The Panel

5. New Forest District Council reconvened its Independent Remuneration Panel, constituted of the following members:

- Mrs Christine Ames:
Local resident and Member of the Steering Group of the New Forest Tourism Association
- Declan Hall PhD (Chair):
Former academic at the Institute of Local Government, currently an independent consultant specialising in members' allowances
- Mark Palmer CFCIPD:
Development Director at South East Employers with extensive experience of conducting allowances' reviews and advising councils on political structures

6. The Panel was supported by Andy Rogers, Committee Administrator, whose role was to service the Panel, and take the organisational lead in facilitating the whole process.

Terms of Reference

7. On 5 June 2013 the Cabinet, when it agreed the composition of the Panel for the next 4 years, set out the following terms of reference for the Panel:

To review New Forest District Council's Members' Allowances Scheme when requested by the Cabinet, but at least every four years, and to make recommendations to the Cabinet for any changes to the Scheme that the Panel considers appropriate.

To make recommendations for the level of any further allowances that might be referred to the Panel by the Cabinet from time to time.

8. The broad terms of reference have enabled the Panel to review the whole scheme and carry out a 'health check' to ensure that it is still fit for purpose.

Process and Methodology

9. The Panel met at Appletree Court, New Forest District Council, Lyndhurst, on 14th – 15th October 2013. The Panel meetings were held in private session to enable the Panel to meet with Members and Officers and conduct deliberations in confidence. In arriving at its recommendations, the Panel took into account *inter alia* the following range of evidence:
 - Information on New Forest District Council, including any changes in how the Council is organised, the schedule of the Council, committees, panels and other meetings, terms of reference and role profiles where available
 - The views of Members, both written and oral
 - Officer briefings outlining recent developments in Council structures and to answer questions from the Panel
 - The range and level of allowances payable in the two comparator groups of authorities (the South East Region and Hampshire district councils)
 - Other relevant supporting material such the statutory guidance from Department of Communities and Local Government (DCLG)
10. All Members were invited to make written submissions to the Panel and all Members who wished to meet with the Panel were accommodated. See:
 - Appendix 1 for Members and Officers who met with the Panel, including written submissions
 - Appendix 2 for a list of the full range of evidence considered by the Panel
 - Appendix 3 for fuller details on the other allowances schemes referred to by the Panel for benchmarking purposes.

Observations and Comments – Limited Changes Required

11. After reviewing the scheme of allowances, undertaking benchmarking, interviewing Members and receiving briefings from Officers, the Panel has concluded that the New Forest District Council Members' Allowances scheme is still broadly fit for purpose. The Panel therefore concluded that there was no

need to fundamentally reform the scheme but to address the main anomalies, which it found primarily related to the level of Information and Communications Technology (ICT) provision and certain SRAs.

Recognising the current economic context and role of review

12. A case can be made to increase some of the current allowances payable, particularly the Basic Allowance in the light of its link to average earnings of residents in New Forest District, as they now stand compared to 2009, and adjust the level or range of the SRAs payable. However, a key message that emerged over the course of the review was that the Council was unlikely to accept an overall increase in the current total spend on Members' Allowances. The current economic context cannot be ignored. There is little point in the Panel making recommendations that bear no relationship to economic constraints within which the Council has to operate; otherwise, the review would simply make aspirational recommendations for a future date rather than supporting Members in the present.
13. This is not to say the role of the review is to pre-empt decisions properly reserved to the Council and seek to make savings on the current spend on Members' Allowances for the sake of it. If that were the case, the review would simply be making recommendations that would lead to 'a race to the bottom'. Ideally, the purpose of this review is to make recommendations based on knowledge of the current governance structures, an analysis of the evidence and representations, and the levels and scope of allowances paid in comparator councils - thus arriving at an evidenced-based judgement on the monetary worth of the roles under consideration.
14. Yet, the Panel's recommendations need to have the support of the Council as its Members make the final decision on the scope and levels of remuneration. If the Panel's recommendations do not have a large degree of acceptance amongst the Council then the Panel would be failing in its advisory duties. Furthermore, for Members it is important that, for the recommendations to be accepted, they stand up to public scrutiny. The Panel heard that this meant not increasing the allowances budget. Indeed, there is a public duty on the Panel to ensure that a degree of public accountability is brought to bear through the process of the review and the public would rightly question if the allowances budget were increased. As the recommendations stand and, if accepted and implemented in full for 2014/15, they will result in an annual saving of at least £6,762 when compared with the 2013/14 budget for New Forest District Council Members' Allowances. There will also be savings to the Council arising from employer's national insurance and pension contributions, but these have not been quantified. It is reiterated that these projected savings do not result from a presumption on the part of the Panel that it should reduce the overall budget, but rather from a detailed examination of the allowances that led to the conclusion that one allowance was not justified in its entirety, while two others were too high.

The Panel's Recommendations - Recalibrating the Basic Allowance

15. In previous reviews the Panel set the Basic Allowance in accordance with the 2006 Statutory Guidance that lays out three variables for Panels to consider, namely:²
- Time: historically been assessed at 12 hours per week/624 per year, as the average minimum time required to fulfil duties associated with the Basic Allowance
 - Public Service Discount (PSD): historically been assessed at 1/3 of the 12 hours per week, and conceptualised as the voluntary contribution by Members
 - Rate for Remuneration: historically been based on median full-time earnings of adults resident in New Forest District Council's area
16. In 2009 the Panel arrived at a recalibrated Basic Allowance by applying the following formula based on the three variables outlined above:
- 624 hours expected time input minus 1/3 of that time to recognise element of Councillors' duties given *pro bono publico* multiplied by median gross hourly salary for all full time employees resident within the district, which in 2009 was £12.79 per hour
17. This produced a Basic Allowance of £5,320, which was so close to the Basic Allowance payable at the time (£5,316 - based on £12.78 per hour) that the Panel decided not to make any changes. Once the 2013 1% indexation was applied to the Basic Allowance, it resulted in the current level payable of £5,369. To this sum the Information and Communications Technology (ICT) Allowance of £581 was added and, when factored into the Basic Allowance, it produces the current Basic Allowance payable of £5,950.

A recalibrated Basic Allowance for 2014/15 onwards

18. By revisiting the formulaic approach as laid out in the 2006 Statutory Guidance the Panel has 'recalibrated' the Basic Allowance by up-dating the rate for remuneration by applying the 2012 median gross hourly salary for all full time employees resident within the New Forest District Council area, as published by the Office of National Statistics (ONS). In 2012, the most up to date for which figures are available, this was £13.28 per hour.³

² See "New Council Constitutions: Guidance on Regulation for Local Authority Allowances", Department of Communities and Local Government, May 2006, paragraphs 67-69

³ See Annual Survey of Hours and Earnings (ASHE), 2012, Table 8.5a, ONS

19. Thus by recalibrating the Basic Allowance to take into account the 2012 rate for remuneration it gives the following revised formula:
- $624 \text{ hours input minus } 1/3 \text{ PSD} = 416 \text{ remunerated hours per year} \times \text{£}13.28 = \text{£}5,524$
20. The recalibrated Basic Allowance is a 2.9% increase on the current Basic Allowance payable, and when the current ICT allowance of £581 is factored in, it would result in a total Basic Allowance payable of £6,105, an increase of £155 on the current allowance.

Benchmarking

21. To test the robustness of the recalibrated Basic Allowance, the Panel benchmarked it against other comparator authorities. In particular, it utilised the same comparator groups it has used in previous reviews, namely all district councils in the South East that replied to the South East Employers (SEE) 2013 survey of members' allowances, and a more focused benchmarking group, namely the 11 district councils in Hampshire.
22. Benchmarking (see Table 1 below) shows that the average Basic Allowance payable (£4,536) amongst South East district councils is notably below that currently paid in New Forest District Council (£5,369 – not including ICT provision). On the other hand, the current New Forest District Council Basic Allowance (adjusted for the current ICT provision) and the recalibrated Basic Allowance is on a par with Hampshire peer authorities.
23. Yet, the South East Districts' benchmarking comes with a word of caution. The average Basic Allowance reported by the SEE survey is based, as is to be expected, on the actual Basic Allowance each council reported. Without resurveying, there is no way to be clear whether other authorities' Basic Allowances include an ICT allowance; or whether it is payable in addition to the Basic Allowance, or whether there is direct provision of ICT equipment and support that is not published in an allowances scheme.

Table 1: Basic Allowance and Leaders SRAs Hampshire Districts 2013/14 (NFDC Basic Allowance ICT provision is not included)

Hampshire District Councils	Basic Allowance	Leader	Leader Total Package
Basingstoke & Deane	£6,603	£22,018	£28,621
East Hampshire	£4,500	£16,000	£20,500
Eastleigh	£5,685	£19,145	£24,830
Fareham	£6,466	£19,397	£25,863
Gosport	£5,736	£13,326	£19,062
Hart	£4,548	£15,163	£19,711
Havant	£5,350	£14,800	£20,150
<i>New Forest (excl ICT)</i>	<i>£5,369</i>	<i>£18,794</i>	<i>£24,163</i>
Rushmoor	£4,600	£12,500	£17,100
Test Valley	£6,250	£11,850	£18,100
Winchester	£5,580	£16,734	£22,314
Highest	£6,603	£22,018	£28,621
Lowest	£4,500	£11,850	£17,100
Mean	£5,517	£16,339	£21,856
Median	£5,580	£16,000	£20,500
South East Employers District Councils 2013 Survey (Av)	£4,536	£13,713	£18,249

24. However, a more manageable exercise and thorough analysis of the published schemes of all 11 Hampshire district councils provides an indicative pattern. As Table 2 below shows, some Hampshire districts provide an ICT allowance on top of the published Basic Allowance while other authorities directly provide ICT equipment and support in addition to the published Basic Allowance. Regardless, all authorities provide, to a greater or lesser degree, ICT support. Only New Forest District Council and Test Valley specifically state that the Basic Allowance payable is to include all ICT support, although the sum included in the Test Valley Basic Allowance for ICT is not specified.
25. Ironically, when the ICT allowances that are separately payable in the Hampshire districts are added to their respective Basic Allowances, as is the case in the New Forest, it produces a lower average Basic Allowance. But, this

is because 5 districts are taken out of the equation as they provide ICT directly and it is impossible to factor this into the benchmarking. Moreover, it is noticeable that New Forest District Council and Test Valley are the only Hampshire districts whereby ICT is provided through the Basic Allowance and therefore their respective Basic Allowances are at the higher end of the comparative spectrum.

Table 2: Hampshire District Councils: Basic Allowance payable adjusted for ICT Provision 2013/14

Hampshire District	Basic Allowance	ICT Support	ICT Allowance payable	Basic Allowance Payable with ITC Allowance/Support included
Basingstoke & Deane	£6,603	Direct Provision of IT, peripherals & sundries		Not Applicable
East Hampshire	£4,500	Scheme provides for additional ICT Allowance	£200	£4,700
Eastleigh	£5,685	Direct Provision of IT, peripherals & sundries		Not Applicable
Fareham	£6,466	Broadband costs reimbursed		Not Applicable
Gosport	£5,736	Broadband Allowance payable	£300	£6,036
Hart	£4,548	Scheme provides for additional IT Allowance	£250	£4,798
Havant	£5,350	Scheme provides for additional Communications & Broadband Allowances	£461	£5,811
<i>New Forest</i>	<i>£5,369</i>	<i>Additional ICT Allowance added to Basic Allowance</i>	<i>£581</i>	£5,950
Rushmoor	£4,600	Scheme provides for additional IT Allowance	£350	£4,950
Test Valley	£6,250	Inclusive of ICT Support		£6,250
Winchester	£5,580	ICT mostly provided directly		Not Applicable
Highest	£6,603		£581	£6,250
Lowest	£4,500		£200	£4,700
Mean	£5,517		£357	£5,499
Median	£5,580		£325	£5,811

26. Nonetheless, what table 2 does clearly show is that the monetary value of the ICT allowance that is factored into the Basic Allowance of New Forest District Council Members is noticeably higher than the 5 other Hampshire districts that pay an identifiable ICT allowance. This is regardless of how it is paid, that is, whether through the Basic Allowance or in addition to the Basic Allowance.

A re-valued ICT Allowance

27. The Panel spent a great deal of time and effort deliberating on how best to provide ICT support for New Forest District Council Members, including the options of direct provision of equipment, a separately payable allowance (as opposed to adding to the Basic Allowance), payment in vouchers that could only be spent on specific ICT support and equipment. The advice received by the Panel on this issue confirmed the advice received during the supplementary review of ICT support (January 2012), to the effect that, although other authorities do pay a separate ICT allowance, there is no specific provision in the 2003 Members' Allowances Regulations for authorities to pay such an allowance. Legal advice to the Council is that monetary support for Members' ICT should be included in the Basic Allowance. Moreover, there are efficiency savings through not providing equipment and supporting that equipment. In addition, the current approach is simple to implement and has widespread support of both Members and Officers.
28. In its January 2012 Report (an interim report - A Review of Members ICT Support, paragraph 16) the Panel pointed out that when it:
- ... undertakes its next full review of allowances for New Forest District Council it will revisit the element of the Basic Allowance that provides for ICT support to take into account any changes in cost of such support. In particular, the Panel will undertake a cost analysis of ICT support needs for Members to ascertain whether £575 still represents value for money for the Council.
29. As noted the current level of £581 is the highest monetary ICT support in all the Hampshire districts, where such support can be readily identified and given a monetary value. Moreover, a cost analysis undertaken on behalf of the Panel shows that ICT costs have come down in the past 18-24 months. Specifically, based on a basket of different levels of ICT support, including a laptop or equivalent, printer, care plan, Broadband, associated peripherals, and an allowance for consumables, the average cost was £1,657 over 4 years, or £414 per annum.
30. The Panel has decided that the full current average cost of £414 per annum should not be payable in addition to the Basic Allowance. It is understood that

the ICT allowance was never intended to cover the total cost to a Member of ICT provision, but is rather to compensate Members for the cost of use of their own ICT equipment for Council purposes. Therefore the ICT element of the Basic Allowance should compensate for the cost of council-related use only.

31. The problem is that the Panel has limited means to ascertain what element of Members' ICT is for personal use and what element is for council-related duties. By definition, it will be different for each Member depending on a number of different personal circumstances and preferences. In 2007 when the ICT allowance was first introduced the assumption was made that there would be just under 10% private usage. However as time has gone by and ICT in private homes has become the norm and Members' expertise in this area has increased, it is reasonable to assume that their private usage has increased as well.
32. Consequently, at this stage, the Panel has taken the view that the average annual cost of £414 should be discounted by 25% (£104) to take into account personal use, leaving an annual ICT allowance of £311. However, as per previous reviews the Panel recognises that, as the ICT allowance is being factored into the Basic Allowance, the majority of Members will be liable for tax on the ICT allowance. Consequently, the Panel has factored in to the sum of £311 an additional 20% (£62) to recognise the tax liability that is incurred by most Members.⁴ This produces an ICT allowance payable of £373 to be factored into the recalibrated Basic Allowance (£5,524). This leaves a total Basic Allowance payable of £5,897, inclusive of the ICT allowance.

The recommended Basic Allowance

33. **The Panel recommends that the Basic Allowance payable for 2014/15 is £5,897, which includes £373 that is assigned as a contribution to Members for them to provide their own ICT support for council-related duties, subject to any indexation that may be applicable.**

The Leader of the Council/Chairman of the Cabinet

34. Benchmarking shows that the current SRA (£18,794) paid to the Leader of New Forest District Council is above the average (£13,713) in South East districts and that paid to Leaders of Hampshire district councils (£16,339). However, the Panel has always been cognisant that the New Forest District Council is the largest District Council in Hampshire. The Panel has always assessed the role of Leader, if not quite full time, then requiring a time commitment that is close to it, which precludes normal full time employment, unlike in many of the smaller district councils in Hampshire and the South East.

⁴ The Panel has not factored national insurance into the ICT allowance. Information supplied to the Panel was that the majority of Members do not pay national insurance.

Moreover, if anything, the role has become larger since the 2009 review in that the advent of Local Enterprise (and other) Partnerships has increased the regional and sub-regional role of the Leader. Furthermore, the decrease in the total size of the Cabinet in May 2011 from 8 to 6 means by definition that the Leader has had to share some of the redistributed portfolio functions across fewer executive Members.

35. Historically, the Leader's total remuneration package has broadly been just below the median full time gross salary of all full time employees resident in New Forest District,, which in 2012 was £28,232.⁵ The tentative revised total package for the Leader of £24,691 (the recommended Basic Allowance of £5,897 + current, unchanged, SRA of £18,794) represents just over 87% of the median full time gross salary of all full employees resident in New Forest District Council, which would in effect represent a relative decrease in relation to it being determined in 2009.
36. If the Leader's SRA was recalibrated on the same basis as the Basic Allowance, it equates to £19,336 (a notionally assigned workload of an extra 25 hours per week or 1,456 per year multiplied by the revised rate of remuneration of £13.28 per hour).
37. However, the Panel recognises that now is not the appropriate moment to recalibrate the Leader's SRA and with this in mind **the Panel recommends that the Leader's SRA of £18,794 remains unaltered, subject to any indexation that may apply.**

Deputy Leader of the Council/Environment Portfolio Holder

38. Historically, the Panel has never differentiated between the SRA paid to the Deputy Leader and other Portfolio Holders. Benchmarking shows that across district councils in the South East there is only a marginal difference (£47) between the average SRA paid to Deputy Leaders and other Executive Members/Portfolio Holders. On the other hand, the difference in Hampshire, where there is a differential SRA, it is more pronounced with the average SRA paid to Deputy Leaders being £9,373 and the average SRA paid to other Executive Members being £8,044.
39. Interestingly, there was a consensus across nearly all interviewees that the Deputy Leader merited a marginally higher SRA than other Portfolio Holders; if only to recognise the extra time demands, mainly standing in for Leader when required and generally supporting the Leader, both in a formal and informal context.

⁵ See ASHE Table 8.7a, Annual pay – Gross – for full-time employer jobs, UK 2012, by home geography.

40. Nonetheless, the Panel feels that if a different SRA is paid to the Deputy Leader, this should be done as part of wider recalibration of senior SRAs and that this is not the time to do so, nor is it a glaring anomaly. Consequently, **the Panel recommends that there be no separate SRA for the Deputy Leader and that the post holder continues to receive only a Portfolio Holder's SRA, which is subject to any indexation that may apply.**

Other Portfolio Holders/'Ordinary' Cabinet Members - 4)

41. The current SRA (£9,397) for the remaining 4 Portfolio Holders in New Forest District Council is substantially higher by more than 40% than the average SRA (£6,647) for equivalent posts across the South East district councils in the SEE survey. The average SRA paid to 'ordinary' Cabinet Members in Hampshire district councils is also lower, at £8,044, but the difference is only around 16%.
42. However, these averages are un-weighted in that they do not take into account the number of Cabinet Members/Portfolio Holders in respective councils, nor the size of the authorities. For instance, East Hampshire pays the lowest SRA (£4,150) amongst the Hampshire district councils but has six Cabinet Members (in addition to Leader and Deputy Leader), similarly, Hart, which pays its Cabinet Members the next lowest SRA (£6,823), also has 6 Cabinet Members (in addition to Leader and Deputy Leader). Thus, when the total amount paid in SRAs for other Cabinet Members is taken into account, the New Forest District Council figures are more in line with peer authorities.
43. The four 'ordinary' Cabinet Members, since reorganisation of the executive in May 2011, now have the following portfolios
- Finance & Efficiency
 - Housing & Communities
 - Health & Leisure
 - Planning & Transportation
44. Thus, similar to the Leader and Deputy Leader, the role of the other Portfolio Holders has expanded, while their remuneration has remained static; bar the indexation of 1% applied for 2013/14. As such, the Panel is content with the comparatively higher SRA paid to other Portfolio Holders in New Forest District Council as they appear to be generally doing more than their county and regional counterparts.
45. **The Panel recommends that the Cabinet Members'/Portfolio Holders' SRA of £9,397 remains unaltered, subject to any indexation that may apply.**

Chairs of Scrutiny Panels

46. Currently, the Chairs of the Scrutiny Panels receive an SRA of £4,699, whereas the average SRA paid to same posts in districts across the South East is £4,037 and the average across the Hampshire districts is £3,558. Again the benchmarking averages are un-weighted. The Panel was also aware that Scrutiny in New Forest District Council was realigned at the same time as the Executive in May 2011, so that each of the three new Scrutiny Panels, reduced from 7, directly relate to 2 Cabinet Members as follows:
- Corporate Overview & Scrutiny Panel:
Leadership + Finance & Efficiency Portfolios
 - Community Overview & Scrutiny Panel:
Housing & Communities + Health & Leisure Portfolios
 - Environment Overview & Scrutiny Panel:
Environment + Planning & Transportation Portfolios
47. In effect, in general terms, the Chairmen of the reconstituted Scrutiny Panels have had to 'double up' in relation to the Portfolio Holders they are responsible for scrutinizing, although they have been assisted by the establishment of Scrutiny Task and Finish Working Groups to carry out detailed reviews of topics of concern as required – see below. Thus, the Panel is content that the current SRA of £4,699 for the Chairs of the three Overview and Scrutiny Panels remains appropriate.
48. **The Panel recommends that the SRA for the Chairs of the three Overview and Scrutiny Panels remains unaltered at £4,699, subject to any indexation that may be applied.**

Chairmen of the Scrutiny Task and Finish Working Groups

49. As part of the realignment of the scrutiny and executive functions in May 2011, to assist with the enhanced demands placed on fewer Overview and Scrutiny Panels, the Council encouraged the establishment of Scrutiny Task and Finish Working Groups. They carry out specific time limited reviews that report to the relevant Overview and Scrutiny Panel and/or Portfolio Holder. The Chairs of these Scrutiny Task and Finish Working Groups are assigned on an 'as and when' basis and they not even necessarily a member of the relevant Overview and Scrutiny Panel. No representation was received that the Chairmen of the Scrutiny Task and Finish Working Groups merited an SRA.
50. **Consequently, the Panel does not recommend that the Chairs of Scrutiny Task and Finish Working Groups be paid an SRA.**

Chairman of Planning Development Control Committee

51. Currently, the Chairman of the Planning Development Control Committee receives an SRA of £5,215. Benchmarking shows that the average SRA for Planning Development Control Chairmen across districts in the South East is £4,686. In the Hampshire district councils, the average SRA is £5,771. The Panel received no evidence that the SRA for the Chairman of the Planning Development Control Committee needed revising.
52. **The Panel recommends that the SRA for the Chairman of the Planning Development Control Committee remains unaltered at £5,215, subject to any indexation that may be applied.**

Chairman of the Audit Committee

53. The Audit Committee was set up on 1st July 2012 partly in response to the Localism Act 2011, which *inter alia* no longer required councils to maintain a Standards Committee. The Audit Committee now has responsibility for residual standards functions not otherwise assigned elsewhere. It also has responsibility for monitoring and approval of the Authority's accounts and the audit function, previously undertaken by the now defunct Final Accounts Committee. The current SRA (£1,936) for the Chair of the Audit Committee was set via a supplementary review in September 2012. The Panel highlighted in its Supplementary Report (September 2012, paragraph 30) that it would revisit the recommended SRA for the Chairman of the Audit Committee in light of experience.
54. Benchmarking shows that the current SRA is on the low side, with the average SRA for Chairmen of Audit Committees across districts in the South East as reported by the SEE allowances survey 2013 for district councils is £2,678, whereas across the 8 Hampshire district councils that remunerate a Chairman of Audit the average SRA is £2,732.
55. However, the Panel did not receive evidence that the current SRA was in urgent need of revisiting. It heard and noted that Audit was still a relatively new committee that was still evolving.
56. **Consequently, it is recommended that the SRA for the Chairman of the Audit Committee remains unaltered at £1,936, subject to any indexation that may be applied.**

Chairman of the General Purposes & Licensing Committee

57. Benchmarking shows that the SRA (£1,329) for the Chairman of the General Purposes & Licensing Committee is low, both in a relative and an absolute sense. The average SRA paid to similar posts in South East district councils (SEE allowances survey 2013) is £2,656, whereas across the Hampshire districts it is £3,525. Moreover, the SRA for the New Forest District Council General Purposes & Licensing Chairman is the lowest amongst the Hampshire benchmarking group. Furthermore, some councils separate out the Licensing and General Purposes functions across two committees, such as in Test Valley.
58. The low SRA for the Chairman of the General Purposes & Licensing Committee can partly be explained by the historical context. In particular, all Members of the New Forest District Council General Purposes & Licensing Committee received an SRA after the implementation of the Licensing Act 2005, which transferred responsibility for the liquor licensing function to local authority licensing committees. They received an SRA of £40 per session for sitting on Licensing Sub-Committees because of the significant number of hearings soon after the coming into force of the new Act – sometimes three per day. However, the number of hearings soon reduced markedly and it was considered that the £40 session fee could no longer be justified. The Panel recommended that the £40 per session SRA for all committee members be discontinued in the review of November 2009.
59. The General Purposes & Licensing Committee still discharges its licensing hearings through Sub-Committees, consisting of 3 Members drawn from the parent committee, but the number of these meetings has settled down to an average of 7-8 per year. However, while there is no requirement for the Chairman of the General Purposes & Licensing Committee to chair the Licensing Sub-Committees, the practice is that Chairman does in fact on average chair about half of them.
60. The SRA for the Chairman of the General Purposes & Licensing Committee is an anomaly that the Panel feels does merit a degree of redress, in that it is too low for the workload and responsibility borne by the Chairman. The Panel decided that it should be increased and placed on a par with the SRA (£1,936) paid to the Chairman of the Audit Committee.
61. **The Panel recommends that the SRA for the Chairman of the General Purposes & Licensing Committee is £1,936, subject to any indexation that may apply.**

Opposition Group SRAs: A new methodology in how they are determined

62. The Panel received evidence that the methodology for setting the SRAs for Opposition Group Leaders was no longer fit for purpose. The Panel received similar evidence in the 2009 review but rejected change at that time. However, the case for change is now more compelling, mainly because the Major Opposition Group is not as large as it has been historically and a small Minority Opposition Group has been established.
63. At present, the function of the collective Opposition Leaders is assigned a total SRA pot of £9,397 (50% of the Leader's SRA). The SRA for Opposition Group Leaders is based on the proportion of seats held by their respective Opposition Group out of the total number of Opposition Members. Currently, the Major Opposition Group has 6 members and the Minority Opposition Group has 2, a total of 8 Opposition members. The Leader of the Major Opposition Group therefore receives an SRA of £7,048, which is 75% of the total Opposition SRA pot, while the Leader of the Minority Opposition Group receives £2,349, which is 25% of the total Opposition SRA pot.
64. Benchmarking reinforces the case to change the current methodology utilised in arriving at Opposition Group Leaders' SRAs. The average SRA paid to Major Opposition Group Leaders in district councils in the South East is £2,975 and across the Hampshire districts, it is £4,265.
65. At first glance, benchmarking does not present such a compelling case to change the methodology when looking at the SRA for Leaders of Minority Opposition Groups. The average SRA for Leaders of the Minority Opposition Groups in the South East districts is £1,885, whereas across the five Hampshire district councils that have and remunerate a Minor Opposition Group Leader, the average SRA is £2,226. However, not all councils remunerate their Minority Opposition Group Leader, for instance East Hampshire does not, even though it has a Minority Opposition Group the same size as that in New Forest District Council.
66. Moreover, the relatively high SRA paid to Leaders of Minority Opposition Groups is accounted for in some councils by setting a threshold for the size of the Group before the SRA is payable. For example in Rushmoor, the Minority Opposition Group Leader would receive an SRA of £3,000 if that Opposition Group (in this case UKIP) reached a threshold of holding 10% (4) of Council seats, but as UKIP in Rushmoor consists of only two Members, its Leader does not receive an allowance.
67. The Panel has decided that SRAs for Opposition Group Leaders should be a fixed figure rather than based on a proportion of a pot, which can lead to anomalies particularly when the total size of respective Opposition Groups is relatively small in relation to total membership of council. Moreover, a fixed SRA is more appropriate where elections are held on a four-year cycle rather than by thirds.

Major Opposition Group Leader – Recommended SRA and thresholds

68. **The Panel recommends that the SRA for the Leader of the Major Opposition Group should be fixed at the current level payable (£7,048), on the condition that the size of the Major Opposition Group consists of at least 10% of the Council membership, which equates to six seats. If it falls below 10% of council membership then the fixed SRA of £7,048 should be reduced by 25%, which equates to £5,286.**

Minority Opposition Group Leader

69. The Panel considered whether there should be a qualifying threshold before the Minority Opposition Group Leader received an SRA but decided against it on the grounds that the Local Government and Housing Act 1989 specifically permits party groups on councils to be formed with a minimum of two members. The Panel accepts that the Leader of any Opposition Group regardless of size has an important role to fulfil, not least to ensure minority voices are represented and heard at Council. Yet, the Panel also feels that an SRA of £2,349 for the Leader of an Opposition Group consisting of two Members is hard to justify; not least to the public and to New Forest District Council Committee Chairmen who receive a lesser SRA yet have a regulatory responsibility to discharge.
70. The Panel has decided to follow the fixed SRA approach for the Leader of the Minority Opposition Group and in determining an appropriate level has taken the view that £1,000 is reasonable.
71. **The Panel recommends that the SRA for the Leader of a Minority Opposition Group should be fixed at £1,000, subject to any indexation that may be applied.**

Opposition Groups of Equal Size

72. If the situation arises where two or more Opposition Groups are of equal size, then the sum of the SRAs that would be payable to Opposition Group Leaders of differing group sizes should be divided equally between each Opposition Group Leader. For instance, where both Opposition Groups have
- 6 members each then the SRA payable to each Group Leader would be £4,024 ($£7,048 + £1,000 = £8,048$ divided by 2)
 - 5 or less members each then the SRA payable to each Group Leader would be £3,143 ($£5,286 + £1,000 = £6,286$ divided by 2)

Shadow Portfolio Holders

73. The SRA of £568 for the Shadow Portfolio Holders was introduced for the start of the 2001/02 municipal year (see IRP's October 2000 report). It was done in conjunction with the introduction of the Cabinet model of decision-making that arose from the Local Government Act 2000. This was in a context when the implications and reality of operating executive structures were unknown. The evidence received by the Panel indicated that it is now difficult to justify continuing to pay this SRA. The Council's constitution does not provide for such roles, there are no role profiles for the post and as such no uniform expectation of the Shadow Portfolio Holders in terms of the work they do and how they approach the role. Consequently, in practice, the Panel discerned that it was a variable and sometimes inchoate role. Moreover, benchmarking shows this type of post is rarely remunerated in district councils – in the Hampshire districts the only other council that pays an SRA for a similar post, or "Minority Group Spokesman" is Fareham, with an SRA of £260.
74. **It is recommended that the SRAs for the Shadow Portfolio Holders be discontinued.**

Major Opposition Group Deputy Leader SRA

75. Nevertheless, the Panel recognises that there is a case to pay the Deputy Leader of the Major Opposition Group an SRA if it reaches a critical mass, which the Panel has deemed to be 20% (12) of Council seats. Interestingly none of the other district councils in Hampshire pays an SRA to a Deputy Leader of an Opposition Group, major or otherwise, and it is not a common practice across the district councils in the South East. However, the Panel accepts that once the Major Opposition Group has reached 12 members the Major Opposition Group Leader will require more support to organize and maintain an effective opposition.
76. **Consequently, the Panel recommends that if the Major Opposition Group has reached the qualifying criteria of 20% of council membership, which is 12 seats, that the Deputy Leader of that Group is paid an SRA of £1,000.**

Confirming the 'One SRA Only' Rule

77. The 2003 Members' Allowances Regulations do not limit the number of SRAs a Member may receive. Nevertheless, it is common for authorities to have a 'One SRA only' rule set out in their allowances scheme. In other words, regardless of the number of remunerated posts a Member may hold they can only receive one SRA. The prime reason for this rule is if a Member can be paid more than one SRA, it leads to a lack of transparency. In particular, the public are unable to ascertain the true level of remuneration for a Member by a reading of the

Members' Allowances scheme if a Member is able to receive more than one SRA. It can also lead to (and in some councils it has led to) a situation where the highest remunerated Member is not necessarily the Leader, an anomalous situation which does not meet the 'feel fit and fair' test.

78. A consequence of this rule is that it helps negate individual Members taking on more than one remunerated post simply to increase their remuneration and, therefore, acts as a check against the concentration of power, which can be discernibly greater where the One SRA only rule is not in place.
79. The One SRA only rule has always been accepted by New Forest District Council and has been included in its Members' Allowances scheme since this Panel has been advising the Council going back to 1999. It is common for most other councils as well.
80. **It is recommended that the One SRA only rule be maintained.**

The Co-optees' Allowances

81. Currently, New Forest District Council does not appoint Co-optees to any of its committees or Panels and therefore the Panel is not making any recommendations for this allowance. If the Council does appoint any Co-optees whom it feels may merit remuneration before the next full review, the Panel can easily deal with such a situation through a supplementary review.

Travel and Subsistence Allowances

82. The Panel received no evidence that the approved duties for which travel and subsistence allowances may be claimed, or the rates at which they are paid, need revising.
83. **Thus, the Panel recommends that the approved duties for which Members claim travel and subsistence allowances and the conditions and the rates at which they are payable remain unchanged, subject to any indexation that may apply.**

The Dependants' Carers' Allowance (DCA)

84. The Panel heard that the DCA is rarely claimed, nonetheless, the Panel takes the view that the continuation of this allowance is a matter of principle. The 2003 Regulations specifically gave Councils express legal powers to pay this allowance to reduce a financial barrier for Members (current or potential) who

have caring responsibilities and may otherwise be unable or would find it difficult to stand for or remain on the Council without the benefit of a DCA.

85. Currently, the New Forest District Council Members' Allowances scheme specifies that the maximum rate for which the childcare element of the DCA can be claimed is £6.62 per hour. The Panel feels this maximum rate is unrealistic and bears little relationship to the real cost of childcare; that a more appropriate hourly rate is the 'living wage' which is currently £7.65 per hour (outside of London)⁶ but that the allowance should still be subject to the maximum of 12 hours per week claimable by an individual Member.
86. **The Panel recommends that the current maximum rate for which the childcare element of the DCA may be claimed be raised to the current living wage of £7.45 per hour. The maximum rate for which the childcare element of the DCA can be claimed should also be indexed to the 'living wage.'** The Panel further recommends that the current maximum rate (£10 per hour) for which elderly or other dependants' element of the DCA may be claimed; and that the general terms and conditions upon which and the approved duties for which the DCA may be claimed, remain unchanged. The maximum rate for which the elderly or dependants element of the DCA may be claimed should be indexed to the annual percentage salary increase for local government staff (at spinal column 28), to be applied from the same date that applies to staff.

Membership of the Local Government Pension Scheme (LGPS)

87. Under the current legislation, the only decision-making power vesting in the Panel is in relation to eligibility for Members to join the LGPS. Even then, it is a negative decision-making power - if the Panel decides that no Members, or only defined Members, are eligible for access to the LGPS, the Council cannot override the restrictions determined by the Panel. However, if the Panel recommends that all or certain posts are eligible for access to the LGPS, the Council does not have to accept the recommendations.
88. Historically, the Panel has decided that all Members should be eligible to join the LGPS, applicable to both their Basic Allowance and any SRAs payable. This leaves the door open for the Council to decide whether to accept the recommendation, which historically it has done – although not all Members have chosen or are able (though age restrictions) to the join the LGPS. The Panel received no evidence to alter its view that all Members should be able to join the LGPS if they wish, as long as they meet the age restrictions, applied to both their Basic Allowance and, if applicable, their SRAs. It helps to reduce a financial barrier to under-represented groups on Council, most notably younger people who are in employment.

⁶ See <http://www.livingwage.org.uk>

89. **The Panel recommends that the Council should continue to enable all Members to join the LGPS, subject to the outcome of the government's consultation on councillor access to the LGPS, which is currently due to be announced for implementation from April 2014.**

Indexation

90. The 2003 Regulations⁷ provide express powers for councils to index their allowances. If indexation is not in place then periodic large increases are required simply to keep pace with inflation. The 2003 Regulations provide that where a council has indexed any or all of its allowances then the relevant indices can only run for 4 years (known as the '4-year rule') before it is required to seek further advice from its IRP to provide fresh authority for another four years.
91. Historically, the Panel has recommended relevant indices to be applied to allowances and the Council has accepted and implemented the recommended indices. Indeed, a driver of this review is the requirement for the Council to seek fresh authority for the indexation of members' allowances under the 4-year rule. Without considering a recommendation from the Panel, the Council cannot index any of its members' allowances for the future. The index applicable to these allowances over the last four years has been the cost of living annual percentage salary increase for local government staff that is agreed each year by the National Joint Council (NJC) for Local Government Services staff. This has been zero percent for the past three years and in the current year– 2013 – it was 1%, which the Council decided to apply to the Basic Allowance and SRAs.
92. No representations were made to the Panel that this index should be changed. The Panel reiterates that the Basic Allowances and SRAs for 2014/15 and the following 3 years should be indexed to the annual percentage salary increase for local government staff, with effect from 1 April in the year to which it applies, backdated if necessary. (Backdating is often required, as final settlements are sometimes agreed only in the summer of the year to which the increase applies). This treats Members and Officers equally.
93. The Panel points out that if allowances are not indexed then the Council is not able to apply an annual cost of living increase without coming back to the Panel for advice. However, where a Council has adopted indices they are under no obligation to apply them each year. Councils retain the right not to apply an index to their allowances even though the provision may have been adopted.

⁷ See Local Authorities (Members' Allowances) (England) Regulations, 2003, 10 (4), in Section 3 of the Regulations

94. The Panel recommends that the New Forest District Council Members Allowances are indexed as follows:

- **Basic Allowance (including ICT allowance) and SRAs:**
 - Indexed to the annual percentage salary increase for local government staff (at spinal column 28), to be applied from the same year that applies to staff
- **Travel Allowance – Mileage Rates:**
 - Indexed to HMRC approved mileage rates for motor vehicles, motor cycles and bicycles
- **Dependants' Carers' Allowance – Maximum Rates:**
 - Childcare element: indexed to the 'living wage' hourly rate (outside of London)
 - Elderly or Other Dependant Relatives element: indexed to the annual percentage salary increase for local government staff (at spinal column 28), to be applied from the same year that applies to staff

Implementation of Recommendations

- 95. Under Regulation 10.6 of the 2003 Members' Allowances Regulations, it is recommended that the new Members' Allowances scheme as recommended in this report be implemented from 1 April 2014.**

Appendix One: Members and Officers who met with the Panel

Elected Members:

Cllr G C Beck:	Chairman of the General Purposes & Licensing Committee (Conservative)
Cllr Mrs S Beeton:	'Backbench' Member (Conservative)
Cllr Mrs J Cleary:	Housing & Communities Portfolio Holder (Conservative)
Cllr C Harrison:	Leader of Major Opposition Group (Liberal Democrat)
Cllr D Harrison:	Shadow Cabinet Member (Liberal Democrat)
Cllr E Heron:	Deputy Leader of the Council & Environment Portfolio Holder (Conservative)
Cllr Mrs A Hoare:	Chairman of the Planning Development Control Committee (Conservative)
Cllr Mrs P Jackman:	Chairman of the Community Overview & Scrutiny Panel (Conservative)
Cllr C Lagdon:	'Backbench' Member (UKIP)
Cllr A O'Sullivan:	Chairman of Audit Committee (Conservative)
Cllr B Rickman:	Leader of Council/Chairman of Cabinet & Conservative Group Leader
Cllr Mrs M Robinson:	Shadow Cabinet Member (Liberal Democrat)
Cllr R Scrivens:	Leader of Minor Opposition Group (UKIP)
Cllr J Ward:	Chairman of Corporate Overview & Scrutiny Panel (Conservative)

Written Submissions:

Cllr A Alvey:	Vice Chairman of the Appeals Committee (Conservative)
Cllr S Bennison:	'Backbench' Member (Conservative)
Cllr L Puttock:	'Backbench' Member (Conservative)

Cllr Mrs A Rostand: Vice Chairman of the Corporate Overview & Scrutiny Committee (Conservative)

Cllr D Tipp: 'Backbench' Member (Conservative)

Officers:

David Yates: Chief Executive

Rosemary Rutins: Democratic Services Manager

Andy Rogers: Committee Administrator (Democratic Services)

Appendix 2: Papers and other Written Material Received by the Panel

1. The Panel's Terms of Reference
2. NFDC Allowances Scheme 2013/14
3. New Council Constitutions: Guidance on Regulation for Local Authority Allowances (may 2006)
4. Benchmarking information: See appendix three for details
5. Annual Publication of all Allowances and Expenses received by Members in 2012/13, for all Hampshire authorities
6. Annual Survey of Hours and Earnings (ASHE), Hourly pay – Gross (£) – for full time employee jobs (home geography) United Kingdom 2012, Table 8.5a
7. Summary of annual NFDC Increases – 2000-2013
8. NFDC Members' Responses to Aide Memoire (Invitation to make comments on allowances scheme)
9. Officers' Notes and Issues Information Briefing
10. Calendar of Meetings and Appointments to Committees etc
11. Organisational chart showing decision making structure for New Forest District Council
12. Terms of Reference of Panels and Committees
13. Review of Scrutiny Arrangements (Report to Cabinet 6 April 2011)
14. Role Profiles of Members:
 - Leader
 - O&S Chairman
 - Committee Chairman
 - All Members
 - Opposition Group Leaders
15. Appointments to Outside Bodies
16. Task and Finish Group Details
17. Members' ICT provision (Portfolio Holder Decision on Changes to Members IT Provision)

APPENDIX THREE: Allowances Paid Benchmarking Group of Councils

NFDC Comparator Group - Hampshire + SE District Councils: BA + Exec + Main Committee SRAs (2012/13)													
	BA	Leader	Leader Total Package	Deputy Leader	Exec Mbers	Chair Main O&S	Main O&S V/Chair	Chairs or Leads O&S	O&S V/Chrs	Chr Planning	Planning V/Chr	Chair Licensing &/or Regulatory	Licensing V/Chair
B'stoke & Deane	£6,603	£22,018	£28,621	£14,669	£11,009			£5,504	£550	£6,605	£660	£5,504	£550
East Hampshire	£4,500	£16,000	£20,500		£4,150	£2,767	£692	£692		£4,150		£1,384	
Eastleigh	£5,685	£19,145	£24,830	£8,853	£7,588			£2,529	£633			£1,581	
Fareham	£6,466	£19,397	£25,863		£10,776	£7,542	£808	£6,735	£808	£9,698	£808	£6,735	£808
Gosport	£5,736	£13,326	£19,062		NA			£3,201		£4,268		£4,268	
Hart	£4,548	£15,163	£19,711	£7,582	£6,823			£3,033	£1,011	£4,549	£1,516	£2,274	£758
Havant	£5,350	£14,800	£20,150	£8,880	£8,140	£5,920		£1,973		£5,920	£1,973	£2,960	£978
<i>New Forest</i>	<i>£5,369</i>	<i>£18,794</i>	<i>£24,163</i>		<i>£9,397</i>			<i>£4,699</i>		<i>£5,215</i>		<i>£1,329</i>	
Rushmoor	£4,600	£12,500	£17,100	£8,400	£7,400			£3,000		£5,000		£5,000	
Test Valley	£6,250	£11,850	£18,100	£8,100	£7,550			£6,250	£1,250	£4,700	£950	£4,700	£950
Winchester	£5,580	£16,734	£22,314	£9,129	£7,605	£7,605		£1,521		£7,605	£2,280	£3,042	
Highest	£6,603	£22,018	£28,621	£14,669	£11,009	£7,605		£6,735	£1,250	£9,698	£2,280	£6,735	£978
Lowest	£4,500	£11,850	£17,100	£7,582	£4,150	£2,767		£692	£550	£4,150	£660	£1,329	£550
Mean	£5,517	£16,339	£21,856	£9,373	£8,044	£5,959		£3,558	£850	£5,771	£1,365	£3,525	£809
Median	£5,580	£16,000	£20,500	£8,853	£7,597	£6,731		£3,033	£808	£5,108	£1,233	£3,042	£808
SEE 2012/13 Survey (Av)	£4,536	£13,713	£18,249	£6,647	£6,600			£4,037	£1,575	£4,686	£1,426	£2,656	£1,362

NFDC Comparator Group - Hampshire + SE District Councils: Other SRAs (2012/13)								
	Council Chair	V/Chair Council	Chair Staffing, HR &/or Personnel	V/Chair Staffing, HR &/or Personnel	Chairs Areas or Forums	Area/Local Forum V/Chair	Audit &/or Governance Chair	Audit V/Chair
B'stoke & Deane			£5,504	£550			£5,504	£550
East Hampshire	£2,767				£2,767		£2,767	
Eastleigh					£3,162	£790		
Fareham			£162		£4,041		£4,041	
Gosport								
Hart	£3,791	£1,264	£2,274	£758			£2,274	£758
Havant								
<i>New Forest</i>							£1,936	
Rushmoor	£1,000						£1,000	
Test Valley	£2,800				£4,700	£950	£2,050	£400
Winchester	£2,280		£3,042		£1,521		£2,280	
Highest	£3,791		£5,504		£4,700		£5,504	£758
Lowest	£1,000		£162		£1,521		£1,000	£400
Mean	£2,528		£2,746		£3,238		£2,732	£569
Median	£2,767		£2,658		£3,162		£2,277	£550
SEE 2012/13 Survey (Av)	£5,289						£2,678	

NFDC Comparator Group: Hants DCs (12/13) & SEE Allowances Survey 12/13: Group & Miscellaneous SRAs

	Main Opposition Group Leader	Shadow Executive or Spokesmen	Minor Opposition Group Leader	Third Opposition Group Leader	Other SRAs Payable
Basingstoke & Deane	£6,605		£3,303	£3,303	
E. Hampshire	£2,767				Chair Licensing Sub £692 Chair Development Policy Panel £1,383 Chair Non-Executive Board £2,767 Alternate Chairs of Joint (with Havant) HR and Joint Governance Committees £2,000 and Vice Chairs £1,383
Eastleigh	£5,059				Members can and do receive more than 1 SRA
Fareham	£6,466	£260	£3,233	£1,616	Chair Appeals £808 & Vice Chair Appeals £162
Gosport	£1,932		£1,932		
Hart	£3,033		£259	£74	Minor/Other Opposition Group Leaders SRA = £37 per Member
Havant	£600				Alternate Chairs (with E. Hants) of Joint HR and Joint Governance Committees £1,973
<i>New Forest</i>	<i>£7,048</i>	<i>£568</i>	<i>£2,349</i>		
Rushmoor	£3,000				Licensing Members £400 (when 4 meetings per year reached)
Test Valley	£2,800				Chair GP Committee £2,050 & Vice Chair GP £400 Chairs 2 Area Planning Committees £4,700 & Vice Chairs £950
Winchester	£7,605		£2,280		Chairs T&F Working Groups £1,521
Highest	£7,605	£568	£3,303	£3,303	
Lowest	£600	£260	£259	£74	
Mean	£4,265	£414	£2,226	£1,664	
Median	£3,033	£414	£2,315	£1,616	
SE Allowances Survey 12/13 (Av)	£2,975	£1,045	£1,885		

APPENDIX 2

NEW FOREST DISTRICT COUNCIL

MEMBERS' ALLOWANCES SCHEME

This scheme will be known as the New Forest District Council Members' Allowances Scheme, and shall have effect on 1 April 2013*.

A list of definitions is given in Appendix 1. The basis for the calculation of the basic and special responsibility allowances is set out in Appendix 2. Appendix 3 deals with 'Approved Duties' for the payment of travel, subsistence and dependant carer's allowances.

1. Basic Allowance

- 1.1 Each Councillor shall receive a basic allowance of £5,950 (inclusive of an ICT Allowance of £581) per annum. Where the term of office of a Councillor begins or ends otherwise than at the beginning of the year to which the scheme relates, their entitlement to this allowance shall be calculated on a pro-rata basis.

2. Special Responsibility Allowance

- 2.1 The following annual Special Responsibility Allowances shall be paid:

Leader of the Council	£18,794
Portfolio Holders	£9,397
Chairmen of Overview and Scrutiny Panels	£4,699
Chairman of Planning Development Control Committee	£5,215
Chairman of General Purposes & Licensing Committee	£1,329
Chairman of Audit Committee	£1,936
Major Opposition Group Leader	£7,048**
Minority Group Leader	£2,349**
Shadow Portfolio Holders	£568

** [see standing provision on group size in Appendix 2]

- 2.2 Where a member serves in a role with 'Special Responsibility' as listed in the table at 2.1 above for only part of a year, his or her entitlement to the allowance shall be calculated on a pro-rata daily basis.

3. Limitation on Payment of Special Responsibility Allowances

- 3.1 A Councillor may receive only one special responsibility allowance at any one time.

4. Dependant Carer's Allowance

- 4.1 A dependant carer's allowance shall be paid to those Councillors who incur expenditure for the care of dependent relatives or children whilst the Councillor is undertaking approved duties, subject to the following:

- (i) a maximum allowance of 12 hours per week;

- (ii) the allowances being payable as follows –
- (a) care for dependent children under 16, living at home with the Councillor shall be £6.62 per hour;
 - (b) elderly or dependent relatives aged 16 or over living at the same address as the Councillor and in need of full-time care shall receive the hourly rate charged by Hampshire County Council Adult Services for provision of a Home Care Assistant, up to a maximum of £10.00 per hour;
 - (iii) Councillors claiming the allowance declaring that the minder or carer is not an immediate member of the family and is over 16 years of age.

(See Appendix 3 for list of approved duties)

5. Pensions

- 5.1 All eligible Councillors are entitled to membership of the Local Government Pension Scheme, and their basic and special responsibility allowances are to be treated as amounts in respect of which pensions are payable.

6. Travel Allowances

- 6.1 Travel allowances will be paid for approved duties, as set out in Appendix 3 to this scheme. Mileage rates will be the Inland Revenue's approved annual mileage allowance payments (AMAP) which are currently:

Motor Vehicles	45p/mile
Motor Cycles	24p/mile
Bicycles	20p/mile

- 6.2 Where members travel together on approved duties, the member using his/her motor vehicle will be entitled to an additional allowance of 5p/mile per member passenger.
- 6.3 Where public transport is used, the most cost-effective method of travel, making use of "special offer" rates where possible, must be used. The cost of standard rate only will generally be reimbursed. Exceptional payments may be authorised by the Chief Executive.
- 6.4 Taxis may be used only in special circumstances and should have the prior approval of the Chief Executive, the Head of Legal and Democratic Services or the Democratic Services Manager.

7. Subsistence Allowances

- 7.1 Reasonable subsistence allowances will be paid for the "Approved Duties" set out in Appendix 3 to this Scheme, on condition that:
- (a) refreshments are not provided as part of the meeting/function attended;
 - (b) meal allowances will be paid only where a member is undertaking an approved duty which involves his/her absence from home or his/her normal place of work for a period exceeding four hours; and
 - (c) all claims are accompanied by receipts. The requirement for receipts may be waived at the discretion of the Chief Executive,

Head of Legal and Democratic Services or Democratic Services Manager in the case of claims submitted electronically.

8. Overnight Accommodation

- 8.1 There is no set allowance for overnight accommodation. However Councillors should endeavour to stay in accommodation which provides good value for money but, if the reason for requiring overnight accommodation is to attend a training event, conference, or similar event, Councillors may stay overnight at the venue being used for that event. Receipts must be provided with all claims for reimbursement of accommodation costs. If a Councillor stays overnight with a friend or family member, an amount of £25 per night will be reimbursed.

9. Automatic Uprating of Allowances

- 9.1 The annual adjustment index for the Basic Special Responsibility, Co-opted and Dependants' Carers' allowances, shall be the local government employees' national pay award annual percentage increase backdated to 1 April each year subject to the following:-
- (i) backdating will not apply to Councillors who resign or who otherwise cease to be members of the Council after 1 April in any year, or who are not re-elected to the Council in the years of the ordinary election of Councillors; and
 - (ii) where different percentage increases apply to pay bands, the index shall be the award applicable to Spinal Column Point (SCP) 28, which most closely equates to the Scheme's notional hourly rate
- 9.2 The mileage rates shall be adjusted annually, with effect from 1 April each year, by any adjustments to the Inland Revenue's AMAP rates.
- 9.3 The subsistence rates shall be adjusted annually, with effect from 1 April each year, by any adjustments to the New Forest District Council's employees' subsistence scheme.

10. Backdating of Allowances

Where an amendment is made which affects an allowance payable under this scheme, the entitlement to such allowance may, with the agreement of the Council, apply with effect from the beginning of the year in which the amendment is made.

11. Payments

- 11.1 Payment of the annual basic, special responsibility and co-optee's allowances shall be made in 12 equal monthly instalments paid in arrears on the 20th day of each month or thereabouts, subject to compliance with the part-year payment provisions set out above.
- 11.2 Payment of travel and subsistence claims received by the first day of the month shall be made on the 20th day of the month or thereabouts.

12. Time Limit for Submission of Claims

12.1 Any claims submitted for the payment of:

- (a) dependant carer's allowance; or
- (b) travelling and subsistence allowance;

must be made within two months from the date on which the entitlement to the allowance arises.

13. Suspension/Repayment of Allowances

13.1 Where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of the basic, special responsibility, or co-optee's allowance payable in respect of the period for which he/she is suspended or partially suspended in respect of the responsibilities or duties from which he/she is suspended or partially suspended will be withheld.

13.2 Where the allowances referred to in paragraph 13.1 have already been paid to the member and where the member concerned is:

- (a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part; or
- (b) ceases to be a member of the authority; or
- (c) is in any other way not entitled to receive the allowance in respect of that period;

such part of the allowance as relates to any such period shall be repaid to the Council.

14. Members of other authorities

Where a member is also a member of another authority, he/she may not receive allowances from more than one authority in respect of the same duties.

15. Renunciation

A member may by notice in writing given to the Chief Executive elect to forego all or any part of his or her entitlement to allowances payable under this scheme.

* Note: The allowances set out in this scheme were updated from 1 August 2013 (backdated to 1 April 2013) to take account of the local government employees' national pay award percentage increase, agreed in July 2013.

APPENDIX 1

DEFINITIONS

In this scheme -

"Councillor" means an elected member of the New Forest District Council;

"Co-optee" means a member of a panel, committee or sub-committee of the Authority who is entitled to vote;

"Immediate member of the family" means a member of the Councillor's own household living at the same address as the Councillor and the dependant requiring care;

"Leader of the Council" means the councillor elected by the Council to fill that office;

"Leader of the Major Opposition Group" means the councillor notified to the Chief Executive by the opposition group having the largest number of members on the Council as the councillor elected as that Group's Leader;

"Minority Group Leader" means the councillor notified to the Chief Executive by a group having a lesser number of members than the Major Opposition Group as the councillor elected as that Group's Leader;

"Member" in relation to co-optee's, travel or subsistence allowances means an elected member of the New Forest District Council or a person who is a member of a committee or sub-committee of the authority;

"Portfolio Holder" means a councillor appointed by the Leader of the Council to be responsible for a particular portfolio as a member of the Executive;

"Shadow Portfolio Holder" means a councillor nominated as the major opposition group spokesperson for each of the Overview and Scrutiny Panels, as notified to the Chief Executive by the leader of that group.

APPENDIX 2

CALCULATION OF BASIC, SPECIAL RESPONSIBILITY AND CO-OPTEE'S ALLOWANCES

1. The basic, special responsibility and co-optee's allowances are based on the number of hours it is considered reasonable for the member to spend on that particular role. These are:

Allowance	No of hours per annum
Basic *	624 minus one-third "public service discount" of 208 hours = 416
Leader of the Council	1,456
Portfolio Holders	728
Overview and Scrutiny Panel Chairmen	364
Chairman of Planning Development Control Committee	404
Chairman of General Purposes and Licensing Committee	103
Chairman of Audit Committee	150
Leaders of Opposition Groups	Half of Leader's allowance, divided between each Group Leader in proportion to the number of members in their groups subject, where there is only one opposition group, to a reduction of 25% if the numbers in that Group fall below 12, or 20% of the number of members on the Council
Shadow Portfolio Holders	44

2. The notional hourly rate for 2013/14 is £12.91 per hour (subject to annual percentage adjustment of employees' national pay award).
3. *In addition to this calculation, the Basic Allowance will include an ICT Allowance of £581.

APPENDIX 3

1. APPROVED DUTIES FOR THE PAYMENT OF TRAVEL, SUBSISTENCE AND DEPENDANT CARER'S ALLOWANCES

- (a) Attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any other body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body;
- (b) The attendance at any other meeting, the holding of which is authorised by the Authority, or a Committee or Sub-Committee of the Authorities, or a joint committee of the Authority and one or more Local Authority within the meaning of Section 270(1) of the Local Government Act 1972, or a Sub-Committee of such a Joint Committee provided that:
 - (i) where the Authority is divided into two or more political groups, it is a meeting to which members of at least two such groups have been invited; or
 - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited;
- (c) The attendance at a meeting of any Association of Authorities of which the Authority is a member;
- (d) The attendance at a meeting of the Executive or a meeting of any of its Committees;
- (e) The attendance at the opening of tender documents, where the attendance of a member has been specifically requested by the Chief Executive, an Executive Director or a Head of Service;
- (f) The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises;
- (g) Portfolio holders', Overview and Scrutiny Panel and Committee Chairmen's visits to Council venues, partner organisations or appropriate sites on issues directly related to their portfolios or the work of the Panel/Committee;
- (h) Journeys by Overview and Scrutiny Panel or Committee members working on projects assigned to them by the Panel or Committee;
- (i) Journeys to planning or similar enquiries, or court proceedings, where the member is appearing to give evidence for the Council;
- (j) Journeys made by the political group leaders in their roles as group leaders;
- (k) Journeys to approved training sessions, conferences and courses ("approved" for this purpose will mean a session arranged by the Council or in respect of which the Council is bearing the cost);
- (l) In appropriate circumstances, journeys made for the purpose of resolving constituents' problems;

- (m) Attendance at meetings of parish or town councils in the member's role as a District Councillor (except where the member is also attending as a parish/town councillor);
- (n) Journeys to political group meetings called by the leader of the political group and designated by him/her as being necessary for the conduct of Council business;
- (o) Journeys undertaken by members of the Planning Development Control Committee and local members to view sites that are the subject of planning or tree work applications, when the member considers a visit essential;
- (p) Journeys undertaken by members to collect or deliver ICT equipment issued to them by the Council, provided such collection or delivery cannot reasonably wait until the member makes his or her next scheduled visit to the Council's offices;
- (q) Journeys by Chairmen, Vice-Chairmen and opposition group spokespersons to attend pre-meeting briefings;

provided in all cases that the journeys are necessary for the carrying out of a duty which has been assigned to a member, either generally or specifically.