

REPORT TITLE: APPOINTMENT OF MEMBERS ALLOWANCES INDEPENDENT
REMUNERATION PANEL

19 JULY 2017

REPORT OF PORTFOLIO HOLDER: Councillor Caroline Horrill, Leader

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WARD(S): ALL

PURPOSE

The current Members Allowances Scheme took effect from April 2015. Before 1 April in each year, the Council is required by law to make a scheme for the payment of a basic allowance each year, and other allowances which the Council intends to pay. The scheme can also include an annual inflation index (which the current scheme does) and such a scheme can be continued for up to four years before the inflation allowance must be reviewed.

This means that the City Council's inflation index must be reviewed by April 2019. However, it was proposed to review the scheme as a whole after the 2015 Boundary Review. As some eighteen months have now elapsed since the new Council was elected in 2016, it is now considered an appropriate time to carry out a review of the Scheme, as the review can have appropriate evidence of any changes in Member workload as a consequence of the Boundary Review.

The proposed Review would also consider the existing Special Responsibility Allowances (SRAs) within the scheme.

The legislation requires a Members Allowances Independent Remuneration Panel (IRP) to be established. The Panel takes evidence and then makes recommendations to the Council on a Members Allowance Scheme. Before a scheme is amended, the Council has to have regard to the Panel's recommendations.

The timetable for this review would be for the Panel to start work this autumn, with a view to making recommendations to the Council meeting on 10 January 2018, which would fit sensibly with the budget process for 2018/19 and an introduction date for a

new scheme of 1 April 2018 (if the Council decided to introduce a new scheme).

The Head of Legal and Democratic Services has appointed South East Employers (SEE) to facilitate the work of the IRP. SEE will:-

- a) Advise on recruitment process (which would include advertisement, website notice, use of social media);
- b) Assist in shortlisting of applicants;
- c) Organising interviews to select Panel members;
- d) Carry out a survey of Members as part of the evidence-gathering process;
- e) Train the Panel and co-ordinate the meetings of the Panel;
- f) Chair the Panel;
- g) Prepare a final report for approval by the Panel.

SEE has recommended that a panel of three would be an appropriate size. Their consultant (who has undertaken and led on a number of reviews across Hampshire) would be one of the Panel members, and a recruitment process used to appoint two others.

An advertisement seeking Panel members has already appeared on the Council's website and communicated via the Council's social media channels. This has produced two applicants who the Head of Legal and Democratic Services considers suitable to be appointed.

In order to expedite matters, it is recommended that authority be delegated to the Head of Legal and Democratic Services, in consultation with the Leader and the Leader of the Opposition, to agree membership of the IRP.

Further details of the work of the IRP and associated timelines is set out in this report.

RECOMMENDATIONS:

1. That the Council establishes a new Independent Remuneration Panel (IRP) to act from 20 July 2017 and exercise the functions specified in Regulation 21 of the Local Authorities (Members Allowances) (England) Regulations 2003 (as amended).
2. That authority be delegated to the Head of Legal and Democratic Services, in consultation with the Leader and the Leader of the Opposition, to agree membership of the IRP.
3. That the IRP be requested to produce a report recommending a scheme of allowances and an annual index that could be applied to such a scheme for

the period of four years from April 2018, for the Council's consideration.

4. That the Council considers the report of the IRP at its meeting of 10 January 2018, decides whether (if at all) the existing scheme be amended, and in any event reviews the annual inflation allowance.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 There is a statutory requirement to undertake a periodic review of Members' Allowances (and the process in doing so is set out in statute). Adopting a Scheme which has been the subject of consideration by an independent panel balances the desirability of just and fair recompense to Members for the work they do as a councillor, with the economic demands on the Council's limited resources.

2 FINANCIAL IMPLICATIONS

- 2.1 Other than officer time in supporting the work of the Panel, the two lay members of the Panel will each be paid a fee of £200 per day (total costs therefore expected to be £800) in addition to any travel expenses. The professional advisor who will chair the Panel has agreed a fee with The Head of Legal and Democratic Services of £3,750. These costs compare favourably with previous reviews undertaken, the last having taken place in 2014 (where the equivalent costs were £4,400). There will also be some costs associated with Guildhall room hire and catering, and advertising costs.
- 2.2 Budget provision of £9,000 has been made in 2017/18 to cover these costs. Any increase to Members' Allowances as a result of recommendations from the IRP would be factored into the budget process for 2018/19.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Before a scheme of allowances for Members can be adopted, legislation defines specific processes that must be followed. The Council must also consider the report of the IRP before adopting any such scheme.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 Advertisement of the two vacancies for the Panel was undertaken from 26 May – 23 June 2017 on the Council's website and also via social media such as Twitter and Facebook. Interviews have taken place and two applicants identified who are considered to be appropriately qualified for the role.
- 6.2 Prior to the Panel meeting, an evidence-gathering exercise would follow. This would include:-

- a) a survey of all Members of the Council which would then be analysed for the Panel to consider;
- b) a survey of all Parish and Town Clerks which would then be analysed for the Panel to consider;
- c) collection of benchmark comparative data for all Hampshire Districts and Boroughs which will then be used as part of the report.

This would be undertaken by the SEEMP consultant in association with Council officers.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None

8 EQUALITY IMPACT ASSESSMENT

8.1 Applicants for the Panel member roles were asked to complete, an Equal Opportunities monitoring questionnaire. Special regard to this information was made in making recommendations for appointments.

9 RISK MANAGEMENT

Risk (Detail in this column specific risks, under each of these headings)	Mitigation	Opportunities
<i>Property</i> Not applicable		
<i>Community Support</i> Adverse comments from public if an increase in allowances is recommended.	Any increase proposed will have been recommended by an independent panel.	
<i>Timescales</i> Review not completed early enough to allow new Scheme to commence in April 2018.	SEE are experienced in dealing with IRPs and will project manage the Review to meet relevant timescales.	
<i>Project capacity</i> Insufficient capacity to carry out Review.	Appointment of SEE substantially reduces impact on officers. SEE have set aside necessary time to carry out the Review within the proposed timescales.	
<i>Financial / VfM</i> IRP recommends Scheme which exceeds budget provision.	Council has final decision on scale of allowances, and will take that decision in the context of the	

	overall budget consideration.	
<i>Legal Risk</i> of challenge to adoption of Allowances Scheme.	Adoption will follow independent assessment by IRP. Review process will have been undertaken by experienced SEE consultant.	
<i>Innovation</i> N/A		
<i>Reputation</i> Adverse comments from public if an increase in allowances is recommended.	Any increase proposed will have been recommended by an independent panel.	
<i>Other</i> N/A		

10 SUPPORTING INFORMATION:

- 10.1 As noted in Section 6 above (Consultation), an evidence-gathering exercise would take place following appointment of the Panel.
- 10.2 Following recruitment to the IRP and evidence gathering, the Panel would then meet over two days (5 and 6 September 2017 are proposed), as follows:-
- Day 1
 - Introduction for Panel, training, and initial discussions.
 - Interviews of Members in receipt of Special Responsibility Allowances, and the Chief Executive. A workshop of other Councillors could be arranged if required, as could a workshop for parish council representatives.
 - Day 2
 - Review of evidence considered, including interviews.
 - Consideration and issues for draft Report
- 10.3 The report would then be finalised in late-September 2017, before being put before The Overview and Scrutiny Committee and Cabinet in November/December 2017, for approval by full Council 10 January 2018. The Council does not have to accept the recommendations from the Panel, and could therefore leave the scheme as it is at present (although it must review the annual inflation allowance). The Council must however have regard to the recommendations if it wishes to amend the scheme.
- 10.4 This timetable would allow provision to be made in the budget as necessary, with any new Scheme operating from April 2018.

11 OTHER OPTIONS CONSIDERED AND REJECTED

- 11.1 Delay Review until 2018/19. This is an option which could be considered, but the existing Scheme does not reflect changes in Member workload/Council practice since the Boundary review, and is not therefore up to date. A new Scheme would be required in any event from April 2019 as any payment made under the existing scheme after that date would not be permissible.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CL104 – Members' Allowances – Approval of Full Scheme – 7 January 2015

Other Background Documents:-

None

APPENDICES:

None