

REPORT OF STANDARDS COMMITTEE

(Meeting held on 29 January 2010)

1. MEMBERS' ALLOWANCES 2010/11 TO 2014/15 – REPORT OF THE INDEPENDENT REMUNERATION PANEL (REPORT E) (MINUTE NO. 39)

Following a request by the Standards Committee, the Independent Remuneration Panel comprising Dr Declan Hall, Mrs Christine Ames and Ms Susie Bonfield met on 23 and 24 November 2009, to review the members' allowances scheme and to make recommendations to apply with effect from 1 April 2010. The Panel's report is attached at Appendix A.

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. The Council is not obliged to adopt the recommendations of the Independent Remuneration Panel but must "have regard to them", when reviewing a scheme of 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 a recommendation with regard to the index is therefore needed for the scheme to apply from 1 April 2010.

The Committee has considered the Panel's recommendations, set out in paragraph 5 of the attached report, and supports all of their recommendations.

A significant issue which had been explored at some length by the Panel is the method of achieving a suitable automatic annual uprating index for the allowances. The current Scheme provides for members' allowances to be adjusted annually by the annual percentage increase in the Retail Price Index (RPI) (All Items) for the 12 months to the end of the previous year. For the year to December 2008, this percentage was 4%, and councillors had decided for 2009/10 not to apply the index. The current index has proved somewhat volatile, and a majority of members interviewed by the Panel were in favour of linking future adjustments in allowances to the employees' annual pay award, now that the Council had moved to National Pay Bargaining.

The Committee noted that the New Forest median earnings for 2009 equated to £12.79 per hour, which happens to compare almost exactly with the notional hourly rate of £12.78 which is used for the calculation of the Basic and Special Responsibility Allowances for the NFDC Scheme. Given this, together with benchmarking data and other reasons set out in the report, the Panel felt it appropriate to continue to use this rate for the calculation of the Basic Allowance.

As well as some adjustments to some Special Responsibility Allowances (SRAs), and the addition of a new SRA for the Standing Chairman of the Consideration and Hearings Sub-Committee, it is recommended that the SRA of £40 per session payable to members sitting on Licensing Sub Committee hearings be discontinued. Reasons are set out in paragraph 6.2(h) of Appendix A.

The Committee considers that the evidence and research supporting the Panel's report were sound and that the recommendations for amendments to the Scheme are practical and realistic.

The total annual cost arising from the recommended increase in SRAs is £1,226. The proposed increase in basic allowance to co-opted members of the Standards Committee will cost £306 per year. If allowances increase by 1% in 2010/11 the approximate additional cost will be £5,000, but there will be some savings in the withdrawal of the SRA for members of the Licensing Sub-Committees.

Pending the Council's decision, provision is being made for this level of increase in the draft budget for 2010/11.

RECOMMENDED:

That all the recommendations of the Independent Remuneration Panel be adopted as follows:-

- (i) That there be no change to the calculation of the Basic Allowance;***
- (ii) That the annual Special Responsibility Allowances be adjusted as set out below (for completeness the full list of SRAs is set out):***

<i>Special Responsibility Allowance</i>	<i>Proposed allowance (Changes based on hours calculation)</i>
<i>Basic Allowance</i>	<i>£5,316 (no change)</i>
<i>Leader of the Council</i>	<i>£18,608 (no change)</i>
<i>Portfolio Holders</i>	<i>£9,304 (no change)</i>
<i>Chairmen of Review Panels</i>	<i>£4,652 (no change)</i>
<i>Chairman of Planning Development Control Cttee</i>	<i>£5,163 (£511 increase)</i>
<i>Chairman of General Purposes & Licensing Cttee</i>	<i>£1,316 (£153 increase)</i>
<i>Opposition Group Leaders</i>	<i>Half the 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 on that Group fall below 12 or 20% of the number of members on the Council</i>
<i>Shadow Portfolio Holders</i>	<i>£562 (no change)</i>
<i>Co-optee's allowance to Chairman of Standards Cttee</i>	<i>£1,316 (£153 increase)</i>

Special Responsibility Allowance	Proposed allowance (Changes based on hours calculation)
Co-optee's allowance to members of the Standards Committee	£255 (£51 increase)
Co-optee's allowance to Standing Chairman of Consideration and Hearings Sub-Committee	£409 (new allowance)

- (iii) *That the Special Responsibility Allowance of £40 per session payable to members sitting on Licensing Sub-Committee hearings under the Licensing Act 2003 be discontinued with effect from 1 April 2010.*
- (iv) *That the Dependants' Carers' Allowance continues to be payable, but that the maximum hours that may be claimed be increased to 12 hours of care per week, and that –*
- *the current hourly rate of £6.55 applicable to all care applying in future where the dependant is a child under 16; and*
 - *where the dependant is 16 or over, the hourly rate be that charged by Hampshire County Council's Adult Services for the provision of a Home Care Assistant, up to a maximum of £10.00 per hour.*
- (v) *That the annual adjustment index for the Basic, Special Responsibility, Co-opted and Dependants' Carers' allowances be the local government staff employees' national pay award annual percentage increase backdated to 1 April in each year but that:*
- (i) *backdating 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.*
- (vi) *That the changes to the scheme detailed above take effect from 1 April 2010;*
- (vii) *That the annual adjustment index referred to in paragraph (v) above operate for a maximum of four years or until the Panel is reconvened to review the scheme, so that a review must take place prior to the Municipal Year 2014/15;*

- (viii) That there be no change in the current mileage rates, and that they continue to be fixed at HM Revenue and Customs Authorised Mileage Allowance Payments (AMAP) rates;***
- (ix) That all members continue to be eligible for membership of the Local Government Pension Scheme, and that members' basic and special responsibility allowances be treated as amounts in respect of which pensions are payable.***

**A T J Lander
CHAIRMAN**

Independent Remuneration Panel
The Fourth Review of Members' Allowances
For
New Forest District Council
November 2009

1. INTRODUCTION

- 1.1 In compliance with the Local Government (Members' Allowances) (England) Regulations 2003, and subsequent statutory guidance – New Council Constitutions: Guidance on Regulation for Local Authority Allowances (Department for Communities and Local Government, 5 May 2006), the Standards Committee of New Forest District Council commissioned a review of its current members' allowances scheme by the Council's Independent Remuneration Panel.
- 1.2 The review was necessary because the above regulations and statutory guidance require that, where schemes of members' allowances provide for annual adjustments 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.

2. TERMS OF REFERENCE

- 2.1 The standing terms of reference of the Panel are:
1. To review New Forest District Council's Members' Allowances Scheme when requested by the Standards Committee, but at least every four years, and to make recommendations for any changes to the Scheme that the Panel considers appropriate.
 2. To make recommendations for the level of any further allowances that might be referred to the Panel by the Standards Committee from time to time.
 3. As and when requested by the Standards Committee, to sit as the Independent Remuneration Panel for Parish and Town Councils in the District, and to make appropriate recommendations to Parish and Town Councils on the level of allowances to apply to their Councillors.
- 2.2 The Panel was asked to review the Scheme of Members' Allowances to apply from 1 April 2010.

3. PANEL MEMBERS

3.1 The Panel met on 23 and 24 November 2009 at the Council Offices at Lyndhurst.

The Panel members were:-

- Dr Declan Hall (Panel Chairman) – a lecturer at the Institute of Local Government, University of Birmingham, who specialises in Councillors' roles, remuneration and support.
- Mrs Christine Ames – Board Member of New Forest Business Partnership and Steering Group Member of New Forest Tourism Association
- Ms Susie Bonfield - Policy Officer (Democracy and Governance), South East Employers.

4. INFORMATION GATHERED AND CONSIDERED

4.1 Written Information

Panel Members reviewed a wide range of information (the most relevant documents are listed in **Annex 1**), but in summary included:

- Presentation/Overview on reviewing allowances, patterns, approaches and issues to consider, by Dr Declan Hall
- Local Government Association Members' Allowances National Survey - 2008
- South East Employers Members' Allowances Survey – October 2009
- NFDC Survey of Members - November 2009 (which achieved a two-thirds response rate)
- Annual Survey of Hours and Earnings (ASHE) 2009
- Earnings Survey – National / Regional / New Forest
- Member Role Descriptions taken from NFDC's constitution
- "New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances" issued by the Department for Communities and Local Government 5 May 2006
- Statistics produced by NFDC of the number of Licensing Hearings held under the Licensing Act 2003

4.2 Interviews

The Panel interviewed a cross-section of members from both political groups represented on the Council, co-opted members of the Standards Committee and the Chief Executive. A full list of persons interviewed can be found at **Annex 2**.

5. SUMMARY OF THE PANEL'S RECOMMENDATIONS

5.1 The Panel's recommendations are as follows:

- (a) That there is no change to the calculation of the Basic Allowance;

- (b) That the annual Special Responsibility Allowances be adjusted as set out below (for completeness the full list of SRAs is set out):

Special Responsibility Allowance	Current No. of hours	Proposed No. of hours	Current allowance (based on current £12.78/hour)	Proposed allowance (based on current £12.78/hour)
Leader of the Council	1456	1456 (no change)	£18,608	£18,608
Portfolio Holders	728	728 (no change)	£9,304	£9,304
Chairmen of Review Panels	364	364 (no change)	£4,652	£4,652
Chairman of Planning Development Control Cttee	364	404	£4,652	£5,163
Chairman of General Purposes & Licensing Cttee	91	103	£1,163	£1,316
Opposition Group Leaders	Half the 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 on that Group fall below 12 or 20% of the number of members on the Council			
Shadow Portfolio Holders	44	44 (no change)	£562	£562
Co-optee's allowance to Chairman of Standards Cttee	91	103	£1,163	£1,316
Co-optee's allowance to members of the Standards Committee	24, minus one-third "public service discount" of 8 hours = 16 hours	30, minus one-third "public service discount" of 10 hours = 20 hours	£204	£255
Co-optee's allowance to Standing Chairman of Consideration and Hearings Sub-Cttee	-	32 (new allowance)	-	£409

- (c) That the Special Responsibility Allowance of £40 per session payable to members sitting on Licensing Sub-Committee hearings under the Licensing Act 2003 be discontinued with effect from 1 April 2010.

- (d) That the Dependants' Carers' Allowance continues to be payable, but that the maximum hours that may be claimed be increased to 12 hours of care per week, and that –
- the current hourly rate of £6.55 applicable to all care applying in future where the dependant is a child under 16; and
 - where the dependant is 16 or over, the hourly rate be that charged by Hampshire County Council's Adult Services for the provision of a Home Care Assistant, up to a maximum of £10.00 per hour.
- (e) That the annual adjustment index for the Basic, Special Responsibility, Co-opted and Dependants' Carers' allowances be the local government staff employees' national pay award annual percentage increase backdated to 1 April in each year but that:
- (i) backdating 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.
- (f) That the changes to the scheme detailed above take effect from 1 April 2010;
- (g) That the annual adjustment index referred to in paragraph (e) above operate for a maximum of four years or until the Panel is reconvened to review the scheme, so that a review must take place prior to the Municipal Year 2014/15;
- (h) That there is no change in the current mileage rates, and that they continue to be fixed at HM Revenue and Customs Authorised Mileage Allowance Payments (AMAP) rates;
- (i) That all members continue to be eligible for membership of the Local Government Pension Scheme, and that members' basic and special responsibility allowances be treated as amounts in respect of which pensions are payable.

6. CONSIDERATION OF FACTORS LEADING TO RECOMMENDATIONS

The Panel received overwhelming representation that the Scheme was broadly fit for purpose, and only in need of amendment rather than wholesale reform. These observations were supported by benchmarking analysis.

6.1 Notional Hourly rate for the calculation of Basic and Special Responsibility Allowances (SRAs)

The notional hourly rate used for the calculation of the basic and special responsibility allowances in the scheme is £12.78. The Panel notes that this current hourly rate equates almost exactly to the median hourly rate of all full time employee jobs within New Forest District Council's area for 2009 (*Ref: annual survey of hourly earnings Table 8.7(a), November 2009*):

NFDC median earnings 2009 - £25,934 divided by 52 weeks = £498.73; divided by 39 hours/week (notionally legal and realistic in recognising the contractual hours of most employees) = £12.79

6.2 Basic Allowance

The basic allowance is currently calculated on the assumption that members are required to spend, on average, a minimum of 12 hours per week on their representative and Council roles. The average required for this role was tested at interview, and the results of the survey were taken into account. While it appeared that members' estimate of the time input varied, there was broad consensus that workloads had not increased since the last review. Most members, when asked, felt that the notional figure of 12 hours per week was 'about right'.

The survey results indicated an estimated average total weekly commitment of 18 hours per week, but these results were affected by the responses of cabinet members and others in receipt of special responsibility allowances.

The NFDC current Basic Allowance is £5,316 per annum. The Panel noted that the IDeA 2008 survey of members' allowances shows the national average basic allowance was £4,194 for District Councils, with the average for South East District Councils being £4,413. In Hampshire the average District Council Basic Allowance as at October 2009 was £5,390.

Interestingly, there was a significant minority representation received by the Panel that suggested that there was a case for a small increase in the basic allowance. While almost 60% of the questionnaire respondents thought that the Basic Allowance should not be increased, just over 40% thought it should be slightly higher – between £6,000 - £7,000. The split in opinion was broadly replicated by the interviewees. However, overwhelmingly, those who did suggest there was a case for an increase in the Basic Allowance took the opportunity in interview to point out that they did not think it was a good idea, with the argument for an increase being an abstract rather than a practical one.

Yet the benchmarking exercise indicates that the current Basic Allowance payable in NFDC is at the higher end of the comparative spectrum, nationally and in the South East. As such, the Panel was more concerned in ensuring that the current Basic Allowance payable could be justified in the current economic climate.

The Panel feels that in considering the current Basic Allowance payable that a number of factors should be taken into consideration, namely:

- The IDeA survey of allowances is based on allowances payable for 2009/09 and it is reasonable to assume the comparative figures are now higher, once indexation and, where applicable, intervening reviews have taken place
- The IDeA survey also includes those districts that still operate alternative political management arrangements, and as a general rule they pay lower allowances which skews the average downwards while not being directly comparable to councils with executive arrangements
- New Forest District Council is the largest non-unitary council in Hampshire, and the second largest non-unitary council in England in population terms

- The current Basic Allowance payable is on a par with the average paid in district councils in Hampshire,
- NFDC's performance had been scored by the Comprehensive Performance Assessment as "Excellent and Improving". NFDC was one of only three authorities in Hampshire that had obtained a score of 3 out of 4 in a more recent assessment, and compared well with other District Councils nationally.
- It was also noted that, for the 2009/10 year, the Council had chosen to freeze all of its allowances at 2008/09 levels, and would still retain the option to not exercise indexation in the future.

Taking into account the above considerations, the evidence received and the context of the benchmarking analysis, the Panel is content that the current Basic Allowance of £5,316 is appropriate for NFDC and is not in need of amendment.

6.3. Special Responsibility Allowances (SRAs)

The Panel reviewed the current Special Responsibility Allowances, discussed these with interviewees, and analysed comparative data from other councils.

(a) Leader of the Council

The Panel was keen to hear from members their perception of whether the Leader's role was a full-time one and whether it was adequately remunerated. There was a general view, both at interview and in response to the survey, that the Leader's role was almost full-time. The Panel heard that the Leader's role had grown in terms of partnership working, together with greater involvement in external facing issues and participation in regional and national forums. There were also the added responsibilities of managing a larger political group.

There were views that the Leader's duties deserved higher remuneration but also views that it was "about right". The Panel noted that the 2009 median salary for all full-time employees in the New Forest was £25,924. When adding the Leader's allowance of £18,608 to the Basic Allowance of £5,316, this gives a comparable total of £23,924. In view of this, and that the Leader's SRA compares favourably with other Districts in Hampshire, the Panel does not recommend an adjustment in the Leader's allowance at this stage.

(b) Deputy Leader

The Panel wished to explore whether an SRA for the Deputy Leader of the Council was warranted, bearing in mind that an allowance for this role is common practice. However, there appeared to the Panel that there was no separate identified role for the Deputy Leader, apart from occasional deputising for the Leader. There was no particular support for an allowance and the Panel makes no recommendation for a change.

(c) Portfolio Holders – No Change

The Panel found no evidence to support a change to the Portfolio Holders' SRA at this stage, which is fixed at half the Leader's allowance.

(d) Opposition Group Leader(s) – Half the Leader's allowance - £9,304 (to decrease by 25% if the number of members in an Opposition Group falls below 12 members or 20% of the total number of Council members)

The Panel heard a number of views concerning the SRA for the Opposition Group Leader(s), particularly in the light of the fact that there is currently only one opposition group on the Council. The total allowance payable under the Scheme to leader(s) of opposition group(s) is half the Leader's SRA, and is therefore currently £9,304. The Scheme provides for the allowance to be divided between the leaders of opposition groups in proportion to the number of members in the groups. As there is only one opposition group represented on the Council at present, the leader of the opposition receives the full £9,304.

There were different views expressed, both in the survey results and at interview, on whether the level of this SRA was still appropriate, bearing in mind the relatively small number of opposition group members represented on the Council. Some held the view that leading a smaller group did not warrant the current level of allowance, while others felt that the leader of a small group carried significant responsibility in helping individuals and the Group collectively to provide effective opposition and to hold the administration to account.

The Panel was mindful of the importance of a Council's Allowances Scheme in supporting effective opposition. However, the Panel noted that the 2008 IDeA survey of allowances shows the average SRA paid to leaders of opposition groups in English district councils was £3,260, and for the district councils in the South East the figure was £3,175. The current SRA for the Leader of the Opposition is inflated by being the only Opposition Leader - there are no other opposition groups on the council. If there were more than one, the current allowance of £9,304 would be apportioned between the two opposition group leaders according to the respective size of the group. The Panel has always viewed the collective size of the opposition leader(s) role as being equal to that of an executive member.

Yet, in NFDC, there has rarely been a second opposition group of reasonable size and as such the Panel takes the view that an opposition group, where it is the only one, could decrease to such a size that the current SRA no longer reflects the group leadership and management responsibilities.

Thus the Panel recommends that if the number of members within an opposition group where there is only one falls below 12 (that is, 20% of the number of members on the Council), the Group Leader's SRA should be reduced by 25%.

(e) Shadow Portfolio Holders – No change

While the Panel received representation to consider this allowance, there was generally insufficient evidence to support a change to the Shadow Portfolio Holders' SRA at this stage.

(f) Chairman of Planning Development Control Committee (PDCC) – Increase no. of hours per annum by 40, from 364 to 404 (Increase of £511, from £4,652 to £5,163)

The Panel heard consistent views from interviewees that the time input required of the Chairman of the PDCC was substantial, and greater than that of Chairmen of the Review Panels. They pointed to the greater involvement of the Chairman in responding to correspondence, undertaking site visits and liaising with officers, in conjunction with the high public profile within a complicated context not usually found in local authorities. Specifically, there was a view expressed by some interviewees that the role had grown since the inception of the National Park Authority (NPA), despite the reduced number of applications being dealt with, because of the need for the Chairman to keep abreast of planning issues within the National Park as well as the remainder of the District.

The Panel noted that a number of other authorities in Hampshire were paying significantly higher SRAs to their Planning Chairmen, for example Basingstoke £7,159, Fareham £9,698, and Winchester £8,007. The 2008 IDeA survey of allowances shows that for 2008/09 the mean SRA for Planning Chairs in English district councils was £4,077, whereas it was just under £4,200 in South East district councils. Yet, the 2009 survey of allowances by South East Employers shows that the average paid to Chairs of Planning was £4,792.

On balance, the Panel felt that the highly unusual context of planning in the New Forest vis-à-vis the National Park, a situation that has arisen since the last review, means that the role needs to be recognised as larger than originally conceptualised. However, at this juncture, the increase has been treated as marginal due to a strong desire among councillors not to see large increases in any allowances.

The Panel recommends that the SRA to the PDCC Chairman is increased by allocating an additional 40 hours to this role, bringing the total time allowance to 404 hours per annum.

(g) Chairman of General Purposes & Licensing Committee (GP&L) – Increase no. of hours per annum by 12, from 91 to 103 (increase of £153 from £1,163 to £1,316)

The Panel received information from the Chairman of the GP&L Committee on the annual estimated time input for his role. While the Panel agreed that the allowance appeared low, they took into account that it was unusual for all scheduled meetings of the Committee to be held in any one Municipal year through lack of business. The Panel noted too that the Chairman of the Committee did not have any special responsibilities arising from hearings under the Licensing Act

2003 as, if he sat on a Licensing Sub-Committee, he was not necessarily appointed Chairman. It was, however, noted that the allowance to the Chairman was lower than that in many other authorities in Hampshire. The 2008 IDeA survey of allowances also shows that for 2008/09 the average SRA for Chairs of Licensing Committees in district councils was £2,972. The South East Employers 2009 survey shows that the average SRA for Chairs of Licensing for 2009/10 was £3,267. As such, the Panel felt that there was a case for a marginal increase in the SRA for the Chairman of GP&L.

The Panel recommends that an additional 12 hours be allocated to this role.

(h) Discontinuation of £40 per session SRA for Licensing Sub-Committee meetings held under Licensing Act 2003

The Panel was informed that, since 2005, Licensing Sub-Committee meetings held under the Licensing Act 2003 had reduced considerably. A £40 session rate for each member of these Sub-Committees was introduced when the new licensing regime came into being 4 years ago. At that stage it was expected that there would be significant additional responsibility attaching to the members, and particularly to the councillor who chaired individual meetings, because a number of appeals against decisions were anticipated. In the event of appeals, it was expected that members of the sub-committee, and especially the chairman, would appear in the Magistrate's Court to defend the sub-committee's decision.

Experience of the operation of the new regime has shown that this has seldom happened. The number of meetings has also decreased considerably, from 58 in 2005 to between 5 and 13 per year. Accordingly, the Panel considered that an SRA for members of the Sub-Committees could no longer be justified. Therefore the Panel recommends that this allowance be discontinued.

(i) Co-opted Members' Allowance - Increase no. of hours per annum by 6 (4 remunerated hours), from 16 to 20 remunerated hours (increase of £51 from £204 to £255)

The Panel noted that since May 2008, the Standards Committee, as have all Standards Committees in England, has had wider responsibility for dealing with complaints about alleged breaches of the Code of Conduct. Since that date, it has become responsible for the filtration of complaints, which involves a Sub-Committee of three members meeting to review each complaint and decide whether there is a *prima facie* case to answer. Since May 2008, 11 complaints had generated 13 sub-committee meetings.

All such sub-committees have to have one Independent Member, and, where the complaint involves a parish or town councillor, a parish or town council representative on the Standards Committee.

The Panel felt this was a noteworthy increase in the duties of co-opted members. Compared with other authorities in Hampshire, NFDC's co-opted members' allowances were below average, despite having a larger than average number of complaints. The Panel recommends an increase of 4 hours in this allowance, bringing it from £204 to £255 per annum.

(j) Co-opted Member's allowance for Chairman of Standards Committee – Increase No. of hours per annum by 12, from 91 to 103 (increase of £153 from £1,163 to £1,316)

In addition to the extra work outlined above for Standards Committee members arising from the local filtration of complaints, the Panel heard that the work of the Standards Committee and its responsibilities had also increased as a result of being designated the Audit Committee for the authority. Audit matters were now being brought to 3 of the 6 scheduled meetings of the Committee each year. There were also joint meetings with the Final Accounts Committee. The Chairman is, as a result, involved in more one to one discussions with officers and proactively seeks information on a wider range of issues than previously.

The Panel felt it appropriate to recommend a modest increase in the Co-opted Member's allowance for the Chairman of Standards Committee to reflect the addition of the Audit function.

(k) Co-opted Member's allowance for Standing Chairman of Consideration and Hearings Sub-Committee – 32 hours, £409 (New Special Responsibility Allowance)

The Panel had already heard of the additional duties imposed on Standards Committee members as a result of assuming responsibility for the local filtration of complaints alleging breaches of the Code of Conduct, from May 2008.

The administrative procedures for the hearings process require a permanent, or 'standing', Chairman of the Consideration and Hearings Sub-Committee, who has to be an Independent Member. The hearings are often complex, attracting press interest, and deal with sensitive issues, often in tense situations. For these reasons, the members, and especially the Chairman, have to be very thoroughly prepared for meetings and any issues arising.

The Panel was of the view that this was a significant responsibility, and considers that the creation of a new SRA, based on 32 hours work per annum, is justified.

(l) Chairmen of Review Panels – No change

The Panel heard a number of views about the operation of the Review Panels. There were consistent concerns expressed at interview and in survey feedback about the efficacy of the current "scrutiny" arrangements and therefore the roles of and allowances to the Review Panel Chairmen. The Panel was informed that it was likely that a review of the Council's scrutiny arrangements would take place in 2010.

The Panel was mindful of new legislation and other government initiatives which, in part, aimed to strengthen local democracy and

Given the views expressed, the Panel considered possible reductions in the SRAs for Review Panel Chairmen, but, in view of the imminent review of the function, which could have a significant impact on roles and workloads, it was felt premature to recommend changes at this stage.

(m) Dependants' Carers' Allowance

The Scheme currently provides for this allowance to be claimed for a maximum of 8 hours per week. In the light of the fact that the members' basic allowance is based on a notional time input of 12 hours per week, the Panel considers it only logical that this allowance should be amended to permit claims for up to 12 hours per week.

No changes are recommended to the hourly rate of £6.55 where the dependant is a child under 14. However, to conform to child safety regulations, the age limit for claiming the Dependants' Carers' Allowance for childcare should be raised from 14 to 15, i.e. claimed for any dependant child under 16 years of age.

Furthermore, where the dependant is an adult, the Panel feels the hourly claimable rate should be brought into line with the rate charged by Hampshire County Council Adult Services for provision of a Home Care Assistant, up to a maximum of £10.00 per hour.

The Panel noted that, to date, no members have claimed this allowance. The Panel suggests that all Members who have dependants are made aware of this allowance.

6.4 Index linking

The Panel discussed with interviewees a suitable index for the annual adjustment of allowances. The Panel found from the interviews and from the survey results that broad support for allowances to be linked to an index remained.

The current Scheme provides for members' allowances to be adjusted annually by the annual percentage increase in the Retail Price Index (RPI) (all items) for the 12 months to the end of the previous year. It was noted that, for the 12 months to December 2008, this percentage had been 4%, although towards the end of the year the monthly percentage increases had been falling in the climate of the significant downturn in the global economy. Councillors had decided, as is their right, in the light of the severe economic climate, not to increase any allowances for 2009/10 and therefore the adjustment index had not been applied.

The current index (RPI – all items) has proved somewhat volatile and a number of members expressed the view that a more appropriate index should be sought. Of those interviewed, a clear majority favoured indexing future adjustments in allowances to the employees' annual pay award. The Panel noted that the national employees' settlement for 2009/10 was (from 1 April 2009):

- an increase of 1.25% on spinal column points (scp) 7-10
- an increase of 1.00% on scps 11 and above

This meant the majority of staff had received a 1% pay increase for 2009/10. While the scale of future pay awards is difficult to predict, it is widely expected that in the short term at least future staff increases will be approximately of the same order.

The Panel was aware that previous Panels had considered indexing members' allowances to local government staff annual pay increases. At the time this consideration took place, the Council operated local pay bargaining, which meant that some councillors were regularly involved in negotiations regarding employee pay. While the likelihood was in reality extremely improbable, in order to avoid any suggestion of potential conflicts of interest, it was decided at that time not to index members' allowances to local government staff annual salary increases. However, since April 2008, the Council had moved to national pay bargaining as conducted on behalf of local government employers and employees by the National Joint Council (NJC) and therefore this potential conflict of interest was no longer an issue.

Given the factors outlined above, the Panel considers the indexing of members' allowances to the nationally agreed annual increase (if applicable) in local government staff and employees' pay is the most appropriate indexation mechanism. It would ensure that members and employees were treated equally in terms of any applicable annual increase and, being a small part of a large commitment, ensure that the question of affordability is addressed.

The Panel noted that this year the employees' pay settlement for 2009/10 was split, with some employees receiving 1%, and some 1.25%, depending on their scale point. In order to implement an automatic indexation, it is recommended that, if future settlements involved "split" awards, Members receive the award applicable to employees on scp 28, which most closely equates to the scheme's notional hourly rate.

It is noted that national pay settlements tend to conclude in the summer or even autumn of the year in which they are applicable. For this reason, the Panel further recommends that the indexation of members' allowances should be backdated to 1 April. However, the Panel recommends that backdating should 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.

6.5 Travel and Subsistence

The Panel reviewed the current arrangements for travel and subsistence. In particular the Panel considered the suggestion made in response to the survey that the mileage rate for Councillors should be that paid to employees for casual use of their vehicles, rather than being fixed at the Authorised Mileage Allowance Payments (AMAP) (Her Majesty's Revenue and Customs) rate. This was, and had been, 40p per mile for the use of a motor vehicle for many years.

There was little support at interview for a change in the arrangements which most members considered were simple and did not involve members in tax issues. The Panel therefore recommends no change in the current mileage allowances.

The Panel also received limited evidence or representation to change the current subsistence terms and conditions and rates claimable. Therefore, the Panel recommends no change to the current allowances within the Scheme.

6.6 Local Government Pension Scheme

The current scheme provides for all members to be eligible to join the Local Government Pension Scheme, and that members' basic and special responsibility allowances are to be treated as amounts in respect of which pensions are payable.

The Panel recommends that this provision continues.

7. IMPLEMENTATION

The Panel has considered carefully the issues raised by members in relation to the New Forest District Council Members' Allowances Scheme, and recommends the changes set out in this report are implemented with effect from 1 April 2010.

Dr Declan Hall
Mrs Christine Ames
Ms Susie Bonfield

LIST OF DOCUMENTS CONSIDERED BY PANEL

1. Terms of Reference
2. Current Scheme for 2009/10
3. Latest Report to Committee – 30 January 2009 (Automatic Uprating)
4. Last Major Review of NFDC Allowances – November 2005
5. HM Revenue and Customs – Approved Mileage Rates
6. NFDC Members' Actual Payments 2008/09, 2007/08, 2006/07
7. NFDC Members' Allowances Survey (Nov 2009)
8. Local Government Association National Members' Allowances Survey 2008
9. South East Employers' Survey – Oct 2009
10. Annual Survey of Hours and Earnings (ASHE) 2009
11. NFDC Calendar of Meetings 2009/10
12. Councillor Role Description
13. New Council Constitutions: Guidance on Regulation for Local Authority Allowances
14. NFDC Licensing Hearings Statistics 2005-2009
15. Earnings Survey – National/Regional/New Forest 2008
16. Members of Committees Etc.

**LIST OF PERSONS INTERVIEWED BY INDEPENDENT REMUNERATION PANEL
23/24 NOVEMBER 2009**

Cllr Mrs Fran Carpenter

Cllr Chris Harrison

Cllr David Harrison

Cllr Edward Heron

Cllr Jeremy Heron

Cllr Paul Hickman

Cllr Mrs Alison Hoare

Mr Alex Lander (co-opted member of Standards Committee)

Cllr Barry Rickman

Cllr Ron Scrivens

Cllr Mrs Brenda Smith

Cllr Mark Steele (co-opted member of Standards Committee)

Cllr Chris Treleaven

Cllr John Ward

Cllr Dr Miranda Whitehead

Cllr Colin Wise

Cllr Paul Woods

Cllr Mrs Pat Wyeth

Mr Dave Yates (Chief Executive)