

A Review

Of

Members' Allowances

For

New Forest District Council

The Sixth Report

By the

Independent Remuneration Panel

Dr Declan Hall (Chair)

Gerald Lewis MBA

Di Roberts CBE

December 2017

Executive Summary

The Panel after carrying out a review of New Forest District Council Members' Allowances scheme in accordance with the requirements of the 2003 Members' Allowances Regulations and having carefully considered the representations made, has concluded that the current framework has stood the test of time and should be retained. In particular, the current Basic Allowance and SRAs should be maintained at their current rates, subject to an on-going annual indexation linked to annual cost of living salary percentage increases for Local Government staff.

The Panel has determined that at this juncture, only minor modifications, mostly relating to support allowances, are required, as set out below:

Recommendations for change

A re-valued Information and Communications Technology Allowance

The Panel recommends that an extra amount of £25 per year is incorporated into the current ICT Allowance of £390 per year, increasing it to £415.

Chairman of Planning Development Control Committee

The Panel recommends that the SRA for the Chairman of the Planning Development Control Committee is reset at 35% of the Leader's SRA (£19,595) which equates to £6,858 for 2018/19, subject to any indexation that may be applied.

The Co-optees' Allowances

The Panel recommends that where it is required to appoint ad hoc Co-optees, from 1st April 2018, they are paid the following Co-optees' Allowance (subject to any indexation that is applicable):

- For meetings up to four hours in length: £55.36
- For meetings over four hours in length: £110.72

The Dependants' Carers' Allowance (DCA)

The Panel recommends that the current maximum hourly rate claimable for the childcare element of the DCA is fixed at the current living wage (at the time of preparation of this report, £8.45 per hour) as defined by the Living Wage Foundation.

It also recommends that the cap on the number of hours a Member can claim the DCA is aggregated at 52 hours per month.

For clarification purposes, the Panel further recommends that the allowances scheme specify that the hourly rate for which the elderly or dependent relative allowance is claimable be set at the hourly rate Hampshire County Council charges for a Home Care Help, which is currently £10.32 per hour.

Travel and Subsistence Allowances

The Panel recommends that part 3 of the New Forest District Council Members' Allowances scheme is clarified by adding the following:

If part of a Councillor's journey on Council business includes some of their normal work commute, Councillors should not include their home to work mileage in their mileage claim.

For example, if a member lives in Fawley and works in Winchester, and on their way home from Winchester attends a meeting in Lyndhurst, the Councillor should claim only the extra mileage to attend at Lyndhurst.

The Panel also recommends that at the start of Appendix 3 of the scheme the following is inserted for clarification:

As a general principle, Members may claim only for travel allowances when representing the District Council on official business. If in doubt, a Member should seek the relevant Officer's advice before the journey is undertaken. Any decision by the Chief Executive, an Executive Head or a Service Manager will be final.

Indexation

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

- Basic Allowance (including ICT allowance), SRAs and Co-optees' Allowance:
 - 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) as defined by the Living Wage Foundation
 - Elderly or Other Dependant Relatives element: indexed to median hourly rate charged for a Home Help by Hampshire County Council

The Panel further recommends that the applicable indices should run the maximum length permitted by the 2003 Regulations, namely four years from the 1st April 2018 until 31st March 2022.

Implementation of Recommendations

The Panel recommends that the new Members' Allowances scheme as recommended in this report is implemented from 1st April 2018.

SRAs considered but not recommended

In light of representation received, the Panel considered recommending SRAs for the following posts but determined not to do so:

- A differential SRA for the Deputy Leader
- Chairmen of Scrutiny Task and Finish Working Groups
- Vice-Chairmen of Committees/Panels

A Review of Members' Allowances

For

New Forest District Council

By the

Independent Remuneration Panel

The Sixth Report

December 2017

Introduction: The Regulatory Context

1. This report is a synopsis of the deliberations and recommendations made by the Independent Remuneration Panel (the Panel) for New Forest District Council to advise the Council on its Members' Allowances scheme for 2018/19. The Panel was established in accordance with *The Local Authorities' (Members' Allowances) (England) Regulations 2003 (SI 1021)* ("the 2003 Regulations") which arise out of the relevant provisions contained in the Local Government Act 2000. The 2003 Regulations 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 'pay regard' to their Panel's recommendations before setting a new or amended Members' Allowances Scheme.
2. 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.
3. 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 the right to determine its own Members'

Allowances scheme but it must pay regard to the recommendations of its Independent Remuneration Panel in doing so.

The Panel

4. In September 2017 New Forest District Council advertised for a new Independent Remuneration Panel and the following were appointed to conduct this review:
 - Declan Hall PhD (Chair):
Former academic at the Institute of Local Government, currently an independent consultant specialising in members' allowances
 - Gerald Lewis MBA:
Retired Principal Manager, Children & Family Services, Borough of Poole; former Parish Councillor and Parish Chairman, Sopley Parish Council, retired Parish Clerk. Current Chairman of Rural Development Programme 'LEADER' Grants Panel for New Forest and Member of the New Forest Consultative Panel.
 - Di Roberts CBE:
Principal of Brockenhurst College, Board Member of AOC Create, member of the New Forest Business Partnership Committee and sits on LEP European Social Fund Skills Panel.
5. Andy Rogers DMS, Committee Administrator; and Rosemary Rutins, Service Manager, Democratic Services & Member Support, provided support for the Panel.

Terms of Reference

6. When the Cabinet agreed the composition of the new Panel for the next 4 years in August 2017 it also set out the following terms of reference for the Panel:
 - A. To review New Forest District Council 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.
 - B. To make recommendations for the level of any further allowances referred to the Panel by the Cabinet from time to time.
 - C. As and when requested by the Cabinet, 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.¹
7. To flesh out the broad terms of reference and in accordance with the requirements of the 2003 Members' Allowances Regulations and 2006 Statutory

¹ See separate report for Hordle Parish Council December 2017

Guidance on Members' Allowances, the Panel adopted the following specific terms of reference:

- i. The amount of basic allowance that should be payable to its elected members and what element of expenses that should include.
- ii. The responsibilities or duties that should lead to the payment of a special responsibility allowance and the amount of such an allowance.
- iii. The duties for which travelling and subsistence allowances can be paid and the amount of these allowances.
- iv. Whether the authority's allowances scheme should include a Carer's Allowance for expenses incurred in the care of children and dependants and, if it does make such a recommendation, the amount of this allowance and the means by which it is determined, e.g., paid at the National Living Wage.
- v. Whether any allowance should be backdated to the beginning of the municipal year to reflect any changes in Members' responsibilities.
- vi. Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run.
- vii. Whether a Co-optees' Allowance should be paid and, if so, the amount of this allowance.
- viii. Any matters brought to the attention of the Panel in their consultation with Members and briefings from Officers.

In arriving at their recommendations, the Panel has also taken into account:

- a) The issues that the Panel is required to take into account as set out in the 2003 Regulations and 2006 Statutory Guidance on Members' Allowances.
- b) Any recent changes in the Council's governance arrangements including the roles of post holders and Members generally.
- c) The views of Members, both written and oral.
- d) Allowances paid in comparator councils, namely the 10 other Hampshire Districts.

Process and Methodology

8. The Panel met at Appletree Court, New Forest District Council, Lyndhurst, on 9th – 10th October 2017. The meetings were in private session to enable the Panel to meet with Members and Officers and conduct deliberations in confidence. In accordance with the terms of reference, in arriving at its recommendations, the Panel took into account a wide range of evidence both oral and written. All

Members had the opportunity to meet with the Panel and make a written submission. The Panel also met with relevant Officers for factual briefings on the Council, governance structures and challenges facing the Council. For full details of whom the Panel met and full range of information reviewed 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 more details on the Basic and Special Responsibility Allowances paid in the 10 other Hampshire District Councils referred to by the Panel for benchmarking purposes.²
- Appendix 4: for the costing of ICT utilised by the Panel in calculating ICT costs for Members

Observations and Comments – Limited Changes Required

9. A change since the last review in December 2013 is the withdrawal of the right of Members to join the Local Government Pension Scheme (LGPS); the Local Government Minister did this at a national level. Membership by English Councillors of the LGPS was discontinued from 1st April 2014. Those Members already in the LGPS dropped out once their 4-year electoral term post 1st April 2014 was completed. In New Forest District Council, Members have not been eligible to remain in the Scheme since May 2015. While not all eligible New Forest District Council Members were in the LGPS this is effectively a pay cut for those that were.
10. The current allowances scheme, adopted by the Council in 2013, is based on the methodologies set out in the 2006 Statutory Guidance, and is linked to the median gross salary of all full time employees in the District (with adjustments for inflation). The scheme is transparent, the underlying principles are easy to understand and it has operated successfully for the past four years. Consequently, there appeared to be no significant argument in favour of recommending any radical change to the core methodology. In addition, local government is operating in a fast changing environment with an expectation that it will become self-funding by 2020. It is probable that, even if the panel were minded to recommend significant changes, these would soon be overtaken by a rapidly changing operational context.
11. The allowances paid under the existing scheme were calculated on the basis of benchmarking tests and median pay rates that were accurate and current when the scheme was adopted back in 2013. Since then, the rates have been indexed annually to reflect any changes to the national terms and conditions for Local Government employees but because of public sector pay constraint over this period, the allowance rates have not kept pace with the modest increase in the District's median gross hourly rate of pay that has occurred over the same period. As a result, a case can be made to recalibrate the scheme to bring it

² The Panel has maintained its benchmarking group consisting of the 10 other Hampshire District Councils as the most relevant comparator group or peer councils.

back in line with average rates of pay for the local workforce - and the effect of such a recalibration is set out in Paragraph 14.

12. However, the Panel was very aware of the economic context and continuing financial constraints that the District Council is facing and a very clear and consistent message emerged from the representations that there was no political appetite for any changes to the allowances scheme: it would send out the wrong message to the Council's employees and the District's residents. Consequently, the Panel is not recommending any significant changes to the allowances payable, except those relating to a small number of specific roles where the recommendations reflect what the Panel believes to be current anomalies in respect of workload or responsibility.

The Panel's Recommendations – No change to the Basic Allowance

13. As previously mentioned there may be an argument to increase the Basic Allowance. If the Panel recalibrated the Basic Allowance in accordance with the methodology set out in the 2006 Statutory Guidance³ but updated the variables based on the latest data available it would produce a Basic Allowance as follows:

- **Time**: increase from 12 to 14 hours per week or 728 hours per year
 - The current Basic Allowance is based on a minimum of 12 hours per week to fulfil all council duties for the ordinary Councillor. For recalibration purposes the Panel has utilised 14 hours per week, which is the mean hours per week spent on council business by Councillors who hold no positions of responsibility as reported in the Councillors' Census 2013.
- **Public Service Discount (PSD)**: maintain at one-third
 - The concept of the PSD derives from the principle enunciated in the 2006 Statutory Guidance namely: "It is important that some element of the work of members continues to be voluntary – that some hours are not remunerated". A PSD of one-third (243 hours in this case) of the assessed time spent on council business is the standard PSD utilised by Panels.
- **Rate for remuneration**: £13.84 per hour
 - The Panel has, since the relevant data was published, based the rate of remuneration on the median gross hourly wage of all full time employees resident in the district, which in 2016, the latest figures available, is £13.84.⁴ (ASHE Table 8.5a)

14. By applying the formula as recommended by the 2006 Statutory Guidance using the variables outlined above, it produces the following recalibrated Basic Allowance:

- 728 hours per year minus 1/3 PSD (243) = 485 remunerated hours

³ See 2006 Statutory Guidance paragraphs 67-69

⁴ See ONS, Annual Survey of Hours and Earnings (ASHE), hourly pay – gross for full time employees resident in the district, Table 8.5a, 2016

- 485 remunerated hours multiplied by £13.84 per hour
= £6,712
15. Benchmarking against the other 10 Hampshire Districts shows that the recalibrated Basic Allowance would be noticeably higher than the current mean and median paid in comparator councils. On the other hand, the current New Forest District Council Basic Allowance is marginally below that paid to peers:
- Benchmarking Group - Basic Allowance mean (2017/18): £5,889
 - Benchmarking Group - Basic Allowance median (2017/18): £6,066
 - New Forest District Council - Basic Allowance (2017/18)
(excluding the ICT allowance): £5,760⁵
16. However, the case to revise the Basic Allowance is not strong, particularly considering the key message from the representations received by the Panel, namely the Panel needs to be cognisant of the continued financial constraints faced by the Council.
17. **The Panel recommends that the Basic Allowance for 2018/19 remains unaltered at £5,760, subject to any indexation that may be applied.**

A re-valued Information and Communications Technology Allowance

18. The Basic Allowance is supplemented by an Information and Communications Technology (ICT) Allowance – currently £390 per year. Some representations received argued that such support, e.g., laptop, printer, peripherals, relevant software, broadband, etc., it would be better provided directly.
19. Apart from the legal issues, namely, there is no provision in the 2003 Regulations to provide such support directly, the current approach produces efficiency savings through not having to administer and support the provision of such equipment. In addition, the current approach is simple to implement and requires minimal Officer resources.
20. In its previous review (December 2013), the Panel reduced the ICT Allowance to £373 (since increased to £390 through indexation). This was based on a costing of £496 per year and an element for personal use of 25%, in recognition of the fact that IT equipment and broadband were common in people's home. Councillors' IT equipment and broadband facilities would frequently be used for personal purposes.
21. The Council provided the Panel with a similar ICT costing, re-valued for 2017 at £532. However, the Panel considered that the element of personal use would have increased over the past four years, and therefore has increased the element for personal use from 25% to 35%. This leaves 65% of £532 or £345.47 as the contribution to cover Council related ICT use and costs. As in previous reviews, that sum (£345.47) has been increased by 20% to take into account the

⁵ For benchmarking purposes those councils including New Forest District Council that top up the BA with an annual ICT allowance have had that top up taken from their published BA as nearly all councils that do not pay such a top up directly provide varying degrees of ICT support and equipment.

fact that this allowance is subject to tax, which increases the amount to £414.57, an increase of almost £25 per year.

22. **The Panel recommends that the extra cost of £25 per year is incorporated into the current ICT Allowance of £390 per year, increasing it to £415.**

The recommended Basic Allowance

23. **The Panel recommends that the Basic Allowance payable for 2018/19 is £6,175, which includes the £415 ICT Allowance, 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

24. In the Panel's view, the role of Leader has changed the most in recent years. Under the provisions of the Local Government and Public Involvement in Health Act 2007 the Council now has a "strong leader" executive model – as do all councils that have an executive Leader. This places more responsibility in the hands of the Leader, e.g., the Leader now decides the number and content of Portfolios, and determines delegations, all Council functions previously.
25. More recently, the local government devolution agenda has also placed greater demands on the Leader. The main examples include the extra meetings the Leader has to attend across Hampshire in relation to the devolution agenda and by generally engaging more widely on a sub-regional level with other Leaders and stakeholders, for example in Dorset.
26. Benchmarking shows that the current SRA (£19,595) paid to the Leader of New Forest District Council is above the average (£16,940) paid to Leaders of the 10 other Hampshire District Councils. However, the Panel has always been cognisant that the New Forest District Council is the largest District Council in Hampshire. The Panel has consistently 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. The Panel, having re-examined the position, remains of this view.
27. **Consequently, the Panel recommends that the Leader's SRA of £19,595 remains unaltered for 2018/19, subject to any indexation that may apply.**

Deputy Leader of the Council/Planning & Transportation Portfolio Holder

28. Historically, the Panel has never differentiated between the SRA paid to the Deputy Leader and other Portfolio Holders, currently £9,798. In the benchmarking group, only Fareham does not pay a differential SRA to its Deputy Leader. The mean SRA for Deputy Leaders is £9,868 and the mean SRA paid to other Executive Members is £8,343.
29. The Panel explored the role of the Deputy Leader once more and found that the case to remunerate this role was marginal - largely confined to standing in for

the Leader, attending meetings alongside the Leader when required, and generally supporting the Leader, both in a formal and informal context.

30. **The Panel recommends that there be no separate SRA for the Deputy Leader and that the post holder continues to receive a Portfolio Holder's SRA (£9,798) for 2018/19, subject to any indexation that may apply.**

'Ordinary' Portfolio Holders

31. The current SRA (£9,798) for the four 'ordinary' Portfolio Holders in New Forest District Council is higher than the mean SRA (£8,343) paid to 'ordinary' Cabinet Members in the benchmarking group. However, two authorities, Basingstoke & Deane and Fareham, pay higher allowances than New Forest. Regardless, after taking into account the size of the District (the largest in Hampshire) and the fact that unlike most other Districts in Hampshire, New Forest District Council has retained its own housing stock, which is a significant executive function, the Panel is content with the comparatively higher SRA paid to other Portfolio Holders in New Forest District Council.
32. **The Panel recommends that the 'ordinary' Cabinet Members/Portfolio Holders' SRA of £9,798 remains unaltered for 2018/19, subject to any indexation that may apply.**

Scrutiny Panel Chairmen

33. Currently, the Chairmen of the Scrutiny Panels receive an SRA of £4,900, whereas the mean SRA paid to same posts in the other Hampshire Districts is £3,614. This benchmarked mean is un-weighted in that it does not take into account the broader structure of Overview and Scrutiny in other Councils, or the size of those authorities. For instance, three other Hampshire Districts⁶ remunerate their Scrutiny Panel Vice-Chairmen. There are also three other Hampshire Districts⁷ that have an overarching "main" Overview and Scrutiny Committee with a remunerated Chairman. Winchester also remunerates Chairmen of Scrutiny Task and Finish Groups (£1,521) subject to no more than 50% of Members receiving an SRA at any one time, which, depending on the political configuration of the Council, normally means no more than three of these SRAs are payable in any one year. The widely differing structures across Hampshire therefore make comparisons of these allowances difficult.
34. In May 2011 the Executive was reorganised and at the same time the Scrutiny Panels were realigned by reducing them from seven to three, with each one directly relating to two Cabinet Members as follows:
- Corporate Overview & Scrutiny Panel:
Leader + Finance & Efficiency Portfolios
 - Community Overview & Scrutiny Panel:
Housing & Communities + Health & Leisure Portfolios

⁶ Basingstoke & Deane, Eastleigh and Fareham

⁷ Fareham, Havant and Winchester

- Environment Overview & Scrutiny Panel:
Environment + Planning & Transportation Portfolios

35. In effect, the Chairmen of the reconstituted Scrutiny Panels had to 'double up' (at least) in relation to the Portfolio Holders they are responsible for scrutinizing. Subsequently, there has been greater use of Scrutiny Task & Finish Groups, appointed to undertake in-depth reviews for their appointing Panel. This enables a more detailed examination of topics, but there is evidence that in some cases this had led to a greater workload on the Scrutiny Panel Chairmen, as they are often members of, and often chair, Task & Finish Groups. Thus, the Panel is content that the current SRA of £4,900 for the Chairmen of the three Overview and Scrutiny Panels remains appropriate.
36. **The Panel recommends that the SRAs for the Chairmen of the three Overview and Scrutiny Panels remain unaltered at £4,900 for 2018/19, subject to any indexation that may be applied.**

Chairmen of the Scrutiny Task and Finish Working Groups

37. The Panel received representation that the Chairmen of the Scrutiny Task and Finish Working Groups merited an SRA. 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. However, the Chairmen 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. Therefore, it is a role that can be undertaken by any non-executive Member, a role that is covered by the Basic Allowance. Moreover, where other councils utilise Scrutiny Task and Finish Working Groups it is rare for their Chairmen to be remunerated
38. **Consequently, the Panel does not recommend that the Chairmen of Scrutiny Task and Finish Working Groups be paid an SRA.**

Chairman of Planning Development Control Committee

39. Currently, the Chairman of the Planning Development Control Committee receives an SRA of £5,437. Benchmarking shows that the mean SRA for Planning Development Control Chairmen across the 10 other Hampshire district councils is £5,941.
40. The Planning function in New Forest DC is unusual in that the heart of the District contains the New Forest National Park Authority, which has responsibility for planning applications within its area – New Forest District Council is a statutory consultee on such applications. This means that the planning pressures in New Forest District are concentrated in a relatively modest area outside of the National Park. Large numbers of the public wishing to make representations often attend meetings of the Committee, with meetings often

being fractious, requiring careful chairing. The Chairman also receives a large “postbag” outside of meetings. It is one of the more high profile Member roles in the Council. The Committee meets at least 12 times per year, the most meetings of any committee.

41. As such, the Chairman of the Planning Development Control Committee merits an increase in their SRA and in arriving at the recommended figure the Panel has in line with the 2006 Statutory Guidance and historical methodology utilised the pro rata approach.⁸
42. The SRA for the Chairman of the Planning Development Control Committee is set at 27.5% of the Leader’s SRA. The Panel has increased this ratio to 35% as that is the ratio for the differential between the means SRA of Chairs of Planning compared to the mean SRA for Leaders in the benchmarking group. This figure equates to £6,858. In doing this the Panel acknowledges that it places the SRA for the Planning Development Control Committee Chairman above that of the average in the peer group – but also that Fareham (£10,012) and Basingstoke & Deane (£6,876) pay their Planning Chairmen more than that proposed for New Forest.
43. The Panel is content with this due to the unusual planning pressures in New Forest District Council and the fact that benchmarking does not take into account the six comparator councils that pay their Vice-Chairmen of Planning an SRA. Also, as well as remunerating its Planning Vice-Chairman, East Hampshire also remunerates all its Planning Committee Members £250. Finally, benchmarking does not account for the area planning arrangements that are place in Eastleigh which substantially increases the SRA spend on the planning function in that borough.
44. **The Panel recommends that the SRA for the Chairman of the Planning Development Control Committee is reset at 35% of the Leader’s SRA (£19,595) which equates to £6,858 for 2018/19, subject to any indexation that may be applied.**

Chairman of the General Purposes & Licensing Committee

45. Benchmarking shows that the SRA (£2,019) for the Chairman of the General Purposes & Licensing Committee is comparatively low, with a benchmarked mean SRA of £3,989. The Panel increased this SRA at its previous review (see December 2013 Report) and placed it on a par with the Chairman of Audit. The Committee normally has five scheduled meetings per year but it is usual to cancel at least one of these scheduled meetings due to lack of business.
46. The Licensing Sub-Committee meets as and when required to hear objections to licensing applications. Although the Chairman of the Committee on average has chaired about half of the Licensing Sub-Committees, the number of such meetings had settled down to on average of 7-8 per year by 2013, and that number has decreased slightly to just over six per year at present. Thus, on balance the Panel is not recommending an increase in the SRA for the Chairman of the General Purposes & Licensing Committee.

⁸ See 2006 Statutory Guidance, paragraph 76

47. **The Panel recommends that the SRA for the Chairman of the General Purposes & Licensing Committee remains unaltered at £2,019 for 2018/19, subject to any indexation that may apply.**

Chairman of the Audit Committee

48. The Audit Committee was established on 1st July 2012, partly in response to the Localism Act 2011, which *inter alia* no longer requires councils to maintain a Standards Committee. The Council had discontinued its Standards Committee, which previously had responsibility for a number of audit functions. Benchmarking shows that the current SRA (£2,019) is comparatively low, with a mean SRA of £3,142 although two Hampshire councils (Rushmoor and Test Valley) do not remunerate their equivalent post.
49. The Panel notes that the Audit Committee meets only four times per year, and that there is not significant involvement for the Chairman outside of those meetings. The Panel therefore is not recommending any change to the current SRA (£2,019) for the Chairman of the Audit Committee.
50. **The Panel recommends that the SRA for the Chairman of the Audit Committee remains unaltered at £2,019 for 2018/19, subject to any indexation that may be applied.**

Committee/Panel Vice-Chairmen

51. The Panel received representation that there was a case to remunerate Vice-Chairmen of Committees/Panels, particularly the Vice Chairman of the Planning Development Control Committee as that committee meets more than the others. The Panel has not accepted the arguments made in this respect as the workload and responsibility of Committee Vice-Chairmen does not meet the test of significant responsibility. While it is 'expected' that Vice-Chairmen attend pre-committee briefings with their respective Chairmen, it is not a uniform practice. Moreover, there are no role profiles for Committee Vice-Chairmen in the Council's constitution assigning additional discrete responsibilities beyond standing in for their Chairman when required.
52. **The Panel does not recommend the payment of an SRA for the Vice-Chairmen of Committees or Overview and Scrutiny Panels.**

Opposition Group SRAs

53. In 2013, the Panel changed the methodology to arrive at the SRA for the Leader of the Main Opposition Group and set a fixed SRA of two different levels depending on group size. When the Main Opposition Group contains at least 20% (12) of the Council seats, the Group Leader's SRA is £7,349; and when the Main Opposition Group is less than 20% (2-11) of the Council seats the SRA reduces by 25% to £5,512. This is currently the case as the Main Opposition Group consists of two Members. Benchmarking shows that this is comparatively high with a comparator group mean SRA of £4,396.

54. Regardless of group size, the role of Leader of the Main Opposition Group is significant; it is incumbent on the post holder to scrutinise and challenge the administration. The Panel received no evidence to alter the current methodology used in arriving at the SRA for the Leader of the Main Opposition Group, particularly in the context of elections on a four-year cycle, rather than by thirds, thus minimising the fluctuations in Opposition Group size between allowances reviews. Similarly, the Panel received no evidence to alter the methodology to arrive at the current SRAs for the Deputy Leader of the Main Opposition Group and the Leader of the Minority Opposition Group.⁹
55. **The Panel recommends that the SRAs for Opposition Group posts are maintained for 2018/19, subject to any indexation.**

Opposition Group Post	20% or more of Council seats	less than 20% of Council seats
Leader Main Opposition Group	£7,349	£5,512
Deputy Leader Main Opposition Group	£1,042	NA
Leader of Minority Opposition Group	£1,042	N/A

Confirming the ‘One SRA Only’ Rule

56. 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 may only receive one SRA. The prime reason for this rule is to create transparency in the allowances scheme. In the absence of such a rule, if a Member receives more than one SRA, the public are unable to ascertain their true level of remuneration by a reading of the Members’ Allowances scheme. It can also lead to (and in some councils has led to) a situation whereby the highest remunerated Member is not necessarily the Leader, an anomalous situation which does not meet the ‘feel fit and fair’ test.
57. The ‘One SRA only’ rule has always been accepted by New Forest District Council and inserted in its Members’ Allowances scheme since being advised by an Independent Remuneration Panel going back to 1999. Additionally, the One SRA only rule is common across English councils.
58. **The Panel recommends that the One SRA only rule is maintained.**

⁹ Currently both SRAs are not payable due to insufficient group size

The Co-optees' Allowances

59. Currently, New Forest District Council does not appoint standing Co-optees to its Committees or Panels and therefore the Panel is not making any recommendations in this regard. However, from time to time the Council appoints ad hoc Co-optees to its Scrutiny Panels and in these cases a temporary Co-optees' Allowance is appropriate.
60. In arriving at the appropriate level, the Panel has utilised the 2016 (notional) rate of remuneration £13.84 per hour. For meetings up to four hours in length the Co-optees' Allowance has been arrived at by multiplying £13.84 by four hours, which equates to £55.36, and for meetings over four hours the Panel has simply doubled it on the basis of a notional 8 eight hours, to £110.72.
61. **The Panel recommends that where it is required to appoint ad hoc Co-optees, from 1st April 2018 they are paid the following Co-optees' Allowance (subject to any indexation that is applicable):**
- **For meetings up to four hours in length: £55.36**
 - **For meetings over four hours in length: £110.72**

The Dependants' Carers' Allowance (DCA)

62. While claimed infrequently, the Panel takes the view that the continuation of the DCA 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, without a DCA, be unable to or would find it difficult to stand for or remain on the Council.
63. The Panel decided that only minor changes to the DCA are required. First, the childcare element, currently based on the National Living Wage of £7.50 per hour should be changed and fixed to the Living Wage as determined by the Living Wage Foundation, currently £8.45 per hour outside of London.¹⁰ This rate closer reflects 'real' living costs. Secondly, the 12-hour weekly cap for DCA claims should be aggregated on a monthly basis, equating to a cap of 52 hours per month.
64. **The Panel recommends that the current maximum hourly rate claimable for the childcare element of the DCA is fixed at the current living wage (at the time of preparation of this report, £8.45 per hour) as defined by the Living Wage Foundation. It also recommends that the cap on the number of hours a Member can claim the DCA is aggregated at 52 hours per month.**
65. For clarification purposes, **the Panel further recommends that the allowances scheme specify that the hourly rate for which the elderly or dependent relative allowance is claimable be set at the hourly rate Hampshire County Council charges for a Home Care Help, which is currently £10.32 per hour.**

¹⁰ See <http://www.livingwage.org.uk>

Travel and Subsistence Allowances

66. There were only a couple of minor issues arising concerning the Travel and Subsistence Allowances. First, what constitutes a 'journey' for a Member claiming the mileage allowance, which is payable at HMRC AMAP¹¹ rates, and secondly, a broader principle of the basis of an approved duty.
67. Currently there is no definition of the start or end point of a journey to an approved duty. In most allowances schemes, it is defined as a Member's "usual place of residence". In other words, regardless of the start or end point of an approved duty journey the mileage claimable is based on the distance to the meeting from a Member's home. This is because HMRC regards a Member's home as their normal place of work. Therefore, travel allowances paid to members for attending duties at the Council offices, or any other venue on Council business, is a temporary place of work, thus making the allowance paid non-taxable if paid at HMRC AMAP rates.¹²
68. **The Panel recommends that part 3 of the New Forest District Council Members' Allowances scheme is clarified by adding the following:**

If part of a Councillor's journey on Council business includes some of their normal work commute, Councillors should not include their home to work mileage in their mileage claim.

For example, if a member lives in Fawley and works in Winchester, and on their way home from Winchester attends a meeting in Lyndhurst, the Councillor should claim only the extra mileage to attend at Lyndhurst.

69. While the New Forest District Council Members' Allowances scheme sets out what constitutes an approved duty for claiming travel, subsistence and Dependents' Carers' Allowance, these definitions do not always readily cover all journeys for which Members claim. **As such, the Panel recommends that at the start of Appendix 3 of the scheme is inserted the following clarification:**

As a general principle, Members may claim only for travel allowances when representing the District Council on official business. If in doubt, a Member should seek the relevant Officer's advice before the journey is undertaken. Any decision by the Chief Executive, an Executive Head or a Service Manager will be final.

Indexation

70. The 2003 Regulations¹³ provide express powers for councils to index their allowances. If indexation is not in place then periodic large increases are required 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

¹¹ Her Majesty's Revenue and Customs (HMRC) Authorised Mileage Allowance Payments (AMAP)

¹² See 2006 Statutory Guidance paragraph 109

¹³ See Local Authorities (Members' Allowances) (England) Regulations, 2003, 10 (4), in Section 3 of the Regulations

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. It is now commonplace for councils to have relevant indices applied to their allowances.

71. Historically, the Panel has recommended relevant indices to be applicable to allowances and the Council has accepted and implemented the recommended indices. The Panel has heard nor received any evidence to change this approach.
72. The Panel points out that if there is no provision in the allowances scheme to index allowances 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 is in place.
73. **The Panel recommends that the New Forest District Council Members Allowances are indexed as follows:**
 - Basic Allowance (including ICT allowance), SRAs and Co-optees' Allowance:
 - 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) as defined by the Living Wage Foundation
 - Elderly or Other Dependant Relatives element: indexed to median hourly rate charged for a Home Help by Hampshire County Council
74. **The Panel further recommends that the applicable indices should run the maximum length permitted by the 2003 Regulations, namely four years from the 1st April 2018 until 31st March 2022.**

Implementation of Recommendations

75. **The Panel recommends that the new Members' Allowances scheme as recommended in this report is implemented from 1st April 2018.**

Appendix 1: Members and Officers who met with the Panel

Elected Members:

- Cllr D. Andrews: Chairman of the Planning Development Control Committee (Conservative)
- Cllr M. Harris: Chairman of Corporate Overview & Scrutiny Panel (Conservative)
- Cllr E. Heron: Deputy Leader of the Council & Portfolio Holder for Planning & Transportation (Conservative)
- Cllr A. O'Sullivan: Chairman of Audit Committee (Conservative)
- Cllr B. Rickman: Leader of Council/Chairman of Cabinet & Conservative Group Leader

Telephone interviews with Chair of Panel 2nd October 2017:

- Cllr S. Clarke: Chairman of the General Purposes & Licensing Committee (Conservative)
- Cllr D. Harrison: Liberal Democrat Opposition Leader

Written Submissions:

The Panel received written replies in response to the aide memoir/questionnaire sent to all Members.

Officers:

- Bob Jackson: Chief Executive
- Rosemary Rutins: Service Manager, Democratic Services & Member Support
- Andy Rogers DMS: Committee Administrator (Democratic Services)

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

1. The Panel's Terms of Reference
2. New Forest District Council Allowances Scheme 2017/18
3. New Forest District Council annual statutory publication of Members' Allowances and expenses, including sub-totals, 2016/17
4. Independent Remuneration Panel, December 2013 Report, Reviewing Allowances for New Forest District Council
5. Diagram/flow chart showing Committee and decision making structure for New Forest District Council
6. Terms of Reference for Cabinet Portfolios, Panels and Committees, etc., including membership and, where relevant, who chairs them, New Forest District Council
7. Schedule of Council, Cabinet, Committee and Panel Meetings 2017/18, New Forest District Council
8. Number of Licensing Sub-Committee meetings since 2013 and who has chaired them, New Forest District Council
9. Role Profiles of Members:
 - Leader
 - Overview and Scrutiny Panel Chairmen
 - Committee Chairman including
 - Audit Committee
 - Planning Development Control Committee
 - General Purposes & Licensing Committee
 - Industrial Relations Committee
 - Appeals Committee
 - All Members as elected representatives
 - Opposition Group Leaders
10. New Forest District Council Members' Responses to Aide Memoire (Invitation to make comments on allowances scheme)
11. New Council Constitutions: Guidance on Regulation for Local Authority Allowances (May 2006)
12. Statutory Instrument 2003 No. 1021, The Local Authorities (Members' Allowances) (England) Regulations 2003
13. Summary of hours worked (average per week) by Councillors (2013 Census of Councillors - LGA)
14. National Joint Council for Local Government Services LGS Pay 2016-18

15. Summary of Basic Allowance and SRAs paid in the benchmark group of comparator authorities. See appendix three for details
16. Annual Survey of Hours and Earnings (ASHE), Hourly pay – Gross (£) – for full time employee jobs (home geography) New Forest District Council 2016, Table 8.5a
17. Power point presentation for Panel training by Panel Chair

Appendix 3: Allowances Paid in Benchmarking Group of Councils

BM1 New Forest DC - Other Hants DCs: BA + Exec + Scrutiny SRAs (17/18)										
Comparator Council	Basic Allowance	Leader	Leader Total Package	Deputy Leader	Exec Members	Assistant Portfolio Holders	Chair Main O&S	Vice Chair Main O&S	Chairs or Lead Scrutiny	Vice Chairs Scrutiny
Basingstoke & Deane	6,876	22,908	29,784	15,264	11,460				5,724	576
East Hants	5,200	18,000	23,200	10,000	6,000	3,000			2,000	
Eastleigh	6,240	19,959	26,199	9,230	7,910				2,636	660
Fareham*	6,674	20,099	26,773	11,124	11,124		7,787	834	6,953	834
Gosport	6,280	13,894	20,174		committee system				4,450	
Hart	4,561	15,965	20,526	7,982	7,184		3,193			
Havant	5,891	14,800	20,691	8,800	8,140		5,920		2,500	
Rushmoor	5,005	14,557	19,562	8,757	7,716				3,131	
Test Valley	6,581	12,479	19,060	8,529	7,951		6,581	1,317		
Winchester	5,580	16,734	22,314	9,129	7,605		7,605		1,521	
Mean	5,889	16,940	22,828	9,868	8,343		6,217		3,614	
Median	6,066	16,350	21,503	9,129	7,910		6,581		2,884	
<i>New Forest</i>	<i>5,760</i>	<i>19,595</i>	<i>25,355</i>	<i>9,798</i>	<i>9,798</i>				<i>4,900</i>	
Highest	6,876	22,908	29,784	15,264	11,460		7,787		6,953	
Lowest	4,561	12,479	19,060	7,982	6,000		3,193		1,521	
Mean Ratios	2.9	100%		58%	49%		37%		21%	

* Fareham only publishes points against SRAs - assumed to be £55.62 per point based on stated BA of £6,700 at 120 points

BM2 New Forest Other Hants DCs: Planning & Licensing/Regulatory SRAs (2017/18)										
Comparator Council	Chair Planning	Vice Chair Planning	Planning Members	Chair Licensing &/or Regulatory	Licensing V/Chair	Chair Audit	Vice Chair Audit	Chair HR or Employment	Vice Chair HR or Employment	Chair Standards
Basingstoke & Deane	6,876	684		5,724	576	5,724	576	5,724	576	5,724
East Hants	6,000	3,000	250	2,000		2,000		2,000		
Eastleigh	Area Based					2,636	660			
Fareham	10,012	834		6,953	834	4,172		834	167	
Gosport	4,450			4,450		4,450				
Hart	4,790	1,595		1,597		2,395		1,597		1,597
Havant	3,577			2,960		1,480		1,973		
Rushmoor	5,212			5,212						
Test Valley	4,949	1,001		3,961	792			2,159	421	
Winchester	7,605	2,280		3,042		2,280		3,042		1,521
Mean	5,941	1,566		3,989		3,142		2,476		
Median	5,212	1,298		3,961		2,516		2,000		
New Forest	5,437			2,019		2,019				
Highest	10,012	3,000		6,953		5,724		5,724		
Lowest	3,577	684		1,597		1,480		834		
Mean Ratios	35%			24%		19%		15%		

BM3 New Forest DC Other Hants DCs: Group & Misc. SRAs (2017/18)								
Comparator Council	Main Opposition Group Leader	Main Opposition Group D/Leader	Opposition Spokespersons	Minor Opposition Group Leader	Chairs Areas or Local Forums	Chair Council	Council V/Chair	Other or Comment
Basingstoke & Deane	6,876			3,432		4,572	1,320	<i>Administration Group Leader £3,432, Vice Chair Standards £384</i>
E. Hants	3,000				2,000	3,000		<i>Chair Development Policy £2,000, Licensing Members £250 ea</i>
Eastleigh	5,274				3,297			<i>Area Vice Chairs £823, Admin Committee Chair £1,660, ICT provided direct</i>
Fareham	6,674		278	3,337				<i>Chairs Housing Board + Community Action Team £4,172, Vice Chair Housing Board £834</i>
Gosport	3,655			1,624				
Hart	2,395			800		3,991		
Havant	2,400			1,800				
Rushmoor	3,131			3,131		1,455		<i>If Chair >4 Licensing Panels £417, ICT Allowance £62</i>
Test Valley	2,948					2,948	580	<i>1 central + 2 Area DCC Committees & ea Chair & V/Chair get SRA</i>
Winchester	7,605			2,280	1,521	2,280		<i>Group Manager £1,521, Chairs T&F £1,521</i>
Mean	4,396			2,343	2,273	3,041		
Median	3,393			2,280	2,000	2,974		
New Forest	5,512	1,042		1,042				<i>BA is automatically topped up £390 for ICT</i>
Highest	7,605			3,432		4,572		
Lowest	2,395			800		1,455		
Mean Ratio	26%			14%		18%		

Appendix 4: The costing of ICT utilised by the Panel in calculating ICT costs for Members

NFDC ICT re-costing 2017 - 35% personal use & mid-range laptop			
<u>Members ICT Allowance 2018 onwards</u>			
Laptop or equivalent	600		
Microsoft Office 2010 or above	119		
Antivirus - Norton £17.99/year	72		
Printer	75		
Support/Care Plan after Warranty expires	50		
Broadband @ £20/month	960		
Associated peripherals	50		
Allowance for consumables @ £50/year	200		
Total	2126		
35%:65% Personal/Council use			
Personal/Council Business Ratio of 35%:65%	1381.87		
Annual allowance	345.47		
Allow for tax @20%	414.56	Additional annual budget requirement (£25 x 60)	£1,500
<u>Assumptions</u>			
4 year replacement cycle			
<i>mid-range laptop</i>			
Perpetual Microsoft License for software			