

CABINET

19 January 2011

PRINCIPAL SCRUTINY COMMITTEE

24 January 2011

MEMBERS' ALLOWANCES – REPORT OF THE INDEPENDENT REMUNERATION PANEL

REPORT OF CORPORATE DIRECTOR (GOVERNANCE)

Contact Officer: Stephen Whetnall/David Blakemore Tel No: 01962 848 220 or 848 217

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Current Allowances for 2010/11 are set out in Appendices A and B. The fifth report of the Independent Remuneration Panel has been received and a copy is attached as Appendix C. The timing of this report enables the Council to consider the proposals and set Members Allowances rates for the forthcoming Municipal Year, together with making the necessary provision in the 2011/12 draft budget.

The Panel previously met on 27 and 28 September 2006 and the majority of its recommendations were accepted by the Council (the main exception being not to introduce pensions for Members). For 2007/08 and 2008/9 the Council increased allowances by using one of the permitted indices set out in the Scheme. However, for 2009/10, the Council agreed to uplift at the lower RPI inflationary index figure which, unusually, was a negative value – minus 1.2%. For 2010/11, the Council decided for budgetary reasons not to increase any of the allowances and instead, resolved that reduction of 5% be applied from 1 April 2010 to all allowances.

The 2010 Panel convened on 20 and 21 October 2010 and has recommended increases to the Basic Allowance and some Special Responsibility Allowances (SRA). As part of its calculations, the Panel took account of the current economic

situation. The Panel also continued to be mindful that the proposed allowances must be retained at a reasonable level, to ensure that potential candidates for elected office are not prevented from standing, because of the impact that Council work may have on their income. For this reason, the Panel is generally recommending that the 2009/10 rates in the Scheme should be used, with the inflation index applying from the date of the Annual Council Meeting on 18 May 2011. The index is linked to the NJC staff pay award and this has already been proposed by the Employers at zero for 2010/11 and 2011/12. However, the final decision for both years has yet to be made. The Council has to determine whether the index is used before the end of the current year. A 1% increase would require growth of £4,500.

If fully adopted (with the exception of pensions as discussed below), the proposals of the Panel would result in growth of 5% on the current Basic Allowance (from £5,580 to £5,874). If the final NJC staff pay award was greater than 0%, and the Council resolved to use the inflation index, this would also impact on the percentage growth on the budget.

Therefore, if the inflation index is not used, a growth bid of £20,000 would be required, taking account of the fact that no individual can claim more than one SRA and assuming the current structure continues. The Panel endorsed the principle that no Member should receive more than one SRA and that the total number of SRAs available should not exceed 50% of the Council's membership (i.e. 28).

With regard to pensions, the Panel is again offering the option for all eligible Members to join the Local Government Pension Scheme. However, in view of the potential financial implications of introducing pensions for Members, it is suggested that the current economic situation also be taken into account.

Some adjustments are also recommended to eligibility criteria for SRAs; the index provision and abolition of subsistence claims for meetings held within the District. The Council is also asked to consider the extent to which Members can seek reimbursement for broadband costs. The current total cost of broadband reimbursement to Members is £6,000 per annum.

The Council has to consider the recommendations of the Panel, but may make its own decision as to whether to implement them in full, or in part, or in a phased manner. The proposed implementation date is the Annual Council meeting on 18 May 2011. If the Council departs from the Panel's recommendations, reasons have to be given and published.

RECOMMENDATIONS:

To Cabinet and Council:

1. That Members consider the following recommendations of the Panel and provide reasons, should there be any changes proposed for their implementation:

- i. That the Basic Allowance from 2011/12 be payable at £5,874.
- ii. That the SRA for Leader from 2011/12 be payable at £17,616 (Band 1).
- iii. That the SRA for the Deputy Leader with Portfolio from 2011/12 be payable at £9,612 (Band 2).
- iv. That the SRA for the Deputy Leader without Portfolio (should the post re-emerge) from 2011/12 be payable at £8,007 (Band 3).
- v. That the SRA for the Cabinet Members with Portfolio from 2011/12 be payable at £8,007 (Band 3).
- vi. That the SRA for the following chairmanships be payable from 2011/12 at £8,007 (Band 3)
 - Chairman of Principal Scrutiny Committee
 - Chairman of Planning (Development Control) Committee
 - Leader of Principal Opposition Group
- vii. That the SRA for the following chairmanships be payable from 2011/12 at £3,204 (Band 4)
 - Chairman of Personnel Committee
 - Chairman of Licensing and Regulation Committee
- viii. That the SRA for the following be payable from 2011/12 at £2,403 (Band 5)
 - Chairman of the Council
 - Other Opposition Group Leaders
 - Chairman of Scrutiny Panels
 - Vice Chairman Planning (Development Control) Committee
- ix. That for any 'Other Opposition Group Leader' to qualify for an SRA (Band 5) the Group must have at least five Members.
- x. That the SRA for the following be payable from 2011/12 at £1,602 (Band 6)
 - Chairman of Winchester Town Forum

- Chairmen of Task & Finish &/or Ad Hoc Working Groups/Panels with significant impact
- Group Managers

xi. That for a 'Group Manager' to qualify for an SRA (Band 6) the Group must have at least 19 Members.

xii. That a SRA be not paid to the ordinary Members of the Planning (Development Control) Committee.

2. That the level of the ordinary Co-optees' Allowances for 2011/12 should be £255 and for the Chairman of the Standards Committee at a rate equivalent to Band 4 - £3,204.

xiii. That the Council continue to pay the HMRC mileage rates for the mileage allowances and continue to be "subject to most effective mode of transport for reasonable needs of Member".

xiv. That the scope and levels of other travel allowances and reimbursement should remain unchanged.

xv. That the travel allowances' scheme be maintained for Members attending approved duties within the City Council area and that it be extended to include Shadow Cabinet Members (Principal Opposition Group) when they are attending Cabinet Meetings and when attending internal meetings when invited by a member of CMT or a Head of Team.

xvi. That the Subsistence Allowance for attending approved duties within the Winchester District be abolished.

xvii. That Subsistence Allowances and reimbursements should revert to the 2009/10 rates but otherwise remain unchanged for Members attending approved duties outside the Authority's area.

xviii. That there be no changes to the scope of the Dependants' Carers Allowance (DCA) but that the maximum rate for 2011/12 be £8.50 (the same as for 2009/10).

xix. That Members consider the Panel's recommendations that the Council retain the right to determine if Members can join the LGPS, and if so, the extent of eligibility.

xx. That the following indices be used for indexation purposes for the Allowances scheme:

- The Basic and Special Responsibility Allowances, Co-optees' Allowances, Dependant Carers Allowance and Subsistence Allowances be indexed to the local government staff annual

percentage increase, as agreed by the National Joint Councils for Local Government Staff Service.

- Travel Allowances - indexed to the HMRC rates.
- In view of the Employers' stated position that there will be no staff pay increase for 2010/11 and 2011/12, Members consider whether the NJC index in the Scheme should be applied for the 2011/12 Municipal Year.

xxi. That, having regard to the comments of the Panel regarding Broadband provision, Members re-consider the current processes for reimbursing claims for Broadband provision on a case-by-case and whether this should be discontinued from the 2011/12 Municipal Year.

xxii. That the recommendations of the Panel with regard to non payment of the Parish Basic Allowance and administration of a Parish Members Travel and Subsistence Allowances, be noted.

3. That Members consider whether decisions made on the recommendations set out above require any changes to the base budget for Members Allowances for 2011/12 onward.

To Cabinet

4. That a report be submitted direct to Council which sets out the full Members Allowances Scheme for approval, incorporating all decisions arising from the above.

To Principal Scrutiny Committee:

5. That Principal Scrutiny Committee provide comments to Council on the recommendations of the Independent Remuneration Panel.

CABINET

19 January 2011

PRINCIPAL SCRUTINY COMMITTEE

24 January 2011

MEMBERS' ALLOWANCES – REPORT OF THE INDEPENDENT REMUNERATION PANEL

REPORT OF CORPORATE DIRECTOR (GOVERNANCE)

Contact Officer: Stephen Whetnall/David Blakemore Tel No: 01962 848 220
or 848 217

DETAIL:

1 Introduction

- 1.1 The schedule of allowances payable under the current 2010/11 Scheme is attached as Appendices A. and B The report of the Independent Remuneration Panel is attached as Appendix C and, in accordance with the statutory provisions, a public notice setting out the Panel's key proposals contained in that report has been published in the Hampshire Observer.
- 1.2 The decision on changes required to the Allowances Scheme is a matter for full Council, which will also have to consider the detailed re-wording of the Scheme. In order that this can be achieved, a report will be submitted direct to Council on 24 February 2011, setting out the complete Scheme, as amended by the decisions of Cabinet and Principal Scrutiny Committee arising from their consideration of this report.

2 Issues Arising from the Panel's Report

- 2.1 The main elements of the Panel's conclusions are part of the substantive Recommendations to this Report. They are not reproduced here unless additional comment is necessary – Members need to refer to the Panel's report at Appendix C for further background information. The relevant statutory guidance has also been taken into account in preparing the Panel's report and is referred to where appropriate.
- 2.2 The Council will still have discretion under the Scheme to identify task and finish chairmen for a SRA, provided that the limit on numbers is not exceeded. The same principle would also apply to the size of Cabinet and the number of Scrutiny Panel Chairmen for example. The Scheme also has an element of flexibility in the description of posts eligible for

SRAs, so that the Council can make some minor structural changes without having to re-convene the Panel.

3 Inflation Index

- 3.1 The Panel's report again recommends that an inflation index be used in the Scheme. This would avoid the expense of convening another Panel in the event of no significant changes being made in future years. This mechanism can only be used for a maximum of four years before another Panel has to be convened. The previous Scheme made provision for alternative indices to be used – the lower of the staff pay award or RPI change. However, the Panel recommends that only the staff pay award be used in future. This is because it treats Members and Officers equally and broadly bears a relationship to what local government can afford, thus likely to be zero per cent for 2010/11 and 2011/12. Mileage rates would continue to be linked to HMRC rates.
- 3.2 The current work programme refers to separate proposals coming forward to revise the Council's overview and scrutiny arrangements. Depending on the extent of changes made by Council, this may require an earlier meeting of the Panel in Autumn 2011, to discuss any likely consequential changes to the Allowances scheme. Changes to the Council's executive arrangements, and issues for member governance arising from the Localism Bill, may also require the Panel to meet and review the Scheme in 2011 or 2012.

4 Pensions

- 4.1 The Regulations allow pensions to be granted to Members. The Panel has again supported the principle of pensions for all Members and it allows the Council to decide whether any Members should be eligible. It was within the power of the Panel to restrict the allocation of pensions, but it chose not to do this.
- 4.2 The Council can decide, therefore, whether to award pensions on the basis of all or some of the Members being eligible. For example, it could restrict eligibility to some or all of the SRA holders only. It can also decide whether the Basic Allowance is only taken into account in the pension calculation – or whether the SRA is used as well.
- 4.3 In view of the potential financial implications of introducing pensions for Members (set out in the Resources Section below), it is suggested that Members consider whether it is appropriate to take any action at this time.

5 Other Opposition Group Leaders and Group Managers

- 5.1 The Panel recommended that the Scheme should be reviewed in this area. Currently any other Group Leader is entitled to a SRA (£2,403 in 2010/11). The Panel considered that the SRA in future should apply to

Groups with 5 members or more rather than the statutory definition of 2 Members. The Leader of the Principal Opposition receives a higher allowance at Band 3 which would be unaffected by this change.

- 5.2 This allowance has also been payable in the current Scheme to a Group Leader/Manager of the majority party, in addition to the separate role of Leader of the Council at Band 1. The Panel recommends that the allowance should be more clearly described as “Group Manager” and should be available to Groups with one third of the Council membership, which is 19 Members. However, it should be at a lower rate – Band 6 - £1,602 in 2011/12.

6 Subsistence

- 6.1 The Panel proposes that Members should no longer be allowed to make subsistence claims for meetings held within the District. This would not prevent the Council arranging meals/refreshment itself on appropriate occasions e.g. day long meetings of Planning Development Control Committee. This would result in a small saving which has been taken into account in the growth estimate of £20,000 for implementation of the Panel’s other recommendations. Subsistence claims would still be possible for meetings held outside the District.

7 Other matters referred to the Panel by Members

- 7.1 All Members were invited to submit issues for the Panel to consider as part of its review of the existing Members Allowances scheme.
- 7.2 Accordingly, two matters were referred to the Panel for further consideration.

(i) Planning Development Control Committee Members

The Panel was asked to consider whether the ordinary Members of the Planning (Development Control) merited a SRA, because of the extra work they do on planning, through regular monthly meetings and site visits etc. The Panel noted that this type of Member is remunerated in some other authorities because of the perceived extra workload expected, beyond that of other backbench members. Yet, the Panel did not receive sufficient evidence to suggest that the workload of these Members can be so onerous in Winchester City Council to merit a SRA. Moreover, the Panel has always considered the Basic Allowance to include payment for being on at least one regulatory committee and continue to be of this view.

Thus, the Panel has not recommended a SRA be paid to the ordinary Members of the Planning (Development Control) Committee.

(ii) Shadow Portfolio Holder's Travel Allowance

The Panel was also asked to consider whether Shadow Cabinet Members attending meetings as observers and for attending internal meetings when invited by a Senior Officer, should be considered as approved duties, and therefore allow them to be able to claim a travel allowance.

The Panel appreciated that Shadow Cabinet Members can reasonably be expected to attend Cabinet meetings as part of their role, and other relevant internal meetings where invited, such as being concerned with a Shadow Cabinet Members portfolio.

Therefore, the Panel has recommended that the definition of approved duties is extended to include Shadow Cabinet Members (Principal Opposition Group) when they are attending Cabinet Meetings and when attending internal meetings when invited by a Senior Officer – the definition of 'Senior Officer' to be defined by Council. Members simply turning up to meetings as Observers should not be able to claim a travel allowance if they do not meet the criteria outlined above.

8 Councillors' Broadband Costs

- 8.1 Although not part of the Members Allowances Scheme, the Panel was asked to consider whether there was a case for Council related broadband costs to be included in an increased Basic Allowance (rather than the existing system of reimbursement).
- 8.2 The Panel notes that in many councils, the Basic Allowance is deemed to include many items such as broadband, stationary, provision of IT equipment, etc, which are often provided separately in Winchester. The Panel concluded that as the matter does not fall within the Winchester City Council Members' Allowances Scheme, the Panel recommended that it be left for the Council to decide the appropriateness of reimbursing a claim for broadband provision on a case-by-case basis.
- 8.3 Currently, approximately 20 Members are reimbursed by the Council, or have associated broadband costs paid directly on their behalf. The current total cost to the Council per annum is approximately £6,000.
- 8.4 Having regard to the comments of the Panel, Members can decide whether it is still appropriate to allow separate re-imbursement for broadband provision. The majority of Members do not claim for this item and administration could be saved if Councillors were to be responsible for meeting their own costs. It would still be possible for officers to provide technical support so that Councillors can use broadband to access Council systems, and for IT equipment to be provided in appropriate cases. It is suggested that the current processes for reimbursing claims for Broadband provision on a case-by-case basis be reviewed for the 2011/12 Municipal Year.

9 Co-optee's Allowances

- 9.1 The Panel considered the levels of co-optee (as opposed to SRA) allowances. The only categories that this relates to in the Council's scheme are for the independent Chairman of the Standards Committee and other external representatives on that body. As the Chairman can no longer be a councillor, the allowances should appear in the co-option section of the Scheme. The rates, as with other allowances, are recommended at 2009/10 levels.
- 9.2 TACT co-optees (ex-officio) on the Social Issues Scrutiny Panel were consulted in advance of the Panel's deliberations. TACT decided again that it did not wish such an allowance to be included in the scheme.

10 Parish Remuneration Panel

- 10.1 The Regulations also require the Panel to act as the Parish Remuneration Panel. The Panel did not receive any comments or requests from Parish Councils for any amendments to be made to the Parish Basic Allowance. No parishes pay such an allowance at present.
- 10.2 Therefore, the Panel has not recommended that Parish Councils within the Winchester City Council area should pay the Parish Basic Allowance for its Members or Chairman.
- 10.3 Proposing rates for Parish Travel and Subsistence is also a matter for the Panel. However, as there were also no requests to change the existing scheme, the Panel has recommended where a Parish Council pays Travel and Subsistence Allowances to their Members, these be payable at the same rates and conditions applicable to Winchester City Council Members.

OTHER CONSIDERATIONS:

11 SUSTAINABLE COMMUNITY STRATEGY (RELEVANCE TO):

- 11.1 'An Efficient and Effective Council' – The Allowances Scheme should have regard to the recommendations of the Independent Panel. However, it is for the Council to determine the actual rates paid, giving reasons for any departures from those recommendations.

12 RESOURCE IMPLICATIONS:

- 12.1 If adopted (and excluding any provision for pensions as discussed above), the proposals of the Panel would result in growth of £20,000.
- 12.2 The current budget, prior to consideration of the Panel's Report, is set out below. £11,100 was removed at revised budget stage.

Description of Cost	2010/11 Budget £
Basic Allowance	326,668
Special Responsibility Allowances	119,284
Travel etc	26,588
Total (Including Employers NI)	472,540

- 12.3 A minimum growth bid of £20,000 should be included if Members are permitted to join the Local Government Pension Scheme. This is based upon an assumption of 25 Members (approx.) joining the scheme and only the Basic Allowance being eligible.
- 12.4 The actual amount could be significantly different – particularly if SRAs are also considered for inclusion. Much would depend on actual take-up.
- 12.5 Members would be responsible for meeting their share of the costs (currently 6.1 %) from their allowance. However, the Council would have to meet the employers costs which for 2011/12 is estimated to be £43,000 (13.1%).
- 12.6 The maximum potential cost to the Council if all Members took up the pension entitlement would be:-
- (a) Based upon the Basic Allowance only - £43,000
 - (b) Based upon Basic and Special Allowances - £58,000
- 12.7 Other issues raised in the report relate to minor changes for travel allowances for shadow Cabinet Members and abolition of subsistence claims for meetings within the District. This is anticipated to have minimal impact and is taken into account in the growth provision of £20,000 referred to above.
- 12.8 The Panel's recommendations allow the inflation index to be used on the 2009/10 figures included in the report. The index is linked to the NJC staff pay award and this has already been proposed by the Employers at zero for 2010 and 2011. However, the final decision for both years has yet to be made. The Council has to determine whether the index is used before the end of the current year. A 1% increase would require growth of £4,500. The use of the inflation index in 2011/12 would have a nil impact if the Employer's approach to the staff pay award is confirmed.

13 RISK MANAGEMENT

The report takes account of the potential costs arising from the Panel's recommendations. However, risks are:

- (a) There are changes to the size of Cabinet in 2011/12 which require adjustments to the budget.
- (b) Changes to the scrutiny arrangements impact on the budget.
- (c) If provision is made for pensions the likely uptake over time is not known.
- (d) If the inflation index is used for 2010/11 and 2011/12, the final staff settlement figure is not known - although the employer view is it should be 0%. The decision to use the index has to be taken before the end of the current year.
- (e) Reputation management in view of the current economic situation.

These risks can be managed by taking account of budget implications when the decisions are made.

BACKGROUND DOCUMENTS:

Folder of Documents submitted to the Independent Remuneration Panel.

APPENDICES:

Appendix A - Schedule from the current Members Allowances Scheme - 2010/11

Appendix B - Other Allowances - 2010/11

Appendix C – Report of the Independent Remuneration Panel

Appendix A

BASIC AND SPECIAL RESPONSIBILITY ALLOWANCES *(with effect from 01/04/10)*

(Note: At its meeting on 18 February 2010, Council decided not to apply the inflation index in the Scheme. Instead, in view of the current economic situation, it resolved that a reduction of 5% be applied from 1 April 2010 to the Basic, Special Responsibility, Co-Optees' and Dependent Carers Allowances; and to the subsistence rates. This table incorporates the 5% reduction.)

Post	No of SRAs Suggested¹	Basic Allowance	Special Responsibility Allowance	Total Allowance per Member
Basic Allowance				
All Members		£5,580		£5,580
Band One				
Leader	1	£5,580	£16,734	£22,314
Band Two				
Deputy Leader with a Portfolio	1	£5,580	£9,129	£14,709
Band Three				
Deputy Leader without a Portfolio	Not in current use	£5,580	£7,605	Not in current use
Cabinet Member with a Portfolio	5	£5,580	£7,605	£13,185
Chairman of Principal Scrutiny Committee	1	£5,580	£7,605	£13,185
Chairman of Planning (Development Control) Committee	1	£5,580	£7,605	£13,185
Leader of Principal Opposition Group	1	£5,580	£7,605	£13,185
2 Band Four				
Band 4 is not in current use	Not in current use	£5,580	Not in current use	Not in current use

¹ The number of SRAs listed in the second column is for illustrative purposes only. The number of recommended SRAs that are payable at any one time to various post holders will vary in some instances depending on what SRAs are in effect based on changing political structures. The Panel has taken on board the statutory advice that no more than 50 per cent of the membership should be in receipt of a SRA at any one time. It has also adopted the principle that a Member can only draw down one SRA regardless of the number of posts held. For instance, if Council appoints the Leader of the Principal Opposition Group as Chairman of the Principal Scrutiny Committee (which has occurred in the past) he/she can only draw one SRA of his/her choice. This would be the relevant committee SRA or Opposition Group Leader SRA but not both. The variation in the number of SRAs being claimed at one time will affect the number of Task and Finish and/or Ad Hoc Working Groups and/or Panels that the Council can award a Band 7 allowance. There is a ceiling of no more than 28 Members in receipt of a SRA.

Band Five

Chairman of Personnel Committee	1	£5,580	£3,042	£8,622
Chairman of Standards Committee	1	£5,580	£3,042	£8,622
Chairman of Licensing & Regulation Committee	1	£5,580	£3,042	£8,622

Band Six

Chairman of the Council	1	£5,580	£2,280	£7,860
Other Group Leaders	3	£5,580	£2,280	£7,860
Chairmen of Scrutiny Panels	4	£5,580	£2,280	£7,860
Vice Chairman of Planning (Development Control) Committee	1	£5,580	£2,280	£7,860

Band Seven

Chairman of Winchester Town Forum	1	£5,580	£1,521	£7,101
Chairmen of Task & Finish &/or Ad Hoc Working Groups/Panels with Significant Impact	See note 2 below	£5,580	£1,521	£7,101

Appendix B**OTHER ALLOWANCES – with effect from 01/04/10**

Type of Allowance:		(£)
<i>Travel</i>		
Travel within District	Cars and Vans	40p a mile
	Motor Cycles	24p a mile
	Bicycles	20p a mile
Travel outside District	Cars and Vans	40p a mile (subject to most effective mode of transport for reasonable needs of Member)
	Air Travel	Not to exceed public transport (eg train fare) unless prior approval obtained
All Journeys	Ferry	Economy class fare or reduced rate
	Rail	2 nd class fare or reduced rate
	Taxi or Private Hire	Fare and reasonable gratuity (bus or train rate if use of taxi/private hire optional)
	Hired car	Prior approval - actual cost. Otherwise normal mileage rates
	Bus	Ordinary or cheap rate fare
	Car Parking	Actual cost
	Additional mileage rate for Members carrying other Members in their vehicles	5p a mile (per passenger up to 4 max.)
<i>Subsistence</i>		
Subsistence within District	Breakfast	5.17
	Lunch	7.13
	Tea	2.79
	Evening Meal	8.82
Subsistence outside District	Rates as above where possible	
Overnight stay outside District	86.03	
Overnight stay – London	98.11	

Dependants' Carers' Allowance (to include childcare):

Actual fees, up to

8.08 per hour

Co-optees' Allowances:

Independent and Parish Representatives on Standards Committee

240 pa

**A Review
Of
Members Allowances
For
Winchester City Council**

The Fifth Report

**By the Winchester City Council
Independent Remuneration Panel**

**Mr Roger Farrall
Dr Declan Hall
Dr Pearl Hettiaratchy
Canon Richard Lindley**

December 2010

FOREWORD

This is the fifth report produced by the statutory Independent Members Remuneration Panel for Winchester City Council. The original panel was established in accordance with Section 99 of the *Local Government Act 2000* in December 2001. This Act not only obliged the Council to adopt new roles and responsibilities for Councillors but also to independently review Councillors' allowances to reflect what at the time were new roles and responsibilities. A further review was held in January 2003 in light of experience of the new roles and responsibilities. The recommendations of the 2001 and January 2003 reviews were largely accepted by the Council; and have set the framework of the current allowances scheme.

In compliance with the *Local Authorities (Members' Allowances) (England) Regulations 2003*¹ and subsequent amendments the Panel was required to reconvene to make recommendations on certain associated allowances, e.g., pensions, travel and subsistence and co-optees' allowances, before 31 December 2003. The recommendations (which did not result in major changes) were produced in September 2003 and the Council once again accepted the Panel's recommendations, apart from the recommendation on pension provision.

A fourth review was undertaken in October 2006 arising out of a number of minor changes in the political management structures of the Council and the evolution of some roles since the previous review. It was also to ensure that the Council complied with the "four year rule" in good time. The Council accepted the recommendations of this review, which were relatively minor in scope.

This fifth review arises out of the statutory requirement to reconvene the Councils' statutory Independent Remuneration Panel under what is known as the "four year rule". Remuneration panels are required to review their Councils' Members' Allowances Scheme every four years to provide an external accountability mechanism.

While it is never a good time to review allowances the Panel is cognisant of the fact that now is a particularly difficult time to do so in light of the difficulties facing local government and the public sector in general. As such, the Panel while understanding the current climate has sought to balance this against what it feels elected Members are worth within the broader context, while also trying to ensure that its recommendations have widespread acceptance, both within the Council and in the broader communities that the Members serve.

Dr Declan Hall
Chair of the Independent Remuneration Panel
December 2010

¹ See Statutory Instruments 2003 Nos. 1021, 1022 and 1692, and 2004 No. 2596 for further details.

EXECUTIVE SUMMARY

RECOMMENDED BASIC AND SRAs (with effect from 2011 AGM))				
Post	No of SRAs Suggested ²	Basic Allowance	Special Responsibility Allowance	Total Allowance per Member
Basic Allowance				
All Members (57)		£5,874		£5,874
Band One				
Leader	1	£5,874	£17,616	£23,490
Band Two				
Deputy Leader with a Portfolio	1	£5,874	£9,612	£15,486
Band Three				
Deputy Leader without a Portfolio	Not in current use	£5,874	£8,007	Not in current use
Cabinet Member with a Portfolio	4	£5,874	£8,007	£13,881
Chairman of Principal Scrutiny Committee	1	£5,874	£8,007	£13,881
Chairman of Planning (Development Control) Committee	1	£5,874	£8,007	£13,881
Leader of Principal Opposition Group	1	£5,874	£8,007	£13,881
Band Four³				
Chairman of Personnel Committee	1	£5,874	£3,204	£9,078
Chairman of Licensing & Regulation Committee	1	£5,874	£3,204	£9,078
Band Five				
Chairman of the Council	1	£5,874	£2,403	£8,277
Other (Opposition) Group Leaders ⁴	Not in current use	£5,874	£2,403	Not in current use
Chairmen of Scrutiny Panels	4	£5,874	£2,403	£8,277
Vice Chairman of Planning (Development Control) Committee	1	£5,874	£2,403	£8,277
Band Six				
Chairman of Winchester Town Forum	1	£5,874	£1,602	£7,476
Chairmen of Task & Finish &/or Ad Hoc Working Groups/Panels with Significant Impact	See note 2 below	£5,874	£1,602	£7,476
Group Managers ⁵	2	£5,874	£1,602	£7,476

² The number of SRAs listed in the second column is for illustrative purposes only. The number of SRAs payable at any one time will vary due to the one SRA only rule and a maximum of 50% of Members being in receipt of an SRA. For instance, if the Council appoints the Leader of the Principal Opposition Group as Chairman of the Principal Scrutiny Committee (which has occurred in the past) he/she can only draw one SRA of his/her choice. The variation in the number of SRAs being claimed at any one time will affect the number of Task and Finish and/or Ad Hoc Working Groups and/or Panels that the Council can award a Band 6 SRA. There is a ceiling of no more than 28 Members in receipt of a SRA.

³ The subsequent Banding reflects the Panels recommendations to adjust the banding structure.

⁴ Payable when Other (Opposition) Group reaches the qualifying threshold of five members.

⁵ Payable when Group reaches the qualifying threshold of 19 members.

The Panel also recommends that:

Ordinary Members of Planning (Development Control) Committee

- The ordinary Members of the Planning (Development Control) Committee should not be paid a SRA.

The Co-optees' Allowances

- The Chairman (Co-opted) of Standards Committee be paid: £3,204
- The Other Statutory Co-optees on Standards Committee be paid: £ 255

The Travel Allowances

Maintaining the Travel Allowances for within the City Council area

- The travel allowances' scheme should be maintained for Members attending approved duties within the City Council area.

Addition of Approved Duties

- The definition of approved duties should be extended to include Shadow Cabinet Members (Principal Opposition Group) when attending Cabinet Meetings and when attending internal meetings when invited by a Senior Officer – with the definition of 'Senior Officer' to be defined by Council.

The Travel Allowances - Mileage

- The Council continues to pay the HMRC (AMAP) mileage rates for the mileage allowances.
- The use of the mileage scheme continues to be "subject to most effective mode of transport for reasonable needs of Member".
- The scope and levels of other travel allowances and reimbursement should remain unchanged.

Subsistence Allowances – In-Authority

- The Subsistence Allowance for attending in-authority approved duties should be abolished.
- This recommendation does not preclude occasions when meals/refreshment are provided by the Council in appropriate circumstances when arranged by Democratic Services.

Subsistence Allowances – Outside Authority

- The scope and levels of Subsistence Allowances and reimbursements should be restored to 2009/10 levels but otherwise remain unchanged for Members attending approved duties outside the authority's area.
- The maximum rates payable should be applicable where a Member is seeking *reimbursement*. Where a Member books directly through Democratic Services, then Democratic Services are not necessarily constrained by the maximum rates as laid out in the Subsistence Allowances Scheme.

The Dependants' Carers' Allowance (DCA)

- There should be no change to the scope and level of the DCA, except to be restored to 2009/10 levels, with maximum hourly rate claimable capped at £8.50.

Pensions

- Council retain the right to determine membership of the LGPS, and the Panel in principle supports Members joining such scheme.

Indexation

- **The Basic, Special Responsibility Allowances, Co-optees' Allowances, DCA, and Subsistence Allowances:**
 - Indexed to the local government staff annual percentage increase, as agreed by the National Joint Councils for Local Government Staff Services and implemented from the date of the Annual Council Meeting commencing 2011.
- **Travel Allowances:**
 - **Mileage:** to be indexed to the HMRC rates

Support for Members – Broadband Provision

- It should be left for the Council to decide the appropriateness of reimbursing a claim for broadband provision on a case-by-case basis.

Parish Councils

- The Parish Councils within the Winchester City Council area should not pay the Parish Basic Allowance for its Members or Chairman.

- Where a Parish Council pays Travel and Subsistence Allowances to their Members then they should be payable at the same rates and conditions applicable to Winchester City Council Members.

Issues for future consideration

- The Panel will take a view on a number of issues raised, such as upcoming changes in executive powers and relationship, when the impacts are more demonstrable.

Implementation

- The recommendations contained within this report should be implemented from the date of the Annual Council Meeting in 2011. The relevant indices should also be applicable from the same date.

Winchester City Council

Independent Remuneration Panel

A Review of Members' Allowances

The Regulatory Context and Terms of Reference

1. This report is a synopsis of the proceedings and recommendations made by the Independent Remuneration Panel (the Panel) appointed by Winchester City Council to advise the Council on its current Members' Allowances scheme.
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 in the *Local Government Act 2000*, require all local authorities to set up and maintain an advisory Independent Members' Remuneration Panel to review and provide advice on Members' allowances. All Councils are required to convene their Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.
3. In particular, the Panel has been reconvened under the *2003 Regulations [10. (50)]*, which states:

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 mechanism is utilised to oblige all Councils to reconvene their independent remuneration panels at least every four years as a means of ensuring a degree of public accountability vis-à-vis their Members' Allowances Schemes. It is under this requirement that the Panel has undertaken this review of Members' Allowances for Winchester City Council.

Terms of Reference

5. The Panel was given the following terms of reference:

- (i) To review the current Members' Allowances Scheme and advise the City Council upon a revised scheme, following consideration of all relevant factual evidence and the representations made by Members.
- (ii) To review the current Travel and Subsistence Scheme for Parish Councils and the advise the City Council upon a revised scheme, following consideration of all relevant factual evidence and the representations made by Parish Councils.

6. In considering the current Members' Allowances Scheme, the Panel is cognisant of the 2003 Regulations, which state that (paragraph 21. (1)):

(1) An independent remuneration panel shall produce a report in relation to the authority or authorities in respect of which it was established, making recommendations -

(a) as to the responsibilities or duties in respect of which the following should be available -

- (i) special responsibility allowance;
- (ii) travelling and subsistence allowance; and
- (iii) co-optees' allowance;

(b) as to the amount of such allowances and as to the amount of basic allowance;

(c) as to whether dependants' carers' allowance should be payable to members of an authority, and as to the amount of such an allowance;

(d) as to whether, in the event that the scheme is amended at any time so as to affect an allowance payable for the year in which the amendment is made, payment of allowances may be backdated in accordance with regulation 10(6);

(e) as to whether adjustments to the level of allowances may be determined according to an index and if so which index and how long that index should apply, subject to a maximum of four years, before its application is reviewed;

(f) as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972.

The Panel

7. Winchester City Council reconvened its Independent Remuneration Panel, constituting of the following, namely:
 - Roger Farrall – retired local government officer specialising in job evaluation and remuneration review, and a local resident
 - Dr Declan Hall – former academic and currently independent consultant specialising in the field of Members' Allowances who was engaged by the Council and appointed by the Panel to act as Chairman
 - Dr Pearl Hettiaratchy – since retirement has continued to take an active role in her specialised area of psychiatric healthcare plus serving on a number of other bodies, and is a local resident
 - Canon Richard Lindley – former Director of Education for the Winchester Diocese and now a Schools Adjudicator; and is a local resident
8. The Panel had the support of David Blakemore, Senior Democratic Services Officer, who acted as the 'Panellists' Friend' and whose role was to service the Panel, and take the organisational lead in facilitating the whole process.
9. The Panel would like to record its gratitude to the Members and Officers of Winchester City Council for making themselves available to talk to the Panel and ensuring the work of the Panel was supported in an efficient and effective manner. In particular, special appreciation is reserved for David Blakemore who was central in ensuring the Panel completed its assigned brief.

Process and Methodology

10. The Panel met at Winchester Guildhall, over the period of 20th-21st October 2010. In accordance with the terms of reference, the Panel heard evidence from a number of Members and Officers. In addition, the Panel took into account the written representations made by elected Members, and submitted to the Panel in summary form as part of the briefing pack. (See Appendix 1 for Members and Officers who met with the Panel).
11. The Panel also considered a range of written evidence, including the current Winchester City Council Members' Allowances Scheme, allowances scheme from comparator authorities, a briefing pack produced by Officers and issues to consider presentation by the Panel Chair. (See Appendix 2 for full range of evidence considered by the Panel).
12. The Panel took a tiered approach in considering the evidence. It is required to operate within the broad statutory framework laid down by the

2006 Members' Allowances Statutory Guidance and 2003 Regulations. The *2003 Members' Allowances (England) Regulations* establishes the framework for the Panel, i.e., attendance allowances cannot be paid, all Members must receive a Basic Allowance that is equal in value and express authority is granted to vary the terms and conditions for claiming the travel and subsistence allowances, or whether to retain them at all. Within the legislative context, the Panel has an obligation to pay regard to the Statutory Guidance, which for instance mandates certain considerations for Panels in reaching their recommended Basic Allowance but provides a large degree of flexibility in recommending the travel and subsistence allowances' scheme and the scope of such a scheme.

13. The next level of evidence considered by the Panel was the representations made by the Members, including the main group Leaders. They were also utilised to act as a 'sounding board' to suggestions and ideas from Panel members as well as give the Panel a qualitative feel of the issues facing elected Members in relation to the issues under consideration.
14. Finally, all the evidence and representations have been reviewed and evaluated within the comparative context. In particular, the Panel has benchmarked the scope and levels of allowances paid in Winchester City Council against those paid in other district authorities within Hampshire as the most relevant comparator authorities. The Panel was not driven by the rates and levels of allowances paid across the Hampshire district councils but was concerned to understand how the issues under review have been addressed elsewhere, i.e., what is the most common and good practice. (See Appendix 3 for summary of benchmarking information utilised by the Panel).

Principles of the Review

15. The Panel, as far as possible, was guided by the previous reviews and was concerned with seeking out anomalies in the current scheme, as it did not feel a fundamental restructuring of the scheme was required.
16. As with previous reviews the Panel adopted a number of guiding principles, namely: that the Winchester City Members' Allowances Scheme should seek to
 - be transparent in what Members receive and what is expected from them in return;
 - provide reasonable recompense for the various roles and responsibilities held by Members;
 - allow most people considering standing for Council to be able do so without suffering financial hardship;
 - be at a sufficient level to retain experienced and competent Members;

- ensure that an Opposition can be resourced;
 - retain the principle that Members should only be able to draw down one allowance and that SRAs should be restricted to no more than 50% of Members. This is in accordance with the 2006 Statutory Guidance which has regard to the views of the public if a high percentage of Members were in receipt of a SRA.
17. While the Panel has sought primarily to assess the worth of elected Members' roles and responsibilities it recognises that especially in the present climate there are financial constraints facing not just Winchester City Council but also the residents of the Winchester District.
18. Furthermore, the Panel has also sought to reflect the fact that Members must also share responsibility for shouldering the re-shaping of local government that is being undertaken across English local government. As such, many of the recommendations inevitably reflect the representations that were made to the Panel in the knowledge of this context.

The Evidence Reviewed: Findings

Key Messages and Observations

A Robust Foundation

19. As in 2006, the Panel observed that for the purposes of this review the allowances scheme for Winchester City Council was still broadly appropriate in structure and scope. While some disparate views were presented to the Panel, albeit from a small sample, they were all keen to emphasise the current economic context. Nonetheless, the interviewees also confirmed that the current framework, including SRAs paid, bandings and differentials, has stood the test of time even if there were diverse views on the levels currently payable.
20. The Panel was convinced that the Members' Allowances Scheme needed amendment rather than fundamental reformation.

The Comparative Picture – On a Par with Comparator Authorities

21. As Appendix 3 shows, the Basic Allowance and main SRAs payable in Winchester City Council (as published for 2010/11) are broadly on par with those paid across the Hampshire districts. For instance, the published Basic Allowance for Winchester City Council in 2010/11 is £5,580. The mean Basic Allowance payable in the comparator group of authorities is £5,450 and the median is £5,580, which means for this year Winchester is paying a Basic Allowance at the Hampshire median.

22. The allowances paid in district councils from the LGA survey of allowances (2008) have been provided in Appendix 3 as the only available national figures. While it is recognised that they are not strictly relevant for the purposes of this review as they are now becoming dated they have been included to give an indication of the only available national picture. The relevant figures from the South East Employers Organisation Members allowances survey (2009/10) have also been included for completeness in Appendix 3. However, these have also not been utilised for specific benchmarking purposes as they also include 4th-Option Councils (where executive structures are not in place and therefore only some comparisons are directly relevant, such as the Basic Allowance), and therefore not directly comparable to Winchester City Council. Again, they have been provided as the only available regional figures available. However, what both the national and regional summaries on allowances paid in similar types of authorities to Winchester City Council do show is that the range of allowances paid in Winchester are not particularly high.
23. Similarly, the 2010/11 published SRA for the Leader in Winchester City is £16,734, and the mean and median figure for the main comparator group of authorities (i.e., the other Hampshire Districts) is £16,194 and £16,501 respectively. Although, at least two of the SRAs payable in Winchester City Council are amongst the highest paid within the comparator group, the benchmarking exercise conducted by the Panel shows that the published level of main allowances for Winchester City Council in 2010/11 is not out of line with that paid in main peer authorities across Hampshire.

The Role of the Panel and Current Level of Allowances Paid in Winchester City Council

24. The Panel notes that the Council decided that for 2010/11 to apply a five per cent reduction to all the allowances payable, which it has the right to do. Yet, it is the Panel's statutory role to recommend what we consider appropriate allowances, within our terms of reference, and based on evidence evaluated. It is for the Council to weigh up the recommendations within the political context.
25. Interestingly, all three of the councillor interviewees agreed that they would like to see more younger and working Members on Council, and just as importantly, to stay on Council. This representation further confirms the Panel's view that if it is to minimise financial barriers to standing for and remaining on Council then it must primarily assess the worth of Members roles – without losing sight of the wider economic context.

Recommendations

The Basic Allowance

26. As noted, the current Basic Allowance (2010/11) is £5,580, which represents a five per cent reduction on what would have been payable (£5,874) but for the Council taking a political decision. The Panel further notes that this is on top of a 1.2 per cent reduction in 2009/10 because the Retail Price Index (RPI – the operative annual index in this case) had a negative value. For 2008/09, the Basic Allowance was £5,946.
27. The representations and evidence received by the Panel has led it to take the view that the underlying structure for the Basic Allowance, as recommended in 2006, remains appropriate. As such, the Panel has concluded that the Basic Allowance without the five per cent reduction applied is still relevant.
28. **The Panel recommends that the Basic Allowance for 2011/12 is £5,874.** This is the same level paid 2009/10; it did not increase for 2010/11, as the relevant index for 2010/11 was zero per cent (the national pay award for local government staff as agreed by the National Joint Committee).
29. The Panel points out that it decided against re-setting the Basic Allowance by applying the original methodology with up dated variables for the purposes of this review. The Panel will take a view on the appropriateness of doing this at a more suitable time. As a result, the Basic Allowance while no longer directly rooted in regional pay levels has been constrained by this review in light of the economic circumstances. It is further noted that the Local Government Association no longer produce the “daily session” rate which is utilised by many Panels for setting the Basic Allowance and up rating purposes. This has further confirmed the Panel’s decision that is not an appropriate time to re-set the Basic Allowance.

The Leader’s recommended SRA

30. The Panel notes that the mean SRA paid to Leaders in the Hampshire districts is £16,194, with the median figure being £16,194. Currently, the Leader of Winchester City Council receives a SRA of £16,734 (after the five per cent reduction applied by Council decision). Again, the Panel received no evidence that the 2006 recommendation for the Leader’s SRA was incorrect. As with the Basic Allowance, the Panel felt that the Leader’s SRA that would be payable without the Council-imposed five per cent reduction is still apt. It was arrived at in 2006 by applying a factor of three on the Basic Allowance, which in turn did and still does reflect national, regional and Hampshire differentials between the average Basic Allowance and Leaders SRA.

31. **The recommended SRA for the Leader is £17,616 for 2011/12.**
32. The Panel notes that the recommended Basic Allowance (£5,874) when multiplied by three is **£17,662**. The difference between the Leader's SRA payable in 2009/10 (£17,616) and the true multiple of three applied to Basic Allowance (producing a Leader's SRA of £17,662) is accounted for by rounding down over the past four years on the Leader's and other SRAs. The Panel has used the actual SRA payable in 2009/10, to ensure that it is no higher than that payable in 2009/10, which would be the case otherwise.

Recommending the Remaining SRAs

33. In 2006, the Panel arrived at the other SRAs by setting a ratio against the Leader's SRA, which is common practice. The Panel has applied the same principle in arriving at the other recommended SRAs as it did in arriving at the recommended SRA for the Leader. In other words, rather than applying the original ratios against the Leader's SRA based on an exact multiple of three over the Basic Allowance it has utilised the rates payable in 2009/10 thus avoiding higher figures that would be arrived at if the exact ratios were applied.

Deputy Leader with Portfolio

34. **Consequently, the recommended SRA for the Deputy Leader with Portfolio is £9,612 for 2011/12.**

Deputy Leader without Portfolio

35. Currently, the SRA for Deputy Leader without Portfolio is not payable as the Deputy Leader holds a portfolio. However, the Panel has made a recommendation for this post in case the Council decides to alter the scope of the Deputy Leader's role. It was originally placed on a par with Cabinet Members with a Portfolio. By following the principles applied to the recommended SRAs of Leader and Deputy Leader with Portfolio (and all subsequent recommended SRAs in this review – accept where stated) the Panel has used the SRA that would have been payable in 2009/10.
36. **The recommended SRA for Deputy Leader without Portfolio, should the post re-emerge, is £8,007.**

SRAs for Cabinet Members with Portfolio (6)

37. **Similarly, the recommended SRA for the Cabinet Members with Portfolio is £8,007.**

Changing Executive Roles

38. The Panel is aware that the number of Cabinet Members with Portfolio has varied, since the 2006 review. For 2006/07 and 2007/08 there were 7 portfolios, 8 in 2008/09 and 2009/10 and 6 in 2010/11., This was accompanied by a rearrangement in the portfolios held by the Cabinet Members. The Panel did consider whether the recent decrease in the number of Cabinet Members with Portfolio resulted in a corresponding increase in their workload and responsibility. However, the Panel did not receive evidence that warranted making such a linear connection, making it difficult to assign enhanced workload and responsibility accordingly. For instance, the fewer Cabinet Members with Portfolio may be working more efficiently, or the size of the roles may now be more evenly balanced than previously distributed. Moreover, much decision-making in Cabinet is still undertaken collectively, which lessens the impact of rearranging Cabinet Members with Portfolio numbers and remits.
39. The Panel also notes that in accordance with the Local Government and Public Involvement in Health Act 2007 the Council will be required to alter executive arrangements. At its meeting on 3 November 2010 the Council decided to proceed with the option that will vest all executive powers in the Leader (rather than the elected Mayor option). Nonetheless, the point remains that executive roles, powers, and relationships between executive Members will alter in the coming year, in effect from 5 May 2011.
40. Once the impacts of new executive arrangement become evident, the Panel will take a more considered assessment of the appropriate SRAs payable to executive Members.

The Other Band Three SRAs

41. The Panel has also decided that the other band three SRAs should also be payable at the 2009/10 levels. The relevant posts are:
- Chairman of Principal Scrutiny Committee
 - Chairman of Planning (Development Control) Committee
 - Leader of Principal Opposition Group
42. **The Panel recommends that the named SRAs above be paid an SRA of £8,007 for 2011/12.**

The Band Five SRAs (New Band Four)

43. Currently, there are two Band Five SRAs, which are:
- Chairman of Personnel Committee
 - Chairman of Licensing & Regulation Committee
44. In keeping with the principles applied above to the other SRAs, the Panel has decided that these post holders should receive a SRA paid at the same level as in 2009/10, which was £3,204.
45. **Thus, the recommended SRA for the Chairmen of Personnel and Licensing & Regulation Committees is £3,204 for 2011/12.**

Band Six SRAs (New Band Five)

46. The current Band Six SRAs payable are as follows:
- Chairman of the Council
 - Other Opposition Group Leaders
 - Chairmen of the Scrutiny Panels
 - Vice Chairman Planning (Development Control) Committee
47. The Panel received no evidence that the SRAs for these posts needed to be revised or altered in any way. Thus, applying the principles that the Panel has applied to all previous posts the Panel has decided that the SRAs named above should be payable at the 2009/10 level, which was £2,403.
48. **Thus, the recommended SRAs for the post holders in Band Six (new band five) is £2,403 for 2011/12.**

Qualifying Criteria for Leaders of Other (Opposition) Groups

49. Currently the SRA for the Other (Opposition) Group Leaders does not have qualifying criteria before it is payable. In other words, a group of two members would qualify for this SRA as long as they were registered as a group on Council under the *1989 Local Government and Housing Act*. The Panel notes that many other allowances schemes impose a minimum size of group before any such SRA becomes payable on the grounds that leading a group of 2-3 members is not such a significant responsibility as to merit a SRA.
50. The Panel has decided that such a threshold should apply in Winchester City Council, and in setting the appropriate size of membership for an

Other (Opposition) Group Leader to qualify for their SRA the Panel has set it at 10 per cent of the Council membership, which the Panel has rounded down to five Members.

51. **Thus, for a Leader of any Other (Opposition) Group Leader to qualify for this SRA the Group must have at least five Members.**

Band Seven SRAs (New Band Six)

52. The current post holders in receipt of a SRA in Band Seven are as follows:

- Chairman of Winchester Town Forum
- Chairmen of Task & Finish &/or Ad Hoc Working Groups/Panels with Significant Impact⁶
- Group Managers

53. The Panel did not receive any evidence that it should not apply the same principles to the SRAs named above as with all other SRAs. In other words, they should receive a SRA paid at 2009/10 levels.

54. **Thus, the recommended SRA for the Chairmen of the Winchester Town Forum and Task & Finish &/or Ad Hoc Working Groups with Significant Impact and Group Managers (subject to the provision below) is £1,602.**

The Group Managers – Qualifying Criteria

55. The current scheme allows for a SRA (Band 6 – Other Group Leader) to be paid to a member of the majority party for a role that is separate to that of the Leader of the Council. The Panel considered that the role would be more clearly described as Group Manager and that further qualifying criteria should apply. The Panel understands the role of the Group Manager in relation to the work of the Council but took the view that a Group must reach a certain size before the SRA is payable, as the value added is primarily in regards to the need to manage larger groups. In reaching an appropriate threshold the Panel decided that one third of the Council membership is appropriate, which is 19 Members. This could then also apply to the largest opposition party as well as the majority party. However, the Panel assessed the size of the role at Band 7 rather than Band 6.

⁶ The number of SRAs payable for these Chairmen are subject to no more than 28 SRAs being paid at any one time, so the number payable will vary depending *inter alia* on how many SRAs are in operation at the time.

56. **Thus, a Group must contain at least 19 Members before a Group Manager's SRA becomes payable at new Band Six (old Band 7) - £1,602.**

The Ordinary Members of the Planning (Development Control) Committee

57. The Panel was asked to consider whether the ordinary Members of the Planning (Development Control) merit a SRA, because of the extra work they do on planning, through regularly monthly meetings and site visits. The Panel notes that this type of Member is often remunerated in other authorities because of perceived extra workload that is required beyond that of other backbench members. Yet, the Panel did not receive sufficient evidence to suggest that the workload of these Members can be so onerous in Winchester City Council to merit a SRA. Moreover, the Panel has always considered the Basic Allowance to include payment for being on at least one regulatory committee and continues to be of this view.
58. **Thus, the Panel does not recommend an SRA to be paid to the ordinary Members of the Planning (Development Control) Committee.**

The Bandings

59. Band Four SRAs are not in use and have not been for a long time. The Panel has taken the view that the current banding numbering is now somewhat confusing and **recommends that the current banding be renumbered to reflect reality and all Bands from Five onwards are moved up in current assigned number.** In other words, Band Five becomes Band Four, Band Six becomes Band Five, and Band Seven become Band Six. If a new band is required in the future, the Panel will take a view on it when required.

The Co-optees' Allowances

Chairman of Standards Committee

60. Since the previous review it now a requirement that the Chairman of the Standards Committee is a co-opted (non-elected) rather than elected Member. The Panel advises the Council that the allowance paid to co-opted Chairman of the Standards Committee should be described in the allowances schedule as a 'Co-optees' Allowance', rather than a SRA.
61. The Panel received no evidence that the Co-optees' Allowance for the co-opted independent Chairman of the Standards Committee at 2009/10 levels is inappropriate. **Thus, the recommended Co-optees' Allowance**

for the independent co-opted Chairman of the Standards Committee is £3,204 for 2011/12.

Other Statutory Co-optees on Standards

62. **The Panel has applied the same principle to the other statutory Co-optees as it has to most Members, in that the recommended Co-optees' Allowance for the other statutory co-optees on the Standards Committee should be paid at the 2009/10 level, which was £255, for 2011/12.**

The Travel Allowances

Maintaining Travel Allowances for within the City Council area

63. The first issue the Panel considered was whether there was a case for Members to continue to be able to claim reimbursement of travel costs for attending approved duties within the District. The Panel notes many local authorities no longer maintain travel allowances for attending approved duties within their council area but it felt that such an approach would not be appropriate for Winchester City Council, as many Members are required to travel substantial distances within the City Council area to attend their required approved duties. **Consequently, the Panel recommends that the travel allowances' scheme be maintained for Members attending approved duties within the City Council area.**

Addition of Approved Duties

64. The Panel has been asked to consider the current definition of approved duties for which travel (and subsistence where relevant may be claimed). The 2003 Regulations (21(1)) states that Panels are required to produce recommendations on *inter alia*

(a) as to the responsibilities or duties in respect of which the following should be available -

(ii) travelling and subsistence allowance;

65. The Panel was asked to consider the merits of an extension of a number of approved duties for which Members could claim the travel allowance. The principle that the Panel has applied in deciding whether a particular meeting constitutes an approved duty is that such a meeting cannot be generated by Members alone. In other words, for an approved duty to be added to the current schedule it has to be one where a Member is in

attendance, whether by virtue of appointment to a committee, panel, outside body, cabinet, etc., or by invitation by relevant Senior Officer.

66. In particular, the Panel was asked to consider whether Shadow Cabinet Members attending meetings as observers; and for attending internal meetings when invited by a Senior Officer should be considered as approved duties, and therefore permitted to claim a travel allowance for reimbursement of travel costs.
67. The Panel felt that to confirm such a request would be in line with the principle outlined above. The Panel appreciates that Shadow Cabinet Members can reasonably be expected to attend Cabinet meetings as part of their duties, and other relevant internal meetings where invited, such as when that internal meeting is dealing with a topic that falls within the Shadow Cabinet Members portfolio or remit.
68. Therefore, the Panel **recommends that the definition of approved duties be extended to include Shadow Cabinet Members (Principal Opposition Group) when they are attending Cabinet Meetings and relevant internal meetings when invited by a Senior Officer – the definition of ‘Senior Officer’ to be defined by Council. This recommendation does not preclude any Member from attending a meeting as an Observer but if they do not meet the criteria outlined above then they should not be able to claim a travel allowance.**

The Travel Allowances - Mileage

69. The Panel considered whether the current mileage rates claimable under the travel allowance scheme, which are Her Majesty’s Revenue and Customs (HMRC) approved rates, are still appropriate, as they have not been altered for the past 10 years. The evidence received by the Panel indicates that the HMRC rates are still relevant, primarily as they are the most tax efficient, as they do not incur any tax liability for Members, which NJC Officers mileage rates do. The HMRC rates also have the added advantage of being more “green” than NJC rates, as they do not reward those with larger car engine size, all claimants being treated equally.
70. Moreover, the Panel notes that the Employer’s side for the NJC for local government services has stated the current NJC mileage rates and the formula upon which they are based “are no longer fit for purpose” and that they should undergo a major review. (See letter from Local Government Employers to Trade Union Side Secretaries, 20 October 2010).
71. **Thus, the Panel recommends that the Council continue to pay the HMRC mileage rates for the mileage allowances.**

72. **The current rates are as follows:**

Table 1: HMRC Mileage Rates 2010/11

Vehicle Type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	40p p/mile	25p p/mile
Motor cycles	24p p/mile	24p p/mile
Bicycles	20p p/mile	20p p/mile

73. The HMRC approved mileage scheme also includes provision for a passenger supplement rate of 5p per mile per passenger for up to four passengers.
74. **The Panel confirms that the use of the mileage scheme should continue to be “subject to most effective mode of transport for reasonable needs of Member”.**
75. **The Panel further recommends the scope and levels of other travel allowances and reimbursements should remain unchanged.**

Subsistence Allowances – In-Authority

76. The Panel notes that this allowance is not claimed within the Council area very often and in effect of limited value to vast majority of Members. The Panel feels this provision is outmoded, particularly in light of remuneration Members receive through the Basic Allowance and, where relevant, SRAs. Furthermore, it would also result in some minor savings if it were removed. **Therefore, the Panel recommends that Subsistence Allowance for attending in-authority approved duties be abolished.**
77. This recommendation does not preclude the occasions when meals/refreshment are provided by the Council in appropriate circumstances when arranged by Democratic Services, e.g., when the length or timing of a particular meeting makes provision of meals/refreshments necessary.

Subsistence Allowances – Outside Authority

78. The Panel did not receive a great deal of evidence demonstrating that the Subsistence Allowances needed fundamental reform at this stage. **The scope and levels of Subsistence Allowances and reimbursements should be restored to the 2009/10 levels for Members attending approved duties outside the authority’s area.**

79. The relevant rates (for 2009/10) are set out below:

Subsistence outside the Council area

- **Breakfast:** £5.58
- **Lunch:** £7.69
- **Tea:** £3.02
- **Evening Meal:** £9.50

Overnight outside the Council area

- **Overnight stay outside district:** £90.56
- **Overnight stay – London:** £103.27

80. The Panel notes that the Subsistence Allowances' rates may not always cover the reimbursement of actual costs incurred by Members when attending an approved duty outside the authority. However, the Panel emphasises that these rates should be the maximum applicable where a Member is seeking *reimbursement*, e.g., had to book their own accommodation at the last minute. Where a Member books directly through Democratic Services, then Democratic Services are not constrained by the maximum rates set out above. In this way, Democratic Services can exercise a control function and decide what represents best value taking into account the relevant scarcity of accommodation and cost of meals for a particular approved duty a Member may have to attend. The Scheme also allows Democratic Services limited discretion over approval of claims above maximum rates when the Member has made a claim for expenditure above the maximum levels.

The Dependants' Carers Allowance (DCA)

81. **The Panel is not recommending any changes to the scope and level of the DCA, no evidence was offered to suggest otherwise. Like all other allowances, the DCA maximum rate was subject to a five per cent decrease last year. The Panel has consistently applied the 2009/10 rates to all other allowances and sees no reason why it should not do so for the DCA. Thus, the recommended maximum rate claimable should be £8.50 per hour for 2011/12.**

Pensions

82. The Panel has historically supported leaving the door open for the Council to decide on whether Members should be eligible to join the Local Government Pension Scheme (LGPS). The Council has historically chosen not to accept this recommendation – which is its right. The one

binding power the Panel has (i.e., it is not a recommendation) is if it decides the Council cannot determine on membership of the LGPS. It is the one binding power the Panel has but only as a negative decision. It is unable to require the Council to accept that Members should be able to join the LGPS, the Council can, and in the past has, collectively rejected this recommendation, which in turn then means individual Members are prevented from joining the LGPS.

83. The Panel had further extensive discussion on the subject and while it did not change its collective view, and still feels the Panel should give the Council the right to decide on whether membership of the LGPS is appropriate, it did take a vote on the issue. The vote was 3 to 1 to allow the Council decide on membership of the LGPS.
84. **The Panel recommends that the Council retain the right to determine whether Members can join the LGPS by supporting Members joining such scheme in principle.**

Indexation

85. The current indexation for the main allowances (Basic and Special Responsibility Allowances) is the lower of either the Retail Price Index (RPI) as published by the National Office Statistics or the national percentage increase as agreed each year by the NJC for Local Government Staff.
86. One problem with the RPI index is that it can be relatively high in any given year (currently running at 4.5-5 per cent) compared to what Officers receive through the NJC index, which for this and (in all likelihood) next year, is zero per cent. Alternatively, RPI can have a negative value as it did in 2009/10. The Panel decided in 2006 that the Council should be able to choose between the two indices, whichever is lower. However, the Panel noting the negative impact of such an index at times has decided that the NJC index should be the primary applicable index. It treats Members and Officers equally and broadly bears a relationship to what local government can afford, thus zero per cent for this year and probably next year.

87. **Thus, the Panel recommends that the following indices be used for indexation purposes:**

- **The Basic, Special Responsibility Allowances, Co-optees' Allowances, DCA, and Subsistence Allowances:**
 - Indexed to the local government staff annual percentage increase, as agreed by the National Joint Councils for Local Government Staff Services and implemented from the date of the Annual Council Meeting commencing 2011.
- **Travel Allowances:**
 - **Mileage:** indexed to the HMRC rates

88. The Panel notes that Council does not have to agree to building in an annual index when considering the recommendations of this review, or even if it does, the Council is not obliged to implement one each year if it so decides. Moreover, if the principle of indexation is agreed by the Council the 2003 Regulations permit the Council to implement a lower index if the Council so decides.

Support for Members – Broadband Provision

89. Currently, Members are able to claim back Council-related broadband costs from the Council upon the production of receipts or the Council can arrange for direct payment. The Panel has been asked to consider whether there is a case to increase the Basic Allowance to incorporate an element to cover monthly broadband cost, rather than maintain the current system of Members reimbursing Members or completely making the arrangements direct, which does have administrative costs.

90. The Panel notes that in many Councils, the Basic Allowance is deemed to include many items such as broadband, stationery, provision of IT equipment, etc., support, which is generally provided separately in Winchester. Yet, the Panel found it difficult to make a recommendation that would suit all Members in all circumstances. Furthermore, it is technically outside the scope of the Panel statutory remit, as it does not fall within the Winchester City Council Members' Allowances Scheme. Therefore, the Panel **recommends that it be left for the Council to decide the appropriateness of reimbursing a claim for broadband provision on a case-by-case basis.**

Parish Councils

91. The Winchester City Council Panel is also the independent remuneration panel for all the Parish Councils in the council area. In accordance with the 2003 Regulations, the Panel previously produced and recommended a

Travel and Subsistence Scheme for Parish Councils, which was based upon the City Council's scheme. The Panel has historically not recommended that the Parish Council make available the Parish Basic Allowance.

92. All Parish Councils were invited to comment upon the need for any changes to the existing recommended scheme but the Panel did not receive any comments or requests for any amendments to be made, insofar the Panel can ascertain any are paid.
93. **Thus, the Panel does not recommend that the Parish Councils within the Winchester City Council area should pay the Parish Basic Allowance for its Members or Chairman** (not including any civic allowances that may be paid to Parish Chairmen under the 1972 Local Government Act). This recommendation does not preclude the right of any Parish Council to request the Panel to undertake a specific review to introduce a Parish Basic Allowance for its Members.
94. **The Panel further recommends where a Parish Council pay Travel and Subsistence Allowances to their Members that they be payable at the same rates and conditions applicable to Winchester City Council Members.**

Issues for future consideration

95. As noted above the Panel understands that a number of issues may be need to be considered before the next four-year review, most notably if the Council considers that there are any significant changes to the roles and responsibilities of executive members from recent and future legislative changes The Council may also review its scrutiny arrangements. The issue was raised with the Panel but the Panel feels that it can only take a view on these issues when the impacts are clear.

Implementation

96. The Panel considered whether to recommend the backdating of its recommendations to the date of the previous Annual Council Meeting in 2010, which it can do. However, it is cognisant of the decision made by Council on the level of allowances for 2010/11 and to recommend backdating would be to contradict the expressed view of the Council for the levels of allowances for this year. The current (2010/11) levels of allowances payable (where the Panel has recommended a change) should continue until the date of the Annual General Meeting of Council in 2011.

97. **The Panel recommends that the proposals contained within this report be implemented from the date of the Annual Council Meeting in 2011. The relevant indices should also be applicable from the same date.**

APPENDIX 1: Members and Officers who met with the Panel including written submissions

Councillors:

- Cllr G. Beckett: Leader of Main Opposition (Conservative) Group
- Cllr K. Learney: Leader of Council & Liberal Democrat Group
- Cllr H. Verney: Conservative Backbencher

Written Submissions:

None received

Officers:

- Stephen Whetnall: Corporate Director – Governance
- David Blakemore: Senior Democratic Services Officer

APPENDIX 2: INFORMATION RECEIVED & REVIEWED BY THE PANEL

1. The Panel's Terms of Reference
2. Winchester City Council Members' Allowances Schemes 2008/09, 2009/10 and 2010/11
3. Guide to Members' Support 2010
4. Details of allowances and expenses paid to Members, 2009/10
5. Summary of LGA Members' Allowances Survey 2008
6. Summary of SEEMP Members' Allowances Survey 2009
7. Members' Allowances Scheme (2010/11) from other Hampshire districts, including:
 - Basingstoke & Deane
 - East Hampshire
 - Eastleigh
 - Fareham
 - Gosport
 - Hart
 - New Forest
 - Rushmoor
 - Test Valley
8. Local Government Association – Advice of Members' Allowances Daily Rate 2010
9. Local Government Employers, NJC, Car Allowances 2011/12 Proposals, 20 October 2010
10. Statutory Guidance on Consolidated Regulations for Local Authority Allowances 2006
11. Statutory Instruments:
 - 2003 No. 1021 – The Local Authorities (Members' Allowances) (England) Regulations 2003
 - 2003 No. 1022 – The Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003
 - 2003 No. 1692 – The Local Authorities (England) Amendment) Regulations 2003
12. Briefing Pack for Panel on issues to consider
13. Presentation by Declan Hall (Chair) on reviewing allowances
14. Previous Panel Reports
15. Schedule of Committee/Panels meetings, etc

APPENDIX 3: ALLOWANCES PAID IN COMPARATOR AUTHORITIES

Winchester City Council: BA + Executive + Committee SRAs – All Hampshire Districts 2010/11														
Hampshire Districts	Basic Allowance	Leader	Leader Total Package	Deputy Leader	Cabinet Members	Main Chairs Scrutiny	Other Scrutiny Panels	Chair Planning	Vice Chair Planning	Chair Licensing &/or Reg	Chair Council	Area or Local Fora Chairs	Chair Audit or Admin	Chair Employment or Personnel
B'stoke & Deane	£6,448	£21,502	£27,950	£14,325	£10,751	£7,159		£7,159		£3,225				
E. Hants	£4,500	£16,501	£21,001	£7,002	£4,201	£2,767	£1,400	£4,201	£1,400	£700	£2,801	£2,801		
Eastleigh	£5,685	£19,145	£24,830	£8,853	£7,588	£2,529		£3,162	£790			£3,162	£1,581	
Fareham	£6,466	£19,397	£25,863		£10,776	£7,543	£6,735	£9,698	£808	£6,735		£4,041	£4,041	
Gosport	£5,220	£12,879	£18,099	Gosport is a 4th Option Council and other SRAs are not comparable to Leader/Cabinet Models										
Hart	£3,735	£15,153	£18,888	£6,019	£5,465	£1,981		£3,031	£1,010	£1,668	£2,952		£1,668	£1,668
Havant	£5,721	£14,800	£20,521	£8,880	£8,140	£5,920		£5,920	£1,973	£2,960				£1,480
New Forest	£5,316	£18,608	£23,924		£9,304	£4,652		£5,163		£1,316				
Rushmoor	£4,950	£12,500	£17,450	£7,400	£4,000			£5,000		£5,000				
Test Valley	£6,327	£10,918	£17,245	£8,189	£7,643	£6,551		£5,460	£1,092	£5,460	£2,730			
Winchester	£5,580	£16,734	£22,314	£9,129	£7,605	£7,605	£2,280	£7,605	£2,280	£3,042	£2,280	£1,521		£3,042
Highest	£6,466	£21,502	£27,950	£14,325	£10,776	£7,605	£6,735	£9,698	£2,280	£6,735	£2,952	£4,041	£4,041	£3,042
Lowest	£3,735	£10,918	£17,245	£6,019	£4,000	£1,981	£1,400	£3,031	£790	£700	£2,280	£1,521	£1,581	£1,480
Mean	£5,450	£16,194	£21,644	£8,725	£7,547	£5,190	£3,472	£5,640	£1,336	£3,345	£2,691	£2,881	£2,430	£2,063
Median	£5,580	£16,501	£21,001	£8,521	£7,624	£5,920	£2,280	£5,312	£1,092	£3,042	£2,766	£2,982	£1,668	£1,668
LGA Survey 08 Mean All DCs	£4,194	£11,940	£16,134	£6,565	£6,083	£3,946		£4,077	£1,436	£2,972	£4,648	£2,335	Where Winchester pays w/in +/-10% of median value	
SEEMP Survey 09/10 DCs Mean	£4,423	£13,978	£18,401		£7,099	£4,375		£4,785		£3,248				

Winchester City Council: Opposition & Group SRAs + Co-optees and Comments – All Hampshire Districts 2010/11

	Main Opposition Leader	Main Opposition Dep Leader	Minor Opposition Leader	Other SRAs Payable and Comments	Chair Standards (Co-Optee)	V/Chr Standards	Other Co-Optees
B'stoke & Deane	£7,159		£3,222	Ind Group Leader £2,429 + V/Chrs & Shadow Exec get SRA	£3,225	£536	£391
E. Hants	£2,801			>1 SRA paid E.g., Opp Leader gets 2 SRAs (Opp + Scrutiny) + All Lic Mbrs get £700	£2,801		
Eastleigh	£5,059			Area Chairs (X 5) undertake planning + Scrutiny V/Chr gets £633 & Area V/Chrs £790	£1,581		
Fareham	£3,233			A plethora of SRAs paid (some substantial E.g., Chr of LDF S/G £7,543) + an interesting points system!	£3,233	£150 p/1/2 day	
Gosport	Not utilised for comparative purposes - 4th Option Council			Low paying scheme for SRAs and not many paid			
Hart	£1,981			V/Chrs of Lic, DCC, O&S get SRA of £756 + scheme lot less than IRP recommended	£1,136		£219
Havant	£1,200			SRA for V/C Licensing £978	£1,480		
New Forest	£9,304			Opp Leader SRA related to group size - thus so high + shad exec get £562	£1,316	£409	£255
Rushmoor	£3,000		£3,000	Licensing Mbrs £400 + Chrs T&F Groups £300 (max of 8 groups per year)	£1,380		£460
Test Valley				2 Area DCC committees + V/Chrs get SRA £1,092 & Council V/C £538 & V/C Licensing £1,097	£546		
Winchester	£7,605	£2,280		Chairs T&F/Ad Hoc Panels £1,521 + only LA in group that pays D/Lder of Opposition	£3,042		£240
Highest	£9,304				£3,233		£460
Lowest	£1,200				£546		£219
Mean	£4,594				£1,974		£313
Median	£3,233				£1,531		£255
LGA Survey 2008 Mean All DCs	£3,260	£2,041			£1,597	£563	

